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Post Hearing Information Pack of
BBSB International Limited

(the “**Company**”)

(Incorporated in the Cayman Islands with limited liability)

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Number of [REDACTED] : [REDACTED] Shares (subject to re-allocation)
Number of [REDACTED] : [REDACTED] Shares (subject to re-allocation and the [REDACTED])
[REDACTED] : Not more than HK\$[REDACTED] per [REDACTED] and expected to be not less than HK\$[REDACTED] per [REDACTED] (payable in full on application in Hong Kong dollars, subject to refund, plus brokerage of 1%, SFC transaction levy of 0.0027%, AFRC transaction levy of 0.00015% and Stock Exchange trading fee of 0.00565%)
Nominal value : HK\$0.01 per Share
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EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. Since this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by, and should be read in conjunction with the full text of this document. You should read the whole document before you decide to invest in the [REDACTED]. There are risks associated with any investment in the [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the section “Risk Factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

We are a civil engineering contractor in Malaysia with over 16 years of experience, specialising in providing bridge engineering services as a subcontractor for large-scale transportation infrastructure engineering projects owned or initiated by the government or government-linked companies in Malaysia. With our reputation and experience in the civil engineering industry, we strategically expanded the scope of our civil engineering works to include flood mitigation works, which share the engineering procedures as bridge engineering works.

In 2004, Datuk Tan, our executive Director, acquired a majority shareholding interest in BBSB Holdings, our principal operating subsidiary in Malaysia, which subsequently became wholly owned by Datuk Tan and Datin Pan, our Controlling Shareholders.

We were first awarded in 2008 and currently hold a CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical) in Malaysia, which is the highest grade of contractor licence under the CIDB, allowing us to undertake civil and structural works of unlimited tender/contract value. During the Track Record Period, our Group was a subcontractor in all of the projects we undertook.

Since our establishment, our Group has participated in a number of notable transportation infrastructure engineering projects in Malaysia, such as Eastern Dispersal Link, Duta-Ulu Kelang Expressway, Damansara-Shah Alam Elevated Expressway and the SUKE Highway. In 2024, we ranked the tenth largest bridge engineering subcontractor in Malaysia in terms of bridge engineering revenue, with a market share of approximately 2.5%. With our proven track record in delivering bridge engineering works of varying scales and complexity, we are well positioned to benefit from the government’s continued supportive policy in national and regional transportation infrastructure development.

OUR BUSINESS

Our services. Our business can be categorised into the following services:

- (I) **Bridge engineering works.** Our bridge engineering services primarily involve (i) the design and construction of an entire girder bridge or any one or more of its sections with various structural configurations and span across roads and rivers; and (ii) the construction of the connecting highways, roads and facilities ancillary to the girder bridge such as drainage, sewerage, lightings and signages. Where required and at the request of our customers, we offer value engineering solutions to optimise and improve their design. The construction of girder bridges typically includes multiple stages, starting from planning and design, site formation and foundation works, to the substructure installation and superstructure erection, with each stage requiring coordination of structural, civil and safety considerations. Our Group is involved in some or all of such stages in relation to the section of a bridge for which we are responsible.

SUMMARY

(II) **Flood mitigation works.** We have expanded into flood mitigation works, focusing on the design and construction of flood mitigation structural solutions to reduce flooding risks in urban and flood-prone areas. Our flood mitigation works involve similar engineering and project management processes to bridge construction, enabling us to effectively apply our existing expertise.

Please refer to the sub-section headed “Business – Our services” for further details of our services.

The following table sets out a breakdown of our revenue by the type of civil engineering works undertaken by us during the Track Record Period:

	FY2023		FY2024		6M2025	
	RM'000	%	RM'000	%	RM'000	%
Bridge engineering works (<i>Note</i>)	74,594	97.2	123,208	92.6	73,148	98.9
Flood mitigation works	2,163	2.8	9,794	7.4	838	1.1
Total revenue	76,757	100.0	133,002	100.0	73,986	100.0

Note: A typical bridge engineering project undertaken by our Group generally comprises both design and construction of the entire girder bridge or any one or more of its sections and/or the construction of the connecting highways, roads and other ancillary facilities such as drainage, sewerage, lightings and signages.

Our operations

We operate on a project-based model, sourcing opportunities through open tenders, invitations to tenders extended only to shortlisted candidates, and direct quotation requests. Only projects assessed by our management team as both technically feasible and financially sound will be proceeded to the tender or quotation submission stage. Upon receiving a contract, we will set up our project management team, engage subcontractors, and make necessary financial arrangements. Given the large scale and technical complexity of our projects, which demand precision and specialised expertise across both design and construction, we focus on project management, including overall project planning and coordination, quality assurance, and provision of holistic value engineering services to our customers.

The following table sets out the number of tenders or quotations submitted, number of projects awarded and the corresponding success rate during the Track Record Period:

	FY2023	FY2024	6M2025
Number of tenders or quotations submitted during the year/period	4	3	3
Number of successful tenders or quotations	3	–	1
Success rate (<i>approximate %</i>)	75.0	–	33.3

SUMMARY

The decline in our tender success rate from FY2023 to FY2024 was primarily due to: (i) our strategic decision to submit bids with higher profit margins as we were operating near full capacity in FY2024, which in turn reduced our competitiveness; and (ii) intensified competition for projects from our established contractor client base. For 6M2025, we successfully secured one out of three bid projects, resulting in an increase in success rate to approximately 33.3%. Please refer to the sub-section headed "Business - Our operations" for further details.

Our projects

Transportation infrastructure engineering projects are typically large-scale and complex, subject to regulatory requirements, and therefore often span several years from commencement to completion. Owing to their capital-intensive nature, these projects require substantial upfront costs and strong working capital, which in turn limits the number of projects we can undertake concurrently. Accordingly, our Group strategically focuses on securing large-scale, high-value projects that align with our financial capacity, operational expertise and long-term growth objectives. During the Track Record Period and up to the Latest Practicable Date, we successfully completed two transportation infrastructure engineering projects, with five projects ongoing as at the Latest Practicable Date.

Completed projects during the Track Record Period

Our first completed project (Project JB25) during the Track Record Period had a total contract value of approximately RM33.1 million. It involved step-in works to assist in the completion of certain outstanding portions, including mainline and associated works, site clearance, and temporary works, covering a total distance of approximately 0.66 km along the SUKE Highway. The SUKE Highway is a fully elevated tolled expressway in the Klang Valley, Malaysia, connecting Sungai Besi to Ulu Klang via a three-lane dual carriageway with multiple interchanges.

The second completed project (Project JB30) had a total contract value of RM25.0 million and involved the construction of earthworks and drainage works spanning approximately 9.6 km along the Raub Bypass, a toll-free expressway in Raub, Pahang, Malaysia which serves to direct traffic away from Raub town.

SUMMARY

Ongoing projects as at the Latest Practicable Date

As at the Latest Practicable Date, our first ongoing project (Project JB27) had an original contract sum of approximately RM232.0 million and subsequently adjusted to approximately RM233.4 million and involves the construction of road works, a section of a girder bridge, and various ancillary works at a major federal highway across Peninsular Malaysia. The highway provides a four-lane inland route that enhances north–south connectivity between central and east coast regions. The project is expected to be completed by April 2027, with approximately RM65.4 million and RM24.2 million in revenue recognised for FY2024 and 6M2025, respectively, together with approximately RM42.1 million recognised prior to FY2024, and estimated RM101.7 million to be recognised after the Track Record Period.

Our second ongoing project (Project JB28), with an original contract sum of approximately RM165.0 million, involves the design and construction of a 2.8 km girder bridge, road works, and ancillary infrastructure across the Air Tawar River, connecting a district in Selangor to a district in Perak. Expected to be completed in June 2027, the project had recognised approximately RM33.7 million and RM46.2 million in revenue for FY2024 and 6M2025, respectively, together with approximately RM7.9 million recognised prior to FY2024 and estimated RM77.2 million to be recognised after the Track Record Period.

Our third ongoing project (Project JB29), with an original contract sum of approximately RM118.0 million, involves the design and construction of the road connected to the girder bridges and the entire section of two girder bridges and various ancillary works in a rural village located in the Kulim district of Kedah. Upon completion, the bridges and their associated roads are expected to significantly enhance regional connectivity. The project is expected to be completed in November 2028, with approximately RM1.2 million, RM6.5 million and RM2.8 million in revenue recognised for FY2023, FY2024 and 6M2025, respectively, and estimated RM107.6 million to be recognised after the Track Record Period.

Our fourth ongoing project (Project JB31), with an original contract sum of approximately RM96.0 million, involves the design and construction of flood mitigation structural forms at the Kenau River in Pahang. The scope of works includes site clearance and demolition, geotechnical structures, traffic management, and environmental protection works. The project is expected to be completed in April 2027, with approximately RM2.2 million, RM9.8 million and RM0.8 million in revenue recognised for FY2023, FY2024 and 6M2025, respectively, and estimated RM83.2 million to be recognised after the Track Record Period.

Our fifth ongoing project (Project JB32), with an original contract sum of approximately RM111.2 million, involves the construction of a total of 7.035 km dual carriageway (single lane each direction) consisting of one girder bridge and other ancillary works for a route in Peninsular Malaysia. The project is expected to be completed in March 2028, with approximately RM111.2 million estimated to be recognised after the Track Record Period.

Please refer to the sub-section headed “Business – Our projects” for further details.

SUMMARY

The level of design involvement varied across our ongoing projects. For Project JB27, the customer provided the full design and our Group undertook construction only, without any design input or value engineering. For Projects JB28 and JB29, the customers provided the design briefs, and our Group provided value engineering services to propose alternative design options, upon which the construction works were subsequently carried out. For Project JB31, the customer provided a design brief while our Group was responsible for the detailed design and construction. For Project JB32, the customer provided the design, and our Group is still assessing whether any value engineering could be undertaken. For details of value engineering undertaken by our Group, please refer to the paragraphs headed “Our services – I. Design and construction of girder bridges and construction of the connecting highway, roads and ancillary facilities” in this section.

Backlog

The following table sets forth the movement in the number and value of projects which were completed or ongoing during the Track Record Period:

	FY2023		FY2024		6M2025	
	Number of projects	Contract Value (RM'000) (approx.)	Number of projects	Contract Value (RM'000) (approx.)	Number of projects	Contract Value (RM'000) (approx.)
Opening number of projects/ Opening value of backlog as at the beginning of the relevant year/period	3	408,077	5	571,150	4	443,632
Add: new project(s) secured/newly secured contract value from new project(s)	3	238,989	–	–	– ^(Note)	– ^(Note)
Add: variation orders/work instructions	N/A	226	N/A	1,482	N/A	–
Less: (projects completed)/(revenue recognised)	(1)	(76,142)	(1)	(129,000)	–	(73,986)
Ending backlog as at the end of the relevant year/period	5	571,150	4	443,632	4	369,646

Note: In July 2025, we were awarded one new project with a contract sum of approximately RM111.2 million.

OUR CUSTOMERS

During the Track Record Period, our customers mainly comprised main contractors in transportation infrastructure engineering projects in Malaysia. The owners of these projects are the federal government or government-linked companies in Malaysia.

SUMMARY

For FY2023, FY2024 and 6M2025, (i) revenue generated from our largest customer in each year/period during the Track Record Period amounted to approximately RM39.2 million, RM65.4 million and RM46.2 million, respectively, representing approximately 51.1%, 49.1% and 62.4% of our total revenue for the corresponding years/period; and (ii) the revenue generated from our five largest customers in each of FY2023 and FY2024 and our four largest customers in 6M2025 in aggregate amounted to approximately RM77.6 million, RM131.6 million and RM74.0 million, respectively, representing approximately 101.2%, 98.9% and 100.0% of our total revenue for the corresponding years/period. Bridgex is one of our major customers during the Track Record Period, which accounted for approximately 6.3%, 10.4% and 1.1% of our total revenue for FY2023, FY2024 and 6M2025, respectively. During the Track Record Period and up to June 2024, Datuk Tan, our Controlling Shareholder and executive Director, alone and/or together with his associates held in aggregate 35% equity interest in Bridgex. Since June 2024, Datuk Tan and his associates no longer hold any shares in Bridgex and Bridgex is an Independent Third Party as at the Latest Practicable Date. For details of our relationship with Bridgex, please refer to the sub-section headed “Relationship with Controlling Shareholders – The Controlling Shareholders’ previous interest in Bridgex” in this document. We have engaged in project-based collaborations with Bridgex for the joint execution of projects initiated or owned by the government or government-linked companies, both prior to and during the Track Record Period with our respective roles, responsibilities and contributions clearly delineated in the joint venture agreements.

Please refer to the sub-section headed “Business – Customers” for further details.

OUR SUBCONTRACTORS

We usually engage subcontractors to carry out labour-intensive works, such as reinforced concrete structure works, beam casting works, and road furniture works; and other works that require niche technical expertise, such as, bored piling works, soil investigation works, environmental works, earthworks and geotechnical works for which we do not maintain our own expertise due to prohibitive costs. Most of our subcontractors provide their own materials and machinery with the associated cost and machinery rental charges being factored into the overall subcontracting costs.

For FY2023, FY2024 and 6M2025, (i) we incurred subcontracting costs of approximately RM46.0 million, RM77.9 million and RM37.9 million, respectively, representing approximately 70.0%, 72.6% and 65.1% of our total cost of services for the corresponding years/period; (ii) the subcontracting costs we paid to our largest subcontractor in each year/period during the Track Record Period amounted to approximately RM16.9 million, RM19.0 million and RM5.9 million, respectively, representing approximately 25.6%, 17.7% and 10.2% of our total cost of services for the corresponding years/period; and (iii) the subcontracting costs we paid to our five largest subcontractors in each year/period during the Track Record Period amounted to approximately RM35.5 million, RM48.4 million and RM24.1 million, respectively, representing approximately 54.0%, 45.1% and 41.5% of our total cost of services for the corresponding years/period. Please refer to the sub-section headed “Business – Subcontractors” for further details.

OUR SUPPLIERS

Our suppliers primarily include (i) suppliers of construction materials such as cement, ready mixed concrete and steel bars; and (ii) machinery rental service providers. For FY2023, FY2024 and 6M2025, (i) purchase by our Group from our largest supplier in each year/period during the Track Record Period amounted to approximately RM2.1 million, RM4.2 million and RM5.2 million, respectively, representing approximately 3.2%, 3.9% and 9.0% of our total cost of services for the corresponding years/period; and (ii) total purchase by our Group from our five largest suppliers in each year/period during the Track Record Period amounted to approximately RM3.1 million, RM10.9 million and RM9.9 million, respectively, representing approximately 4.7%, 10.1% and 17.0% of our total cost of services for the corresponding years/period. Please refer to the sub-section headed “Business – Suppliers” for further details.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION

The following table sets forth a summary of our consolidated financial information during the Track Record Period, which has been extracted from the Accountants’ Report as set out in Appendix I to this document, including the notes thereto.

SUMMARY

Selected information extracted from the combined statements of profit or loss and other comprehensive income

	FY2023 <i>RM'000</i>	FY2024 <i>RM'000</i>	6M2024 <i>RM'000</i> (Unaudited)	6M2025 <i>RM'000</i>
Revenue	76,757	133,002	69,786	73,986
Other income and gains/(losses), net	1,822	2,362	1,492	1,310
(Loss)/profit before income tax	(13,098)	33,273	14,387	5,943
(Loss)/profit and total comprehensive income for the year/period attributable to owners of the Company	(14,460)	26,189	12,112	3,201

During the Track Record Period, all our revenue was derived from bridge engineering projects and a flood mitigation project. We recorded revenue of approximately RM76.8 million and RM133.0 million for FY2023 and FY2024, respectively, representing an increase of approximately 73.2% from FY2023 to FY2024. Such increase was primarily attributable to the increase in revenue recognised from our projects, in particular, Project JB27 and Project JB28, which was partially offset by the decrease in revenue recognised from Project JB25. Our total revenue increased from approximately RM69.8 million in 6M2024 to approximately RM74.0 million in 6M2025, which was mainly attributable to the increase in revenue recognised from Project JB28, which was partially offset by the decrease in revenue recognised from (i) Project JB30, which was completed in June 2024; (ii) Project JB27, mainly attributable to the unexpected progress delay; and (iii) Project JB31, which commenced in November 2023, during the period.

Our net loss of approximately RM14.5 million for FY2023 has turned around to a net profit of approximately RM26.2 million for FY2024, primarily attributable to the increase in revenue and gross profit, and the net reversal of impairment losses recognised during the year. Our Group recorded a net profit margin of approximately 19.7% for FY2024. Our net profit decreased from approximately RM12.1 million in 6M2024 to approximately RM3.2 million in 6M2025, which was mainly attributable to the combined effects of (i) the absence of net reversal of impairment losses recognised for 6M2025; and (ii) the [REDACTED] expenses incurred for 6M2025, which were partially offset by the increase in our revenue and gross profit during the period.

As the duration of our projects (from the date of engagement to the date of completion) typically ranges from one to five years, our revenue generated during the Track Record Period was mainly derived from ongoing projects. Given the long duration of our projects, the fluctuation in our revenue and thus profitability is mainly a result of the combined effect of varying progress of different mix of the ongoing projects during the Track Record Period.

Please refer to the sub-section headed “Financial Information – Description of selected items of our combined statements of profit or loss and other comprehensive income” for further details.

SUMMARY

Selected information extracted from the combined statements of financial position

	As at 31 December		As at 30 June
	2023	2024	2025
	RM'000	RM'000	RM'000
Non-current assets	15,871	14,706	12,453
Current assets	97,701	94,338	101,593
Non-current liabilities	4,356	4,856	4,617
Current liabilities	45,605	50,388	52,428
Net current assets	52,096	43,950	49,165
Total assets less current liabilities	67,967	58,656	61,618
Net assets	63,611	53,800	57,001

Our net current assets decreased from approximately RM52.1 million as at 31 December 2023 to approximately RM44.0 million as at 31 December 2024. Such decrease was primarily attributable to (i) the decrease in contract assets of approximately RM15.6 million; and (ii) the increase in trade payables, accruals and other payables of approximately RM5.9 million, which were partially offset by (i) the increase in trade receivables, prepayments and other receivables of approximately RM12.1 million; and (ii) the decrease in borrowings, secured of approximately RM5.8 million. Our net current assets increased from approximately RM44.0 million as at 31 December 2024 to approximately RM49.2 million as at 30 June 2025. Such increase was primarily attributable to combined effects of the increase in contract assets of approximately RM36.4 million, which was partially offset by (i) the decrease in trade receivables, prepayments and other receivables of approximately RM23.6 million; (ii) the decrease in cash and bank balances of approximately RM5.6 million; (iii) the increase in contract liabilities of approximately RM1.7 million; and (iv) the increase in current tax liabilities of approximately RM0.9 million.

Our net assets decreased from approximately RM63.6 million as at 31 December 2023 to approximately RM53.8 million as at 31 December 2024. Such decrease was attributable to profit and total comprehensive income recorded for FY2024 of approximately RM26.2 million, offset by dividend declared and approved during FY2024 in respect of FY2023 of approximately RM10.0 million (being part of the total dividends in respect of FY2023 of RM20.0 million) and dividend declared and approved in respect of FY2024 of approximately RM26.0 million. As at 30 June 2025, our net assets increased to approximately RM57.0 million, which was primarily driven by the profit for 6M2025.

Please refer to the sub-section headed “Financial Information – Net current assets and selected items of combined statements of financial position” for further details.

SUMMARY

Selected information extracted from the combined statements of cash flows

	FY2023	FY2024	6M2024	6M2025
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
			(Unaudited)	
Cash and cash equivalents at the beginning of the year	135	(483)	(483)	15,328
Net cash generated from/(used in) operating activities	8,543	49,507	18,335	(3,480)
Net cash (used in)/generated from investing activities	(1,911)	10,331	(77)	(383)
Net cash used in financing activities	(7,250)	(44,027)	(16,353)	(2,379)
Net (decrease)/increase in cash and cash equivalents	<u>(618)</u>	<u>15,811</u>	<u>1,905</u>	<u>(6,242)</u>
Cash and cash equivalents at the end of the year/period	<u><u>(483)</u></u>	<u><u>15,328</u></u>	<u><u>1,422</u></u>	<u><u>9,086</u></u>

For FY2023, the negative cash and cash equivalents were primarily due to a lower amount of net cash generated from operating activities of approximately RM8.5 million, based on our loss before tax of approximately RM13.1 million, adjusted for, among others, provision for impairment losses. Additionally, net cash used in investing activities was approximately RM1.9 million, mainly due to deposit pledged to licensed banks and purchases of property, plant and equipment. Financing activities contributed a cash outflow of approximately RM7.3 million, mainly driven by dividend payment and repayment of borrowings. For 6M2025, our Group reported a net cash outflow from operating activities of approximately RM3.5 million, which was mainly due to the combined effects of (i) the increase in contract assets to approximately RM36.7 million, mainly attributable to the increase in our unbilled revenue and retention receivables; (ii) the decrease in trade receivables, prepayments and other receivables to approximately RM27.5 million, mainly attributable to the decrease in contract assets being certified by customers and transferred to trade receivables, primarily arisen from Project JB27 and Project JB28, as the customers adopted a more prudent approach to conduct conservative assessments of the significant work completed by our Group during the main execution phase of the projects, which require extended time to provide certifications; and (iii) income tax paid of approximately RM1.9 million.

Please refer to the sub-section headed “Financial Information – Liquidity and capital resources” for further details.

SUMMARY

KEY FINANCIAL RATIOS

	As at or for the year ended 31 December		As at or for the six months ended 30 June
	2023	2024	2025
Gross profit margin	14.3%	19.3%	21.4%
Net profit margin	(18.8)%	19.7%	4.3%
Return on equity	(22.9)%	48.7%	5.6%
Return on total assets	(12.7)%	24.0%	2.8%
Current ratio	2.1 times	1.9 times	1.9 times
Gearing ratio	19.1%	12.4%	10.8%
Net debt to equity ratio	Net cash	Net cash	Net cash
Interest coverage	N/A	79.7 times	55.5 times

For details of the calculation basis, please refer to the sub-section headed “Financial Information – Summary of key financial ratios” in this document.

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] or the exercise of any options which may be granted under the Share Option Scheme), Datuk Tan and Datin Pan will, through BBSB Overseas, collectively hold [REDACTED]% of our Company’s total issued share capital. Accordingly, Datuk Tan, Datin Pan and BBSB Overseas will constitute a group of Controlling Shareholders under the GEM Listing Rules upon the [REDACTED]. Please refer to the section headed “Relationship with Controlling Shareholders” for further details.

DIVIDEND

Our Group declared dividends of RM20.0 million and RM26.0 million for FY2023 and FY2024, respectively, which had been settled in full during the Track Record Period. No dividend or distribution has been declared or paid by our Group for 6M2025. In November 2025, our Group declared dividend of RM5.0 million, which has been settled in full in cash. The declaration and payment of dividends during the Track Record Period or in the past should not be considered as a guarantee or indication that we will declare and pay dividends in such manner in the future, or will declare and pay any dividends in the future at all. We do not have any formal dividend policy or predetermined dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under Cayman Islands law, and will depend on our actual and expected results of operations, cash flow and financial condition, general business conditions and business strategies, expected working capital requirements and future expansion plans, applicable legal and regulatory requirements, contractual restrictions, and any other factors which our Directors consider relevant. It is also subject to the approval of our Shareholders, the Companies Act, the Articles of Association as well as any applicable laws.

In particular, subject to a solvency test, as prescribed in the Cayman Companies Act, and the provisions of the Articles of Association of our Company, we may pay dividends and distributions out of our share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits. For a summary of the provisions on declaration and payment of dividends under our Memorandum and Articles of Association, please refer to the paragraphs headed “Summary of the Constitution of the Company and Cayman Islands Company Law – 2. Articles of Association – (f) Dividends and other methods of distribution” in Appendix IV to this document.

SUMMARY

The above shall in no way constitute a legal and binding commitment by our Company that any dividend will be paid and/or in no way obligate our Company to declare a dividend at any time or from time to time.

[REDACTED] STATISTICS

[REDACTED]	:	[REDACTED] of the enlarged issued share capital of our Company
[REDACTED]	:	HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED]
Number of [REDACTED]	:	[REDACTED] Shares (subject to the [REDACTED])
Number of [REDACTED]	:	[REDACTED] Shares (subject to re-allocation)
Number of [REDACTED]	:	[REDACTED] Shares (subject to re-allocation and the [REDACTED])

	Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (low-end)	Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED] (high-end)
Market capitalisation of our Shares ⁽¹⁾	HK\$[REDACTED]	HK\$[REDACTED]
Unaudited [REDACTED] adjusted combined net tangible assets attributable to owners of our Company per Share ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	HK\$[REDACTED]	HK\$[REDACTED]

Notes:

- (1) The calculation of market capitalisation of the Shares is based on [REDACTED] Shares in issue immediately after completion of the Capitalisation Issue and the [REDACTED].
- (2) Please refer to Appendix II to this document for details.
- (3) All statistics in this table are based on the assumption that the [REDACTED] is not exercised and without taking into account any Shares that may be allotted or issued pursuant to the exercise of any option which may be granted under the Share Option Scheme.
- (4) There were no material events subsequent to 30 June 2025.
- (5) No adjustment has been made to the unaudited [REDACTED] adjusted combined net tangible assets as at 30 June 2025 to reflect any trading results or other transactions of our Group entered into subsequent to 30 June 2025. Accordingly, the unaudited [REDACTED] combined net tangible assets per Share have not been adjusted to illustrate the effect of the interim dividend declared by us in November 2025. With such interim dividend declared on 17 November 2025, the unaudited [REDACTED] combined net tangible assets per Share would have been decreased by HK\$[REDACTED].

SUMMARY

FUTURE PLANS AND USE OF [REDACTED]

It is our business strategies to further consolidate our position as an established contractor in the provision of bridge engineering services for transportation infrastructure engineering projects in Malaysia and to continue to expand the scope of our civil engineering services to other segments such as flood mitigation works, primarily by (i) competing for more upcoming large-scale transportation infrastructure engineering projects and flood mitigation projects in both Peninsular Malaysia and East Malaysia; (ii) expansion of workforce to support growth across all regions; and (iii) upgrading and digitising our Group’s information systems and internal processes.

Assuming the [REDACTED] is not exercised and based on the [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] per [REDACTED] to HK\$[REDACTED] per [REDACTED], we will receive gross [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]). The net [REDACTED] from the [REDACTED] are estimated to be approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]), after deducting the [REDACTED] commission and other estimated expenses payable by our Company in relation to the [REDACTED] and assuming the [REDACTED] is not exercised. We intend to apply such net [REDACTED] from the [REDACTED] in the following manner in order to execute our business strategies:

	Approximate amount of net [REDACTED]	Intended applications	Expected timing of full utilisation <i>For the six months ending</i>
1.	Approximately [REDACTED]%, or RM[REDACTED] million (equivalent to approximately HK\$[REDACTED] million)	To strengthen our financial position to pay for the upfront costs of our potential projects	30 June 2026
2.	Approximately [REDACTED]%, or RM[REDACTED] million (equivalent to approximately HK\$[REDACTED] million)	For expansion of workforce to support growth across all regions	31 December 2027
3.	Approximately [REDACTED]%, or RM[REDACTED] million (equivalent to approximately HK\$[REDACTED] million)	To upgrade and digitise our Group’s information systems and internal processes	30 June 2027
4.	Approximately [REDACTED]%, or RM[REDACTED] million (equivalent to approximately HK\$[REDACTED] million)	General working capital	30 June 2026

For details of the [REDACTED] from the [REDACTED], please refer to the section headed “Future Plans and [REDACTED]”

SUMMARY

[REDACTED] EXPENSES

The total [REDACTED] fees in relation to the [REDACTED], primarily consisting of fees paid or payable to professional parties and [REDACTED] fees and commissions, are estimated to be approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]), assuming the [REDACTED] is not exercised and based on the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] per [REDACTED] and [REDACTED], representing approximately [REDACTED]% of the gross [REDACTED] from the [REDACTED]. Such total estimated [REDACTED] fees consist of (i) [REDACTED]-related expenses (including but not limited to commissions and fee) of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]); and (ii) non-[REDACTED] expenses of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) (including fees and expenses of legal advisers and reporting accountants of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) and other fees and expenses of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED])). Among the estimated total [REDACTED] fees, (i) approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) is expected to be accounted for as a deduction from equity upon [REDACTED]; and (ii) approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) is expected to be recognised as expenses in our combined statements of profit or loss and other comprehensive income for FY2025, of which approximately RM[REDACTED] was recognised in 6M2025.

COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, we have been in compliance in all material respects with the applicable laws and regulations in Malaysia where we operate business and have obtained all necessary approvals, permits, licences and certificates that are material to our business operations from the relevant government authorities.

COMPETITIVE LANDSCAPE OF MALAYSIA’S BRIDGE ENGINEERING INDUSTRY

According to CIC, in Malaysia’s bridge engineering industry, contractors are required to obtain a Contractor Registration Certificate issued by the CIDB, which adopts a seven-tier classification system from G1 to G7. As at 31 December 2024, approximately 2,000 companies in Malaysia’s bridge engineering sector had been certified at the highest G7 grade. Despite the large number of certified firms, fewer than 30 bridge engineering subcontractors in Malaysia were actively engaged in bridge engineering projects as at the end of 2024. The bridge engineering and transportation infrastructure engineering markets under the civil engineering industry in Malaysia are relatively scattered. In the bridge engineering market, subcontractors play a crucial role in Malaysia. The market size of Malaysia’s bridge engineering in terms of subcontractor’s revenue reached RM4.9 billion in 2024. In 2024, our Company ranked the tenth largest bridge engineering subcontractor in Malaysia in terms of bridge engineering revenue, with its revenue amounted to approximately RM123.2 million with the market share of approximately 2.5%.

OUR COMPETITIVE STRENGTHS

Our Directors believe that the following competitive strengths enable us to maintain our position in the industry in which we operate: (i) we have proven track record in the transportation infrastructure engineering market in Malaysia; (ii) we provide holistic value engineering solutions to our customers; (iii) our management team possesses in-depth industry experience and knowledge; (iv) we are committed to upholding safety and eco-friendliness in undertaking our projects; and (v) we maintain long-term and stable business relationships with our major customers, suppliers and subcontractors. Please refer to the sub-section headed “Business – Competitive strengths” in this document for further details.

SUMMARY

RISK FACTORS

There are certain risks involved in our business and operations. These risks can be classified into (i) risks relating to our business; (ii) risks relating to our operations in Malaysia; (iii) risks relating to the [REDACTED] and our Shares; and (iv) risks relating to the statements in this document.

We believe that the following are some of the major risks relating to our business: (i) we derived all our revenue during the Track Record Period from a limited number of projects awarded by our major customers and any significant reduction in the number or scale of projects awarded by these customers may materially and adversely affect our financial performance; (ii) we rely heavily on the availability of transportation infrastructure engineering projects in Malaysia and any reduction in such projects in Malaysia would materially and adversely affect our operations and financial results; (iii) we need to maintain our competitiveness in the tendering or quotation process and any failure of our Group to secure new contracts would affect our operations and financial results; (iv) our financial performance could be materially and adversely affected if there is any significant error in estimating our project costs and progress; (v) we may be subject to claims if we fail to complete our projects on a reliable and timely basis, which could adversely affect our reputation and financial performance; (vi) our customers typically make progress payments and may require retention monies, performance bonds or performance guarantee, which, together with insurance premiums payable by us, necessitate adequate working capital and cash flow; and any significant mismatch in timing between outgoing payment and receipt of payment from our customers, or failure by our customers to release our retention monies, performance bonds and/or performance guarantee on time and in full, which may occur due to, for instance, the inferior quality of our or our subcontractors’ works in a project, may adversely affect our cash flow; (vii) revenue recognised by our Group may be subsequently reversed, which would adversely affect our financial performance; (viii) our insurance policies may not fully cover all potential losses, damages or liabilities arising from our business operations (including but not limited to inferior quality of our works or our subcontractors’ works leading to the partial or full loss of our retention monies, performance bonds and/or performance guarantee) or properties and our insurance premium may increase from time to time.

Please refer to the section headed “Risk Factors” for further details. Prospective investors should read the entire section before deciding to invest in the [REDACTED].

RECENT DEVELOPMENTS AND NO MATERIAL ADVERSE CHANGE

In July 2025, we were awarded one new project with a contract sum of approximately RM111.2 million. As at the Latest Practicable Date, there were five potential projects which our Group tendered/submitted quotation for but the outcome of which remained pending. Our Directors estimate that the total aggregate contract value for these five potential projects under consideration is approximately RM1.6 billion.

Prospective investors should also be informed that the financial performance of our Group for FY2025 is expected to be adversely affected by the estimated non-recurring [REDACTED] expenses mentioned in the sub-section headed “Financial Information – [REDACTED] expenses”, and may not be comparable to the financial performance of our Group in FY2023 and FY2024. We also expect a significant decrease in net profit for FY2025 compared to FY2024, which is mainly attributable to the combined effects of (i) the expected absence of net reversal of impairment losses recognised for FY2025; and (ii) the [REDACTED] expenses expected to be incurred for FY2025.

Our Directors confirmed that after the Track Record Period and up to the date of this document, (i) our business operations and business model had not experienced any material changes; (ii) there had been no material adverse change in the market conditions or the industry and environment in which our Group operates; (iii) there had been no material adverse change in the trading and financial position or prospects of our Group; and (iv) no event had occurred that would materially and adversely affect the information shown in the Accountants’ Report set out in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed “Glossary of Technical Terms” in this document.

“6M2024”	the six months ended 30 June 2024
“6M2025”	the six months ended 30 June 2025
“affiliate(s)”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	the Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the amended and restated articles of association of our Company, adopted on 16 December 2025 and effective from the [REDACTED], a summary of which is set forth in the section headed “Summary of the Constitution of the Company and Cayman Islands Company Law” in Appendix IV to this document, or where the context requires, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“BBSB (HK)”	BBSB (HK) Pte Ltd, a company incorporated in the BVI on 6 June 2025 with limited liability and a direct wholly-owned subsidiary of our Company
“BBSB Holdings”	BBSB Holdings Sdn. Bhd. (formerly known as Precast Engineering Sdn. Bhd. and Bridgex Bina Sdn. Bhd.), a private company limited by shares incorporated in Malaysia on 16 January 2001, and an indirect wholly-owned subsidiary of our Company
“BBSB Overseas”	BBSB Overseas Private Ltd, a company incorporated in the BVI on 27 May 2025 with limited liability and is owned as to 70% and 30% by Datuk Tan and Datin Pan, respectively, and is one of our Controlling Shareholders
“Board”	our board of Directors
“Bridgex”	Bridgex Sdn. Bhd. (formerly known as Layar Inovatif (M) Sdn. Bhd.), a private company limited by shares incorporated in Malaysia on 8 April 1993; as at the Latest Practicable Date, Bridgex and its shareholders were Independent Third Parties

DEFINITIONS

“business day(s)” any day(s) (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are normally open for business

“BVI” British Virgin Islands

[REDACTED]

“Capitalisation Issue” the allotment and issue of **[REDACTED]** Shares to be made upon capitalisation of certain sums standing to the credit of our share premium account as referred to in the paragraphs headed “Statutory and General Information – A. Further information about our Company – 3. Written resolutions of our sole Shareholder” in Appendix V to this document

“CCASS” the Central Clearing and Settlement System established and operated by HKSCC

“CIC” China Insights Industry Consultancy Limited, a market data research and consulting company and an independent third party of our Group

“CIC Report” a market research report commissioned by us and prepared by CIC on the overview of the industry in which we operate, as referred to in the section headed “Industry Overview” of this document and elsewhere in this document

“close associate(s)” has the meaning ascribed thereto under the GEM Listing Rules

[REDACTED]

“Companies Act” or “Cayman Companies Act” the Companies Act (As Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time

“Companies Ordinance” the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Companies (Winding Up and Miscellaneous Provisions) Ordinance” the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Company”, “the Company” or “our Company”	BBSB International Limited, an exempted company incorporated in the Cayman Islands with limited liability on 30 May 2025
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“connected transaction(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules, and unless the context otherwise requires, refers to Datuk Tan, Datin Pan and BBSB Overseas as at the date of this document
“core connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules
“Datin Pan”	Pan Shao-Ping, a Controlling Shareholder, the spouse of Datuk Tan and the mother of each of Mr. Andy Tan and Ms. Tan Xin Yi
“Datuk Tan”	Tan Chin Nyan, a Controlling Shareholder, an executive Director, the spouse of Datin Pan and the father of each of Mr. Andy Tan and Ms. Tan Xin Yi
“Deed of Indemnity”	the deed of indemnity dated 24 December 2025 and entered into by our Controlling Shareholders in favour of our Company, the particulars of which are set out in the paragraphs headed “Statutory and General Information – E. Other information – 1. Tax and other indemnities” in Appendix V to this document
“Designated Bank”	a bank that has been registered as a designated bank with HKSCC to perform [REDACTED] services
“Director(s)”	the director(s) of our Company
“East Malaysia”	the States of Sabah and Sarawak and the Federal Territory of Labuan
	[REDACTED]
“ESG”	environmental, social and governance

DEFINITIONS

[REDACTED]

“Extreme Conditions”	the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“FY2023”	the financial year ended 31 December 2023
“FY2024”	the financial year ended 31 December 2024
“FY2025”	the financial year ended 31 December 2025
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“General Rules of HKSCC”	the General Rules of HKSCC and as may be amended, supplemented or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”, “our Group”, “we”, “our” or “us”	our Company and its subsidiaries at the relevant time or, where the context refers to any time prior to our Company becoming the holding company of our present subsidiaries, such subsidiaries and the business carried on by such subsidiaries or (as the case maybe) our predecessors, and “we”, “our” or “us” shall be construed accordingly

DEFINITIONS

[REDACTED]

“HKSCC”

Hong Kong Securities Clearing Company Limited

[REDACTED]

“HKSCC Nominees”

HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC

[REDACTED]

“Hong Kong”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

“Independent Third Party(ies)”

an entity or person who, as far as our Directors are aware after having made all reasonable enquiries, is not a connected person of our Company or an associate of any such person within the meanings ascribed thereto under the GEM Listing Rules

[REDACTED]

DEFINITIONS

“Latest Practicable Date” 21 December 2025, being the latest practicable date prior to the printing of this document for ascertaining certain information in this document

[REDACTED]

“Malaysia Legal Advisers” David Lai & Tan, the legal advisers to our Company as to Malaysia law

“Memorandum” or “Memorandum of Association” the amended and restated memorandum of association of our Company adopted on 16 December 2025 and effective from the [REDACTED] or where the context requires, as amended, supplemented or otherwise modified from time to time

“Mr. Andy Tan” Tan Tze Tung, an executive Director and the son of Datuk Tan and Datin Pan

[REDACTED]

DEFINITIONS

[REDACTED]

“PRC”

the People’s Republic of China and, except where the context otherwise requires and for the purpose of this document only, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

[REDACTED]

“Property Valuation Report”

the property valuation report in relation to the property interest of our Group in respect of our property situated at No. 5, Jalan Tropika Melawati 2, Taman Tropika Melawati, 53100 Hulu Kelang, Selangor, Malaysia issued by CBRE WTW Valuation & Advisory Sdn Bhd, an independent valuer, the text of which is set forth in Appendix III to this document

DEFINITIONS

[REDACTED]

“Reorganisation”	the reorganisation arrangements undertaken by our Group in preparation for the [REDACTED], which are described in more details in the section headed “History, Reorganisation and Corporate Structure” in this document
“Repurchase Mandate”	the general unconditional mandate to repurchase Shares given to our Directors by our Shareholders, particulars of which are set forth in the paragraphs headed “Statutory and General Information – A. Further information about our Company – 3. Written resolutions of our sole Shareholder” in Appendix V to this document
“RM” or “Malaysian ringgit”	Malaysian ringgit, the lawful currency of Malaysia
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)” ordinary share(s) in the share capital of our Company with a nominal value of HK\$0.01 each

[REDACTED]

“Share Option Scheme” the share option scheme of our Company conditionally adopted on 16 December 2025, the principal terms of which are summarised in the sub-section headed “Statutory and General Information – D. Share Option Scheme” in Appendix V to this document

“Shareholder(s)” holder(s) of Share(s)

[REDACTED]

“Sole Sponsor” Lego Corporate Finance Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activity under the SFO, being the sole sponsor of the [REDACTED]

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning ascribed thereto under the GEM Listing Rules

“substantial shareholder(s)” has the meaning ascribed thereto under the GEM Listing Rules

“Takeovers Code” the Codes on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time

“Track Record Period” the period comprising the two financial years ended 31 December 2024 and the six months ended 30 June 2025

[REDACTED]

“US\$” or “USD” United States dollars, the lawful currency of the United States

“U.S.” or “United States” the United States of America

“U.S. Securities Act” the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

“%” per cent.

DEFINITIONS

In this document, unless the context otherwise requires, the terms “associate”, “close associate”, “connected person”, “connected transaction”, “core connected person”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the GEM Listing Rules.

Unless otherwise specified, all references to any shareholdings in our Company do not take into account any Shares which may be issued and allotted upon the exercise of any options which may be granted under the Share Option Scheme.

If there is any inconsistency between the English version of this document and the Chinese translation of this document, the English version of this document shall prevail.

GLOSSARY OF TECHNICAL TERMS

This glossary contains explanations of certain terms used in this document. These terms and their meanings may or may not correspond to standard industry meanings or usage of these terms.

“bridge”	a structure that provides passage over an obstacle(s), built either at ground level or elevated above it or obstacle, depending on terrain and functional needs
“CAGR”	compound annual growth rate
“CIDB”	the Construction Industry Development Board of Malaysia
“GDP”	gross domestic product
“girder bridge”	a girder bridge is a structural bridge type comprising load-bearing components, such as I-beams, T-beams and box girders, which support and transfer loading from above
“government-linked company”	a company where the Malaysian government has a direct or indirect controlling stake
“ISO”	the International Organisation for Standardisation, a non-government organisation based in Geneva, Switzerland, for assessing the quality systems of business organisations
“ISO 9001”	an internationally recognised standard set by ISO for quality management, which helps organisations of all sizes and sectors to improve their performance, meet customer expectations and demonstrate their commitment to quality. It prescribes requirements for how to establish, implement, maintain, and continually improve a quality management system
“IT”	information technology
“SPKK”	a certificate issued by the CIDB known as the Sijil Perolehan Kerja Kerajaan or the Certificate of Government Procurement Works whereby construction companies which hold the certificate are able to participate in any government projects, based on their eligibility and qualification
“STB”	Bumiputera Work Contractor Status Certificate or “sijil taraf bumiputera kontraktor kerja”
“Suke Highway”	the Sungai Besi-Ulu Klang Elevated Expressway, which begins in Selangor and ends at Kuala Lumpur
“variation orders”	additional works, cancellations or changes requested by the customer to specifications not included in the original contract
“West Malaysia” or “Peninsular Malaysia”	the States of Johor, Kedah, Kelantan, Malacca, Negeri Sembilan, Pahang, Penang, Perak, Perlis, Selangor and Terengganu and the Federal Territories of Kuala Lumpur and Putrajaya

FORWARD-LOOKING STATEMENTS

This document contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, belief, expectations or intentions for the future, and actual results or outcomes may differ materially from those expressed or implied. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. Forward-looking statements typically can be identified by the use of words such as “aim”, “anticipate”, “believe”, “can”, “consider”, “continue”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “project”, “propose”, “seek”, “should”, “will”, “would” and other similar terms. Even though these statements have been made by our Directors after due and careful consideration and on bases and assumptions fair and reasonable at the time, they nevertheless involve known and unknown risks, uncertainties and other factors which may cause our Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements include, but are not limited to, statements relating to:

- our business and operating strategies and the various measures we use to implement such strategies;
- our dividend distribution plans;
- our planned use of [REDACTED];
- our operations, business and financial prospects, including development plans for our business and future cashflows;
- our capital commitment plans;
- our future debt levels and capital needs;
- the future developments and competitive environment of the industry and markets in which we operate;
- the regulatory environment as well as the general industry outlook for the industry in which we operate;
- relationships with parties we contract and collaborate with to conduct our business;
- risks identified under the section headed “Risk Factors” in this document;
- general economic trends; and
- other statements in this document that are not historical facts.

Such statements reflect the current views of our management with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this document. Please refer to the sections headed “Risk Factors”, “Business” and “Financial Information” in this document for more details.

FORWARD-LOOKING STATEMENTS

Should one or more of these risks or uncertainties materialise, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from the goals we have expressed or implied in these forward-looking statements. Since we operate in an evolving environment where new risks and uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events.

Except as required by applicable laws and regulations, including the GEM Listing Rules, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should not place undue reliance on any forward-looking statements.

In this document, statements of or references to the intentions of our Company or those of any of our Directors are made as at the date of this document. Any such intentions may change in light of future developments.

INFORMATION ABOUT THIS DOCUMENT AND THIS [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THIS [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THIS [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THIS [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THIS [REDACTED]

[REDACTED]

RISK FACTORS

[REDACTED] should consider carefully all of the information set forth in this document and, in particular, should consider the following risks and special considerations in connection with an [REDACTED] in our Company before making any [REDACTED] decision in relation to the [REDACTED]. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial condition and future prospects of our Group. This document contains certain forward-looking statements regarding our plans, objectives, expectations, and intentions which involve risks and uncertainties. Our Group’s actual results could differ materially from those discussed in this document. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this document. The [REDACTED] of the [REDACTED] could decline due to any of these risks and you may lose all or part of your investment.

We believe that there are certain risks involved in our business and operations. These risks can be classified into: (i) risks relating to our business; (ii) risks relating to our operations in Malaysia; (iii) risks relating to the [REDACTED] and our Shares; and (iv) risks relating to the statements in this document.

RISKS RELATING TO OUR BUSINESS

We derived all our revenue during the Track Record Period from a limited number of projects awarded by our major customers and any significant reduction in the number or scale of projects awarded by these customers may materially and adversely affect our financial performance.

During the Track Record Period, all our revenue was derived from bridge engineering works and flood mitigation works undertaken by our Group, all of which were owned or initiated by the federal government or government-linked companies in Malaysia. These projects are typically large-scale and capital-intensive, which constrain our capability to undertake multiple projects concurrently. Moreover, these projects are generally awarded through a lengthy and competitive tendering or quotation process. According to the CIC Report, given the capital-intensive and long-term nature of such projects, it is standard industry practice for contractors to focus on a limited number of concurrent engagements, each of which may contribute a material portion of annual revenue. As a result, our revenue was significantly concentrated among a limited number of customers during the Track Record Period. Revenue from our largest customer in each year/period during the Track Record Period accounted for approximately 51.1%, 49.1% and 62.4% of our total revenue for FY2023, FY2024 and 6M2025, respectively; and the aggregate revenue contribution from our five largest customers for FY2023 and FY2024 and our four largest customers for 6M2025 accounted for approximately 101.2%, 98.9% and 100.0% of our total revenue for the respective years/period. The percentage for FY2023 exceeded 100% due to the reversal of approximately RM2.1 million in revenue recognised prior to the Track Record Period. For more information about our customer concentration, please refer to the paragraphs headed “Business – Customers – Customer concentration”.

Our contracts for all bridge engineering works in transportation infrastructure engineering projects or flood mitigation works are typically non-exclusive and entered into on a project-by-project basis. As such, there is no assurance that we will be able to secure new projects or that our customers will maintain their current level of business with us in the future. If, upon completion of the current projects, there is a significant decrease in the number or scale of new projects in terms of contract sums awarded by our major customers, and we are unable to obtain projects of a comparable scale as replacement from other customers, our financial condition and operating results will be materially and adversely affected.

RISK FACTORS

We rely heavily on the availability of transportation infrastructure engineering projects in Malaysia and any reduction in such projects in Malaysia would materially and adversely affect our operations and financial results

We have historically relied on and will continue to focus on the provision of bridge engineering services for transportation infrastructure engineering projects in Malaysia, most of which are owned or initiated by the government or government-linked companies in Malaysia. These projects are finite in number and may be reduced if the government in Malaysia reduces its expenditure on infrastructure developments. Of the seven projects undertaken by our Group during the Track Record Period and up to the Latest Practicable Date, six were bridge engineering projects. Our revenue attributable to bridge engineering works amounted to approximately RM74.6 million, RM123.2 million and RM73.1 million for FY2023, FY2024 and 6M2025, respectively, representing approximately 97.2%, 92.6% and 98.9% of our total revenue for the respective years/period.

According to the CIC Report, the nature, extent, timing and availability of transportation infrastructure engineering projects in Malaysia is generally determined, by the interplay of a variety of factors including, but not limited to, the government’s policies for enhancing the nation’s transportation infrastructure development, Malaysia’s urbanisation process which would affect the demand for bridges connecting cities and suburban areas, Malaysia’s topographical characteristics, the tourism sector’s infrastructure needs and the advancement of bridge engineering techniques, etc. Any adverse change affecting these factors may lead to a reduction in the number of available transportation infrastructure engineering projects in Malaysia, which would, in turn materially and adversely affect our business, financial condition and results of operations.

We need to maintain our competitiveness in the tendering or quotation process and any failure of our Group to secure new contracts would affect our operations and financial results

During the Track Record Period and up to the Latest Practicable Date, our revenue was primarily derived from contracts awarded through competitive tendering or quotation process, which are not recurring in nature. Our tender and quotation success rate for FY2023, FY2024 and 6M2025 was approximately 75%, nil and 33%, respectively. There is no assurance that (i) we will continue to be invited to participate in or be informed of the tendering/quotation opportunities for new projects; (ii) the terms and conditions of the new contracts will be comparable to those of our existing contracts; and (iii) our tenders or quotations would be selected by our customers in the future. Our ability to maintain competitiveness in the tendering or quotation process depends on multiple factors, including the quality of our management, technical capabilities, financial strength, industry reputation, compliance with applicable regulations, and the commercial terms we offer. Failure to maintain our competitiveness in any of these areas, or failure to meet the qualification requirements imposed by our customers, may result in the loss of future business opportunities.

If we are unable to secure new projects through tenders or quotations, or if the number and value of such projects decline significantly, our business operations, revenue generation and overall financial performance could be materially and adversely affected.

RISK FACTORS

Our financial performance could be materially and adversely affected if there is any significant error in estimating our project costs and progress

Our projects are awarded to us through a competitive tendering or quotation process, under which we generally commit to fixed and pre-determined fees for the duration of the contract. In preparing a tender or quotation, we estimate the project costs based on numerous factors, mainly including (i) the anticipated quantity, type and costs of labour, construction materials and machinery required in the potential project, whether or not such materials and machinery are to be provided by our subcontractors with the associated cost and rental charges factored into the subcontracting fees; (ii) the estimated subcontracting costs and whether such costs include the provision of construction materials and machinery and equipment; (iii) the technical and structural complexity of the works involved and the expected project duration; (iv) historical fees we received for similar projects; and (v) the prevailing market conditions. There is no assurance that our tenders or quotations would not contain any mistake or error, which may be due to inaccurate estimation or our inadvertence or oversight of key contractual terms or errors or miscalculations of our project costs. If we submit a tender or quotation based on an incorrect cost estimate, we may nonetheless be contractually obligated to perform the works at the agreed price. This could result in a substantial financial loss and adversely affect our profit margins, cash flow, and overall financial performance.

In addition, even if our estimates are prepared with due care, actual project costs may still exceed our projections due to unforeseen circumstances such as delays in project progress, changes in scope, subcontractors’ non-performance or underperformance, or cost inflation in labour, construction materials or equipment. For instance, if a project progresses more slowly than anticipated, or if there is any delay or extension in the project schedule caused by our customers or other contractors involved in the same project, we may have to engage subcontractors and/or lease the required machinery for the extended period, hence incurring higher subcontracting costs or machinery rental costs than estimated. Any significant underestimation in the time and costs involved in a project may result in project delays or cost overruns or both, which in turn may materially and adversely affect our financial condition, profitability and liquidity.

While our Group did not experience any material cost overruns or progress delays due to our fault in any of the projects undertaken by us during the Track Record Period and up to the Latest Practicable Date, a hypothetical sensitivity analysis based on our financial results for FY2024 is as follows for illustrative purposes. Assuming a uniform 10% increase in cost of sales across all projects undertaken in FY2024 as a result of underestimation of project costs, our gross profit would have declined from approximately RM25.7 million to RM14.9 million, with a corresponding reduction in gross profit margin from approximately 19.3% to 11.2%.

We may be subject to claims if we fail to complete our projects on a reliable and timely basis, which could adversely affect our reputation and financial performance

Our contracts with customers generally include provisions for liquidated damages in the event of delays in project completion beyond the stipulated contractual timelines. Liquidated damages are generally determined based on a fixed sum per day or a fixed proportion of the estimated cost of work performed per day.

RISK FACTORS

Project delays may occur due to various unforeseen factors, such as shortage of labour, unfavorable weather conditions, delays caused by our subcontractors, equipment breakdowns, industrial accidents, and delay in delivery of construction materials or machinery, etc. Even if delays are beyond our direct control, we may still remain contractually liable to pay liquidated damages. Any delay in project completion not only exposes us to liquidated damages which may affect our profitability, but may also harm our reputation with both existing and prospective customers. Repeated or prolonged delays could undermine customer confidence and weaken our competitive standing, especially in the public sector where track record and reliability are essential for securing future contracts.

There is no assurance that our ongoing and future projects will be completed on time or that claims for liquidated damages will not arise. Any such claims may adversely affect our financial condition, profitability, and market reputation.

Our customers typically make progress payments and may require retention monies, performance bonds or performance guarantee, which, together with insurance premiums payable by us, necessitate adequate working capital and cash flow; and any significant mismatch in timing between outgoing payment and receipt of payment from our customers, or failure by our customers to release our retention monies, performance bonds and/or performance guarantee on time and in full, which may occur due to, for instance, the inferior quality of our or our subcontractors’ works in a project, may adversely affect our cash flow

Transportation infrastructure engineering projects and flood mitigation works commissioned by the government or government-linked companies in Malaysia are typically large-scale and capital-intensive. At the early stage of these projects, we often incur significant net cash outflows to cover project upfront costs, such as subcontracting fees, direct procurement costs and administrative costs.

Under standard contract terms, our customers generally make monthly payments to us only after certification of work done. In addition, they are generally entitled to withhold retention monies from such progress payments to us. During the Track Record Period, our customers generally retained 10% of each progress payment as retention monies, subject to a cap of 5% of the total contract sum. Depending on the contract terms, half of these retention monies are generally released to us after practical completion of a project and the remaining half is normally released to us after the expiry of the defects liability period or upon issuance of the certificate of making good defects. As at 31 December 2023, 31 December 2024 and 30 June 2025, our retention receivables amounting to approximately RM18.4 million, RM7.1 million and RM10.5 million, respectively, were retained by our customers as retention monies. If our customers experience financial distress and are unable to settle their payments due to us or release the retention monies to us in a timely manner or at all, our financial condition and results of operation may be materially and adversely affected.

RISK FACTORS

Furthermore, during the Track Record Period, we were required by our customer in one project to procure a performance bond in favour of the project owner equivalent to 5% of the total contract sum awarded by the project owner to the main contractor in the form of bank guarantee to secure due performance and observance of our Group’s obligations under the relevant contract. To facilitate the issuance of such performance bond, we are typically required to maintain pledged deposits with banks as collateral, generally representing a certain percentage of the bond amount. As an alternative arrangement, the customer in another project during the Track Record Period deducted and retained a sum equivalent to 5% of each progress payment as performance guarantee. Depending on the terms of the contract, the value of the performance bond or the amounts retained as performance guarantee are generally released to us within 12 to 24 months after the expiry of the defects liability period. These arrangements may place additional pressure on our working capital and cash flow.

Furthermore, we also incur expenses for insurance in connection with our business operation. During the Track Record Period, our total insurance expenses amounted to approximately RM1.0 million, RM1.3 million and RM0.2 million, respectively.

Owing to the timing of these payments and expenses and the significant capital outlay required, there may be a substantial mismatch between our cash inflows and outflows. This risk is heightened when we are engaged in multiple large-scale projects concurrently, particularly during the early stages when expenditure is the highest. If a substantial portion of our cash is tied up in retention monies and performance bonds or performance guarantees and other expenses such as insurance premium, or we experience delays in certification and receipt of payments or we are unable to recover our contract assets, our working capital position and liquidity may be materially and adversely affected.

In addition, there can be no assurance that the retention monies withheld from the progress payments to us, or the performance bonds and/or performance guarantee provided by us, will be released by our customers on a timely basis and in full. This may occur due to, for instance, the inferior quality of our or our subcontractors’ works in a project. Any failure by our customers to release the retention monies, performance bonds and/or performance guarantee on time and in full may have an adverse effect on our liquidity position.

Revenue recognised by our Group may be subsequently reversed, which would adversely affect our financial performance

In certain circumstances, revenue recognised by our Group for works performed under a project may subsequently be required to be reversed due to various reasons, such as where the relevant parties decide not to proceed with the project. These reversals may arise even though the works have been performed with the customer’s knowledge or approval, and notwithstanding that our Group has already incurred corresponding costs. For instance, in FY2023, we reversed approximately RM2.1 million in revenue which had been recognised prior to the Track Record Period. For further information, please refer to the paragraphs headed “Business – Customers – Major customers” in this document.

There is no assurance that similar revenue reversals will not occur in the future. Any such reversal could adversely affect our financial condition, results of operations and profitability, particularly if the amounts involved are material or if we are unable to recover costs already incurred.

RISK FACTORS

Our insurance policies may not fully cover all potential losses, damages or liabilities arising from our business operations (including but not limited to inferior quality of our works or our subcontractors’ works leading to the partial or full loss of our retention monies, performance bonds and/or performance guarantee) or properties and our insurance premium may increase from time to time

While we have obtained insurance coverage consistent with the industry practice and typically required by our customers to cover our business operations, certain types of losses are either not insurable or cannot be insured on commercial terms acceptable to us, or at all. For example, risks such as customer concentration, our ability to tender for new projects, availability and performance of our subcontractors and our credit risk and liquidity risk, are generally not covered by insurance as they are either not insurable or it is not cost-efficient to insure against such risks. In addition, our insurance policies also may not cover all potential losses, damages or liabilities arising from our business operations, including but not limited to inferior quality of our works or our subcontractors’ works leading to the partial or full loss of our retention monies, performance bonds and/or performance guarantee. Insurance policies covering losses of our properties from earthquakes, flooding, terrorism or natural catastrophes are also either unavailable or cost prohibitive. We do not maintain any insurance on defects liability and we may be exposed to claims arising for latent defects, issues that are not yet apparent, in the works performed by us or our subcontractors. Any significant claim arising from latent defects or failure in our services, our profitability may also be materially and adversely affected.

If we incur losses, damages or liabilities in the course of our business operations arising from events for which we lack adequate or any insurance coverage, we may have to bear such costs ourselves. In such case, our business operations and financial results may be adversely affected. Even where relevant insurance policies are in place, our insurers may not fully compensate us for all potential losses, damages or liabilities regarding our properties or business operations. In addition, we cannot guarantee that we can renew our existing insurance policies on similar or other acceptable terms, or at all. If we suffer from severe unexpected losses or losses that far exceed our policy limits, it could have a material and adverse effect on our business, financial positions and prospects.

In addition, we cannot guarantee that the insurance premiums payable by us in relation to the implementation of projects will not increase from time to time. During the Track Record Period, our total insurance expenses amounted to approximately RM1.0 million, RM1.3 million and RM0.2 million, respectively. Any further increases in insurance expenses or reductions in insurance coverage from time to time may materially and adversely affect our business operations and financial results.

RISK FACTORS

We are subject to credit risk in relation to the collectability of our contract assets and trade receivables

We are exposed to credit risk in connection with the recoverability of our contract assets and trade receivables. A contract asset represents our Group’s right to receive payments from customers for our works performed that has been transferred to our customers but where such right to payment has not yet become unconditional. Contract assets typically arise when our Group has performed our works under the relevant contracts but the works have yet to be certified by the quantity surveyors or other representatives appointed by our customers and/or our Group’s right to payment is still conditional on factors other than passage of time. Once our right to payment becomes unconditional, the contract asset is reclassified to trade receivables. Our Group recorded contract assets of approximately RM48.5 million, RM32.9 million and RM69.4 million as at 31 December 2023, 31 December 2024 and 30 June 2025, respectively.

There is no assurance that we will be able to bill and collect all or any part of the contract assets for our services completed according to the payment terms of the contracts.

Furthermore, delays in certification, payment disputes, or any financial difficulties of our customers could result in prolonged collection periods or even default. As at 31 December 2023, 31 December 2024 and 30 June 2025, we recorded trade receivables of approximately RM19.8 million, RM37.1 million and RM4.8 million, respectively. If we are unable to collect a substantial portion of our trade receivables in accordance with the payment terms or at all, our cash flows, working capital position and overall financial position will be materially and adversely affected.

The actual value of our work done may be lower than the original contract sum due to variation orders

The actual revenue we derive from a project may differ from the original contract sum specified in the relevant contract due to variation orders issued by our customers during the course of project execution. These variation orders may involve additions, cancellations, modifications, or other changes to the initially agreed scope of work. Such adjustments can result in either an increase or a decrease in the total value of the contract. In respect of the projects undertaken by us during the Track Record Period and up to the Latest Practicable Date, (i) the total original contract sum or original internal estimated contract sum amounted to approximately RM751.3 million; and (ii) the adjustment, variation order or work instructions received on or before the Latest Practicable Date amounted to approximately RM30.4 million. For further details of our variation orders, please refer to the paragraphs headed “Business – Customers – Major terms of engagement” in this document. As such, there is no assurance that the final contract value, after incorporating the variation orders, would be sufficient to cover our costs incurred or generate a reasonable profit margin. In particular, variation orders involving cancellations or deferrals may significantly reduce the total contract value. Our financial condition may be adversely affected by any downward adjustment in our contract sum as a result of variation orders. Therefore, there is no assurance that our revenue and profit margin in the future will remain at a level comparable to those recorded during the Track Record Period or that all of the outstanding contract sum of our projects as at 30 June 2025 will subsequently turn into revenue of our Group after the Track Record Period.

RISK FACTORS

Shortage of labour may affect our projects and our performance

Generally, both of our bridge engineering works and flood mitigation works are labour intensive and often require a large number of workers with diverse skills across various tasks. Although we typically subcontract most of the labour-intensive tasks, we remain dependent on our subcontractors’ ability to supply sufficient qualified workers to meet project demands. During the Track Record Period, our labour costs amounted to approximately RM8.4 million, RM9.5 million and RM5.6 million, respectively, and our subcontracting costs (with the relevant costs of labour factored in) amounted to approximately RM46.0 million, RM77.9 million and RM37.9 million, respectively. There is no assurance that our subcontractors will consistently be able to supply adequate labour force and the labour costs are in a reasonable range, especially when a number of projects are ongoing concurrently. All labour intensive projects are more susceptible to labour shortage, and our subcontracting costs including labour costs of our subcontractors may escalate. If there is a significant increase in the costs of labour and we have to retain our own labour (likewise if our subcontractors have to retain their labour) by increasing their wages, our staff costs and/or subcontracting costs will increase and thus lower our profitability. A hypothetical sensitivity analysis based on our financial results for FY2024 is as follows for illustrative purposes. Assuming a uniform 10% increase in subcontracting charges and labour costs across all projects undertaken in FY2024 as a result of labour shortage, our profit before income tax would have declined by approximately RM8.7 million. Conversely, if we or our subcontractors fail to retain or recruit sufficient labour in a timely manner to cope with our existing or future projects, we may not be able to complete our projects on time resulting in liquidated damages and/or financial loss.

Our historical revenue, gross profit and profit margin may not be indicative of our future performance

For FY2023, FY2024 and 6M2025, our revenue amounted to approximately RM76.8 million, RM133.0 million and RM74.0 million, respectively, while our gross profit amounted to approximately RM11.0 million, RM25.7 million and RM15.8 million, respectively with a gross profit margin of approximately 14.3%, 19.3% and 21.4%, respectively. Nevertheless, our profitability fluctuated during the Track Record Period. While we recorded a net loss of approximately RM14.5 million for FY2023, we recorded a net profit of approximately RM26.2 million and RM3.2 million for FY2024 and 6M2025, respectively.

Such trend of historical financial information of our Group is a mere analysis of our past performance and does not have any positive implication on and may not necessarily reflect our financial performance in the future. Our future performance will depend on, among other things, our ability to secure new projects and to control our costs and will be subject to risk factors and uncertainties including those set out in this section.

RISK FACTORS

Our profit margin may fluctuate from project to project due to factors such as subcontracting costs, sub-standard performance of our subcontractors, the accuracy of our project costs estimation, the complexity and size of the project, machinery hiring costs (if applicable), prices of construction materials and other necessary goods and services, our pricing strategy, the stage of the project, the performance of rectification works and other unexpected conditions at the work sites. There is no assurance that our profit margin in the future will remain at a level comparable to those recorded during the Track Record Period. Our financial condition may be adversely affected by any decrease in our profit margin.

We may be a party to legal proceedings from time to time and there is no assurance that such legal proceedings will not have a material adverse impact on our business

We may be subject to claims, legal proceedings or disputes arising from our business activities. These may include, among others, claims from our customers, suppliers, subcontractors, employees and third parties, such as workers’ compensation claims and personal injury lawsuits resulting from work place accidents.

There is no assurance that we will not become involved in any claims, legal proceedings or disputes, nor can we assure you that any claims or legal proceedings brought against us will not result in judgments or liabilities exceeding the scope or the limit of our insurance coverage. If we are unable to defend against any such claims or legal proceedings, we may be required to pay substantial damages or legal costs, which could materially and adversely affect our financial condition, results of operations and liquidity.

Even if the claims are ultimately resolved in our favour, legal proceedings may require significant management attention and resources, diverting focus from our core operations. Moreover, any publicity associated with such litigation, regardless of the outcome, may adversely affect our corporate reputation and damage our ability to win new projects.

Accordingly, any existing or future legal proceedings could materially and adversely impact our business, prospects and financial performance.

Unsatisfactory performance or unavailability of subcontractors may materially and adversely affect our operation and profitability

We generally engage subcontractors on a project-by-project basis to perform labour intensive tasks and works requiring specific expertise, such as site surveying, soil tests, environmental works, earthworks and geotechnical work where it would be cost prohibitive for us to maintain in-house capabilities. Please refer to the sub-section headed “Business – Subcontractors” in this document for further details. For FY2023, FY2024 and 6M2025, our subcontracting costs amounted to approximately RM46.0 million, RM77.9 million and RM37.9 million, respectively. Our ability to meet project timelines and standards depends significantly on the availability and performance of qualified and competent subcontractors. If we are unable to secure suitable subcontractors or negotiate acceptable fees and terms of service with our subcontractors, our operations may be delayed or disrupted.

RISK FACTORS

We are exposed to risks associated with our subcontractors’ non-performance, delays, substandard performance, or failure to comply with applicable laws and regulations. As our subcontractors do not have direct contractual relationship with our customers, we retain overall responsibility for the project. Any deficiencies in our subcontractors’ performance could adversely and materially affect our contractual obligations, project timelines and cost management.

Moreover, if a subcontractor violates health, safety or environmental regulations, and such violations result in accidents, property damage or personal injury, we may be held liable by regulatory authorities and third parties. Any such incident, regardless of its scale, could result in financial loss, reputational harm or regulatory sanctions.

There is no assurance that our subcontractors will continue to perform to our expectations or that we will always have access to a reliable pool of subcontractors. Any shortage of qualified and competent subcontractors or deterioration in their performance could materially and adversely affect our operations, profitability and financial condition.

We depend on our suppliers for construction materials and other supplies, and any shortage or delay in supplies, or deterioration in their quality, could materially and adversely affect our operations

Both our subcontractors and we depend on our suppliers for stable and timely delivery of construction materials and other supplies which should meet the required specifications. While the majority of our subcontractors are responsible for providing construction materials as well as the necessary machinery and equipment with the associated costs and rental charges factored into the subcontracting fees, we incurred approximately RM5.7 million, RM15.5 million and RM12.9 million in construction materials and supplies costs in FY2023, FY2024 and 6M2025, respectively, representing approximately 8.7%, 14.4% and 22.1% of our total cost of services for the respective years/period. If there is a shortage or significant delay in delivery of construction materials by suppliers, or if the delivered materials fail to comply with our customers’ specifications, both our subcontractors and we may fail to complete our projects on time or at all. There is no guarantee that both our subcontractors or we would be able to identify suitable alternative sources of supply with acceptable quality and price. There is no guarantee that suitable alternatives offering comparable quality and pricing will always be readily available. Even if such alternatives are found, similar risks of delays, cost increases, or quality concerns may persist.

If we are unable to secure timely and sufficient supply of construction materials and other supplies at acceptable costs and quality, our project progress, operational efficiency, and financial results could be materially and adversely affected.

RISK FACTORS

Bribery or other corrupt acts by our customers, subcontractors, suppliers or other business partners could adversely affect our business

Bribery, kickbacks or other corrupt practices by our customers, subcontractors, suppliers or other business partners could expose our Group to significant legal, regulatory and reputational risk and adversely affect our business. Although we strive to prevent improper conducts, we cannot fully control third-party actions, and there can be no assurance that third parties will not engage in conducts that are improper or unlawful.

If such conducts occur in connection with work performed for, or business conducted with, our Group, we may be subject to investigations, enforcement actions, litigation, contractual claims, fines, penalties, remediation costs and significant management time and expenses, even where we did not authorise or have knowledge of the conducts. We may also be required to suspend or terminate relationships with implicated parties, which could disrupt operations, delay projects, increase costs, or impair our ability to meet customer commitments. Additionally, bribery-related issues involving customers may delay project schedule, lead to project termination, and harm our reputation, any of which could materially adversely affect our results of operations and financial condition.

We are subject to underground condition risk in excavation works associated with site formation works, being one of the major procedures for execution of transportation infrastructure engineering projects

Site formation works such as general site clearance, excavation to design formations, preparation of construction sites for foundation works, substructure construction and/or superstructure constructions and other ancillary works (including drainage and landscaping) are one of the major procedures for execution of transportation infrastructure engineering projects.

Despite our commitment to safety, underground condition risks are inherently present in site formation activities. It is not uncommon for unfavourable underground conditions to be discovered only after excavation has commenced. Such conditions may require additional remedial works, which could increase project costs and lead to delays.

There is also a risk of accidental damage to existing underground utilities, such as water mains, gas pipelines, or electrical and communication cables, which may not have been accurately mapped or may be concealed. Such incidents could result in service disruptions, repair obligations and potential third-party liabilities.

Moreover, adverse underground conditions can increase the risk of accidents, including personal injury or fatalities. In certain cases, we may be solely responsible for the associated costs if contractual provisions do not allow for adjustments to the contract sum to account for such unforeseen conditions.

Any substantial increase in time or costs due to underground condition risk may adversely affect our profitability and cash flow and could also harm our reputation if we are unable to meet project deadlines.

RISK FACTORS

We rely on our key management personnel and skilled and qualified employees and their departure could adversely affect our operations and financial results

Our Directors believe that the success of our business has been, and will continue to be, heavily dependent on the contribution and continuing service of Datuk Tan, our chairman of the Board and Mr. Andy Tan and Ms. Tan Xin Yi, our executive Directors. Our executive Directors and other members of our senior management are supported by our skilled and qualified employees and consultants. It is important to identify, hire, train and retain appropriate and suitable personnel with necessary industry expertise to serve our Group. Our Directors and members of senior management including, in particular, our executive Directors are important to us. Details of their expertise and experience are set out in the section headed “Directors, Senior Management and Employees” of this document. If any of our executive Directors or members of our senior management is unable or unwilling to continue in their positions and appropriate persons could not be found to replace them in a timely manner, there could be an adverse impact on our operations and financial results.

We are subject to health, safety and environmental liability

Our business is subject to a wide range of health, safety and environmental regulations and guidelines issued by the Malaysian government, which apply to all aspects of our civil engineering activities in Malaysia and are periodically updated to reflect evolving environmental concerns and occupational safety standards. For instance, pursuant to Section 19 of the Occupational Safety and Health Act 1994, a person who contravenes the provisions of Section 18A of the Occupational Safety and Health Act 1994 shall be guilty of an offence and shall, on conviction be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both. Furthermore, pursuant to Section 49(2) of the Occupational Safety and Health Act 1994, a person who without reasonable excuse fails to comply with any improvement or prohibition notice issued under Section 48 of the Occupational Safety and Health Act 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both, and to a further fine of RM2,000 for each day during which the offence continues. For details, please refer to the paragraphs headed “Regulatory Overview – Laws and regulations in Malaysia – Laws and regulations in relation to labour, health and safety and Laws and regulations in relation to environmental protection in Malaysia” in this document. Compliance with such regulations may require ongoing investments in training, equipment and procedural upgrades. Moreover, as regulatory expectations continue to evolve, particularly in relation to environmental sustainability and workers’ protection, our Group may face increased compliance obligations. Any significant changes in the legal framework or more stringent enforcement could further elevate operational risks and cost pressures.

RISK FACTORS

Adverse weather conditions and other events of force majeure may significantly delay, or even prevent us from completing, our projects

We conduct most of our business operations outdoors and are vulnerable to adverse weather. If adverse weather persists or natural disaster occurs, we may have to halt the works at our infrastructure engineering construction sites, which may result in delays in completing our works within the specified time schedule. If we have to halt our operations during adverse weather or natural disaster, we may continue to incur operating expenses while we experience reduced revenue and profitability. Besides, our business is also subject to outbreak of severe communicable diseases (such as COVID-19, swine flu, avian flu and severe respiratory syndrome), natural disasters or other acts of God which are beyond our control. Any such events could cause us to reduce or halt our operation, adversely affect our business operation, increase our costs and/or prevent us from completing our projects, any one of which could materially and adversely affect our business, financial condition and results of operations.

We may be exposed to personal injuries, property damage or fatal accidents if safety measures are not followed at our project sites

Our construction activities are primarily conducted at outdoor project sites and inherently involve various safety risks. We cannot guarantee full compliance by our employees and subcontractors with our safety and health policy, applicable safety procedures and legal requirements, and on-site safety protocols at all times. Any failure by our employees or subcontractors to adhere to the required safety standards may result in workplace accidents, including personal injuries, property damage or fatal accidents.

Such incidents may also lead to financial liabilities for medical costs, compensation claims, or repair expenses, especially to the extent not covered by our insurance policies. Additionally, serious or repeated breaches may jeopardise our ability to renew or maintain key operating licences, approvals or certifications, and may damage our reputation with customers and regulators.

Furthermore, a history of safety violations or accidents could impair our ability to secure new projects, particularly those funded by public sector entities where contractor performance and safety records are subject to greater scrutiny. As such, failure to maintain a safe working environment could materially and adversely affect our business, financial condition and future prospects.

RISK FACTORS

We lease certain properties for our business activities and therefore we are exposed to risks in relation to unpredictable and increasing rental costs and relocation costs. Our leased properties may potentially be contested by third parties or government bodies causing our operations to be disrupted.

As of the Latest Practicable Date, we had a total of 17 leased properties which were used for various business purposes, details of which are set out in the paragraphs headed “Business – Properties – Leased properties” in this document. For FY2023, FY2024 and 6M2025, our property rental expenses amounted to approximately RM0.9 million, RM0.8 million and RM0.5 million, respectively. Our landlords could increase the rent or impose more stringent payment terms when negotiating to renew our leases, which could in turn adversely affect our profitability and results of operations. We may not be able to successfully extend or renew such leases upon expiration, on commercially reasonable terms or at all, and may be forced to relocate our offices or other premises. Such relocation may disrupt our operations and incur significant relocation costs and capital expenditures in relation to the installation of facilities, and could in turn adversely affect our financial condition. Further, we cannot assure you that we will be able to relocate such operations to suitable alternative premises in a timely manner or at all, and failure in relocating our operations when required could result in disruption to our business operations.

In addition, if the landlords’ title and ownership to the leased properties are challenged for any reason, our leases could be invalidated. If this occurs, we may have to renegotiate the leases with the new owner or the party who has the right to lease the properties, and the terms of the new leases may not be favorable to us.

Also, we cannot assure you that our use of these leased properties will not be challenged by government authorities, property owners or any other third parties in the future. We may be subject to fines and forced to relocate to other premises in case our use of properties is successfully challenged, and our operation could be materially affected as a result. We may also be involved in disputes with the property owners or third parties who otherwise have rights to or interests in our leased properties. There is no assurance that we can find suitable replacement premises in a timely manner and on terms acceptable to us, or at all. Our business and financial performance may be adversely affected as a result.

Industrial actions or strikes may affect our business

Our bridge engineering works and flood mitigation works typically involve multiple specialised tasks, each requiring skilled labour. Any disruption in a particular task due to industrial actions or strikes could hinder the overall progress of a project. During the Track Record Period, our projects did not encounter any industrial action or strikes. However, there is no assurance that industrial actions, strikes or other similar disruptions will not be launched in the future. Such disruptions could also impact our ability to meet project deadlines, exposing us to liquidated damages and potentially affecting our competitiveness in future tenders. Furthermore, delays attributable to labour disputes may be viewed unfavourably by the government or government-linked customers in Malaysia, potentially affecting our ability to secure future public sector contracts.

Any prolonged or widespread industrial actions or strikes may therefore have a material adverse effect on our project execution, profitability and future business prospects.

RISK FACTORS

RISKS RELATING TO OUR OPERATIONS IN MALAYSIA

As all of our Group’s assets and business operations are in Malaysia, its economic, political and legal developments would affect the results of our operations, financial position and prospects accordingly. The major risks that we are exposed to are as follows:

Our business and operations are subject to uncertainties with respect to the social, political and economic developments in Malaysia

Our Group’s business, financial condition, results of operations and growth prospects are closely tied to the social, political and economic developments in Malaysia, where all of our operations and assets are located. Uncertainties in Malaysia’s macroeconomic and political landscape, such as regional conflicts, terrorism, extremism, changes in government leadership, interest rates fluctuations, imposition of capital controls, changes in government policies or introduction of new rules or regulations concerning civil engineering contractors, environment and taxation may adversely affect our Group’s business, financial condition, results of operations and prospects.

Furthermore, any changes in government leadership in Malaysia may also result in changes in major government policies, especially in infrastructure developments, foreign investments, tax and industrial policies. These changes will inevitably cause uncertainty to both local and foreign investors when they consider investing in companies, like our Group, which have major operations in Malaysia.

Our performance depends heavily on market conditions and trends in the transportation infrastructure engineering industry and the overall economy of Malaysia

Our continued growth and profitability are heavily dependent on the sustained availability of large-scale transportation infrastructure engineering projects in Malaysia. The scale, timing and number of such projects will be determined by the combination of a variety of factors, including general economic conditions, political environment, government budget and other factors which are beyond our control.

These may affect the availability of large-scale transportation infrastructure engineering projects from the government or government-linked companies in Malaysia. Any recurrence of economic downturns, deflation, adverse shifts in currency policy or reductions in government spending on infrastructure could significantly reduce the number of transportation infrastructure engineering projects for tender in Malaysia, and our operational and financial performance could accordingly be adversely affected.

RISK FACTORS

The Malaysian ringgit may be subject to foreign exchange controls imposed by Malaysian government in the future or may be subject to exchange rate fluctuations

Our revenue and expenses are primarily denominated in RM and we are therefore exposed to the risks associated with the fluctuation in the currency exchange rate of RM against other currencies. Should RM appreciate against other currencies, the value of any [REDACTED] from the [REDACTED] or any future financing activities, which are to be converted from Hong Kong dollar or other currencies into RM, may be reduced and might potentially limit the capital available for our business development as there will be a lessened amount of funds raised. Conversely, a depreciation of RM would reduce the value of dividend payments of our Company and other repatriated profits, which are to be paid in Hong Kong dollars after the conversion of the distributable profit denominated in RM. Hence, substantial fluctuation in the currency exchange rate of RM may have a material adverse effect on the business, operations and financial position of our Group and the value of the investment in our Shares.

Historically, the Central Bank of Malaysia had intervened in the foreign exchange market to stabilise the RM. For example, it pegged the RM to the US\$ in September 1998 before adopting a managed float system in July 2005. Under this system, the RM is benchmarked against a currency basket to maintain stability. Our Group cannot assure you that the Malaysian government will not impose new or reinstate stricter foreign exchange controls in the future. Any imposition, tightening or removal of exchange controls may reduce monetary policy flexibility and increase Malaysia’s vulnerability to external market forces.

Furthermore, fluctuations in the RM’s value against other currencies will create foreign currency translation gains or losses, affect our ability to repatriate funds, impact dividend distributions and ultimately have an adverse effect on our Group’s business, financial condition and results of operations.

Our Group may be subject to tax audit and investigation in Malaysia

The Malaysian tax regime is based on a self-assessment system. Persons chargeable including companies in Malaysia have legal obligations to make self-assessment on the tax payable and file necessary tax returns annually with their remittance of tax. The Inland Revenue Board of Malaysia (the “**IRB**”) is empowered by the Income Tax Act 1967 to carry out audit and investigation on persons chargeable to determine, *inter alia*, whether their tax returns are accurate and complete. The Income Tax Act 1967 also empowers IRB to impose additional tax and/or penalties on persons chargeable if IRB determines that the persons chargeable are in fact subject to more tax payables than are reported in the self-assessed tax returns.

Our Group calculates the amount of taxes and makes payment thereof in accordance with the applicable tax laws. Our Group may be subject to additional taxes or penalties if IRB has a different view from us with respect to our self-assessed tax payables stipulated in our filed tax returns. As our Group may be subject to tax audit and investigation by IRB from time to time, if IRB imposes additional tax and/or penalties on our Group, our profit margin may decrease and consequently our financial results may be adversely affected.

RISK FACTORS

Our Group’s principal subsidiary was incorporated in Malaysia and its main assets are located in Malaysia. It could be difficult to enforce a foreign judgment against our Malaysian subsidiary and our Directors in Malaysia

Our Group’s principal subsidiary was incorporated under the laws of Malaysia and a substantial portion of our Group’s assets are located in Malaysia. Enforceability of certain foreign judgments in Malaysia is by virtue of the Reciprocal Enforcement of Judgments Act 1958, in which a foreign judgment must be registered before it can be enforceable. The registration of a foreign judgment is only possible if the judgment is given by a superior court from a country listed in the First Schedule of the Reciprocal Enforcement of Judgments Act 1958, which includes the United Kingdom, Hong Kong, Singapore, New Zealand, Republic of Sri Lanka, India and Brunei Darussalam. In the event the foreign judgment is not from a country listed in the First Schedule of the Reciprocal Enforcement of Judgments Act 1958, the only method of enforcement at common law is by securing a Malaysian judgment. As a result, it could be difficult to enforce a foreign judgment against our Malaysian subsidiaries and our Directors in Malaysia.

RISKS RELATING TO THE [REDACTED] AND OUR SHARES

There has been no prior [REDACTED] for our Shares and an active [REDACTED] for our Shares may not develop or be sustained

Prior to the [REDACTED], no [REDACTED] for our Shares existed. Following completion of the [REDACTED], the Stock Exchange will be the only market on which our Shares are publicly traded. There is no assurance that an active [REDACTED] for our Shares will develop or be sustained after the [REDACTED]. In addition, there is no assurance that our Shares will [REDACTED] in the [REDACTED] at or above the [REDACTED] subsequent to the [REDACTED]. The [REDACTED] for our Shares is expected to be fixed by the [REDACTED] and us, and may not be indicative of the market price of our Shares following completion of the [REDACTED]. If an active [REDACTED] for our Shares does not develop or is not sustained after the [REDACTED], the market price and liquidity of our Shares may be materially and adversely affected.

The [REDACTED] and [REDACTED] of our Shares may be volatile, which may result in substantial losses for our investors

The [REDACTED] of our Shares may be volatile and may fluctuate widely in response to factors beyond our control, including variations in the level of [REDACTED] of our Shares, changes in securities analysts’ (if any) estimates of our financial performance, [REDACTED] perceptions of us and the general investment environment, changes in laws, regulations and taxation systems which affect our operations, and general market conditions of the securities markets. These broad market and industry factors may significantly affect the [REDACTED] and [REDACTED] of our Shares, regardless of our actual operating performance.

RISK FACTORS

In addition to market and industry factors, the [REDACTED] and [REDACTED] for our Shares may be highly volatile for specific business reasons. In particular, factors such as variations in our revenue, net income and cash flow, success or failure of our efforts in implementing business and growth strategies, involvement in material litigation as well as recruitment or departure of our key personnel, may cause the [REDACTED] and [REDACTED] of our Shares to change drastically and unexpectedly.

Further, there will be a gap of several days between the [REDACTED] and commencement of [REDACTED] of the [REDACTED]. The [REDACTED] of our Shares is expected to be determined on the [REDACTED] while our Shares will not commence [REDACTED] on the Stock Exchange until the [REDACTED]. As a result, [REDACTED] may not be able to sell or otherwise [REDACTED] our Shares during the period between the [REDACTED] and the [REDACTED] and hence are subject to the risk that the price of our [REDACTED] could fall during the period before [REDACTED] of our [REDACTED] begins.

Future disposal or perceived disposal of a substantial number of our Shares by our existing Shareholders in the [REDACTED] may materially and adversely affect the prevailing [REDACTED] of our Shares

Disposal of a substantial number of our Shares in the [REDACTED] after the completion of the [REDACTED], or the perception that such disposal may occur, could adversely affect the [REDACTED] of our Shares and materially impair our future ability to raise capital through [REDACTED] of our Shares. There is no assurance that our existing Shareholders will not dispose of their shareholdings. Any significant disposal of our Shares by any existing Shareholder may materially affect the prevailing [REDACTED] of our Shares. In addition, these disposals may make it more difficult for us to [REDACTED] new Shares in the future at a time and price we deem appropriate, thereby limiting our ability to raise further capital. We cannot predict the effect of any significant future disposal on the [REDACTED] of our Shares.

Additional equity fund raising may lead to dilution of Shareholders’ interests and decrease in the market price of our Shares

We may need to raise additional funds in the future to finance our operation or business expansion or new development. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the shareholding of the existing Shareholders in our Company may be reduced or such new securities may confer rights and privileges that take priority over those conferred by the [REDACTED]. Furthermore, our Company may issue additional Shares upon exercise of options to be granted under the Share Option Scheme in the future. The increase in the number of Shares after the issue would result in the reduction in the percentage ownership of our Shareholders and may result in a dilution in the earnings per Share and net asset value per Share.

Furthermore, if we fail to utilise the additional funds to generate the expected earnings, it could adversely affect our financial results and in turn exerts pressure to the [REDACTED] of our Shares. Even if additional funds are raised by means of debt financing, any additional debt financing may, apart from increasing interest expense and gearing, contain restrictive covenants with respect to dividends, future fund raising exercises and other financial and operational matters.

RISK FACTORS

There is no assurance that we will declare or distribute any dividend in the future

During the Track Record Period, our Group declared dividends of RM20.0 million and RM26.0 million for FY2023 and FY2024, respectively, to our then shareholders, which had been settled in full. No dividend or distribution has been declared or paid by our Group for 6M2025. In November 2025, our Group declared dividend of RM5.0 million, which has been settled in full in cash.

The value of dividends declared and paid in previous years should not be relied on by potential investors as a guide to the future dividend policy of our Group or as a reference or basis to determine the amount of dividends payable in the future. There is no assurance that dividends will be declared or paid in the future, at a similar level or at all. We do not have any formal dividend policy or predetermined dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under Cayman Islands law, and will depend on our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors which our Directors consider relevant. It is also subject to the approval of our Shareholders, the Companies Act, the Articles of Association as well as any applicable laws.

Investors may experience difficulties enforcing their shareholders’ rights because our Company was incorporated in the Cayman Islands, and the protection of minority shareholders under the Cayman Islands law may be different from that under the laws of Hong Kong or other jurisdictions

Our Company was incorporated in the Cayman Islands and its affairs are governed by the Articles of Association, the Companies Act and common law applicable in the Cayman Islands. The laws of the Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as those pursuant to the laws of Hong Kong or such other jurisdictions. A summary of the Cayman Islands company law on the protection of minority Shareholders is set out in Appendix IV to this document.

The interests of our Controlling Shareholders may differ from those of our other Shareholders

Immediately following the Capitalisation Issue and the [REDACTED], our Controlling Shareholders will beneficially own [REDACTED]% of the issued Shares (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme). The interests of our Controlling Shareholders may differ from the interests of our other Shareholders. If the interests of our Controlling Shareholders conflict with the interests of our other Shareholders, or if our Controlling Shareholders choose to cause us to pursue strategic objectives that conflict with the interests of our other Shareholders, those Shareholders may be disadvantaged by the actions that our Controlling Shareholders choose to cause us to pursue.

RISK FACTORS

Our Controlling Shareholders may have significant influence in determining the outcome of any corporate transaction or other matters submitted to our Shareholders for approval, including mergers, consolidations and the sale of all, or substantially all, of our assets, election of Directors, and other significant corporate actions. Our Controlling Shareholders have no obligation to consider our interests or the interests of our other Shareholders.

RISKS RELATING TO THE STATEMENTS IN THIS DOCUMENT

Investors should read the entire document and should not rely on any information contained in press articles or other media coverage regarding us and the [REDACTED]

We strongly caution our investors not to rely on any information contained in press articles or other media regarding the [REDACTED] and us. Prior to the publication of this document, there may be press and other media coverage regarding the [REDACTED] and us. Such press and other media coverage may include references to certain information that does not appear in this document, including certain operating and financial information and projections, valuations and other information. We have not authorised the disclosure of any such information to the press or media and do not accept any responsibility for such press or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this document, we disclaim responsibility for it and our investors should not rely on such information.

Certain facts, forecasts and other statistics in this document from public official documents or statements have not been independently verified and may not be reliable

Certain facts, forecasts and other statistics presented in the section headed “Industry Overview” and elsewhere in this document relating to the industries in which we operate have been derived from a market research report commissioned by us and prepared by CIC as well as various publications and industry-related sources prepared by government officials or independent third parties. We believe that the sources of the information are appropriate sources for such information in the section headed “Industry Overview”, and have taken reasonable care in extracting and reproducing such information. In addition, we have no reason to believe that such information in the section headed “Industry Overview” is false or misleading or that any material fact has been omitted which would render such information false or misleading. The information from the public official documents or statements has not been independently verified by us or any of us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of our or their respective directors, officers, employees, advisors or agents or any other party and no representation is given as to its accuracy. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics in the section headed “Industry Overview” may be inaccurate or may not be comparable to statistics produced with respect to other economies. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as the case may be in other jurisdictions. In all cases, [REDACTED] should give consideration as to how much weight or importance they should attach to or place on such statistics.

RISK FACTORS

Forward-looking statements contained in this document are subject to risks and uncertainties

This document contains forward-looking statements with respect to our business strategies, operating efficiencies, competitive positions, growth opportunities for existing operations, plans and objectives of management, certain [REDACTED] information and other matters. The words “anticipate”, “believe”, “could”, “predict”, “potential”, “continue”, “expect”, “intend”, “may”, “plan”, “seek”, “will”, “would”, “should” and the negative of these terms and other similar expressions are intended to identify a number of these forward-looking statements. These forward looking statements, including, amongst others, those relating to our future business prospects, capital expenditure, cash flows, working capital, liquidity and capital resources are estimates reflecting the best judgment of our Directors and management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. As a consequence, these forward-looking statements should be considered in light of various important factors, including those set out in the section headed “Risk Factors” in this document. Accordingly, such statements are not a guarantee of future performance and [REDACTED] should not place undue reliance on any forward-looking information. All forward-looking statements in this document are qualified by reference to this cautionary statement.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality

Executive Directors

Datuk Tan	No.11, Jalan PJU 7/22B, Mutiara Damansara 47810 Petaling Jaya, Selangor, Malaysia	Malaysian
Mr. Andy Tan	No.11, Jalan PJU 7/22B, Mutiara Damansara 47810 Petaling Jaya, Selangor, Malaysia	Malaysian
Ms. Tan Xin Yi	No.11, Jalan PJU 7/22B, Mutiara Damansara 47810 Petaling Jaya, Selangor, Malaysia	Malaysian

Independent non-executive Directors

Mr. Lee Tuan Meng	No.15, Jalan Putra Murni 3/3C Putra Heights 47650 Petaling Jaya Selangor, Malaysia	Malaysian
Mr. Ooi Kim Chai (黃金財)	Room 704, Liede Subdistrict, Limin Community No. 90 Huacheng Avenue, Tianhe District Guangzhou, Guangdong Province the PRC	Malaysian
Ms. Norkamaliah Binti Hashim	C-1-15, Sri Alam Condominium Jalan Kelab Golf 13/1, Section 13 40100 Selangor, Malaysia	Malaysian

For further details on our Directors and members of our senior management, please refer to the section headed “Directors, Senior Management and Employees” of this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Sole Sponsor

Lego Corporate Finance Limited

*A corporation licensed to carry out type 6
(advising on corporate finance) regulated activity
under the SFO*

Room 1505, 15/F
Wheelock House
20 Pedder Street
Central
Hong Kong

[REDACTED]

[REDACTED]

[REDACTED] and [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

(in alphabetical order)

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

[REDACTED]

Legal advisers to our Company

As to Hong Kong Law

TC & Co.

Units 501-502

5/F, Tai Tung Building

8 Fleming Road

Wanchai

Hong Kong

As to Malaysia Law

David Lai & Tan

Level 9, Wisma Miramas

No. 1, Jalan 2/109E

Taman Desa, Jalan Klang Lama

58100 Kuala Lumpur

Malaysia

As to Cayman Islands Law

Appleby

Suites 3504B-06, 35/F

Two Taikoo Place

979 King's Road

Quarry Bay

Hong Kong

**Legal advisers to the Sole Sponsor and
the [REDACTED]**

As to Hong Kong Law

Holman Fenwick Willan

22/F, Alexandra House

18 Chater Road

Central

Hong Kong

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Auditors and reporting accountants

BDO Limited

Certified Public Accountants

Registered Public Interest Entity Auditor

25/F Floor, Wing On Centre

111 Connaught Road

Central

Hong Kong

[REDACTED]

[REDACTED]

Compliance adviser

Lego Corporate Finance Limited

A corporation licensed to carry out type 6

*(advising on corporate finance) regulated activity
under the SFO*

Room 1505, 15/F

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Central

Hong Kong

Internal control consultant

BDO Governance Advisory Sdn Bhd

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BDO@Menara CentARa

360 Jalan Tuanku Abdul Rahman

50100 Kuala Lumpur

Malaysia

Industry consultant

China Insights Industry Consultancy Limited

10/F, Block B, Jing'an International Center

88 Puji Road

Jing'an District, Shanghai

PRC

Property Valuer

CBRE WTW Valuation & Advisory Sdn Bhd

30th Floor, Menara Multi-Purpose

8, Jalan Munshi Abdullah

50100 Kuala Lumpur

Malaysia

CORPORATE INFORMATION

Registered office in the Cayman Islands	71 Fort Street PO Box 500 George Town Grand Cayman, KY1-1106 Cayman Islands
Headquarters and principal place of business in Malaysia	B-03-32, Block B Merchant Square No.1 Jalan Tropicana Selatan 1 PJU 3, 47410 Petaling Jaya Selangor Malaysia
Principal place of business in Hong Kong under Part 16 of the Companies Ordinance	Room 1916, 19/F Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company’s website address	<u>https://bbsbholdings.com.my/</u> <i>(information on this website does not form part of this document)</i>
Company secretary	Ms. Lee Mei Yi <i>Chartered Secretary</i> <i>Chartered Governance Professional</i> Room 1916, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Authorised representatives	Mr. Andy Tan No.11, Jalan PJU 7/22B, Mutiara Damansara 47810 Petaling Jaya Selangor Malaysia Ms. Lee Mei Yi <i>Chartered Secretary</i> <i>Chartered Governance Professional</i> Room 1916, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong

CORPORATE INFORMATION

Audit Committee

Mr. Lee Tuan Meng (*Chairman*)
Mr. Ooi Kim Chai
Ms. Norkamaliah Binti Hashim

Remuneration Committee

Mr. Ooi Kim Chai (*Chairman*)
Datuk Tan
Ms. Tan Xin Yi
Mr. Lee Tuan Meng
Ms. Norkamaliah Binti Hashim

Nomination Committee

Mr. Ooi Kim Chai (*Chairman*)
Datuk Tan
Mr. Andy Tan
Mr. Lee Tuan Meng
Ms. Norkamaliah Binti Hashim

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Principal bankers

Ambank (M) Berhad
No. 6-1-3A, Jalan Tun Mohd Fuad 3
Taman Tun Dr Ismail
60000 Kuala Lumpur
Malaysia

Alliance Bank Malaysia Berhad
Menara Multi-Purpose, Capital Square
8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Malaysia

United Overseas Bank (Malaysia) Berhad
Level 26, UOB Plaza 1 KL
No. 7, Jalan Raja Laut
50350 Kuala Lumpur
Malaysia

INDUSTRY OVERVIEW

This section and elsewhere in this document contain certain information, statistics and data which are derived from various official government publications and other publicly available publications, and a report commissioned by us and prepared by our industry consultant, CIC. We believe that the sources of the information in this section and elsewhere in this document are appropriate sources for such information and have taken reasonable care in selecting and identifying such information sources, compiling, extracting and reproducing such information, and ensuring no material omission of such information. We have no reason to believe that such information is false in any material respect or misleading or that any fact has been omitted that would render such information false or misleading. The information, statistics and data from official government sources have not been independently verified by us, the Sole Sponsor, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of our or their respective directors, officers, employees, advisors or agents or any other party (other than CIC) involved in the [REDACTED], and no representation is given as to their accuracy, reliability or completeness.

SOURCES OF INFORMATION

We have engaged CIC, an independent market research consulting firm, to conduct a detailed analysis and prepare an industry report on the markets in which we operate. CIC is an independent global consulting firm founded in China. It is principally engaged in the provision of market research consultancy services, conducting industry research, and providing market and enterprise strategies and consultancy services across various industries. We incurred a total of HKD400,000 in fees and expenses in connection with the preparation and use of the CIC Report.

CIC conducted both primary and secondary research using a variety of resources in the completion of this report. Primary research involved interviewing key industry experts and leading industry participants. Secondary research involved analysing data from various publicly available data sources, such as Malaysian Public Works Department, Construction Industry Development Board, Department of Irrigation and Drainage, and the internal database of CIC.

The market projections in the commissioned report are based on the following key assumptions: (i) the overall Malaysia’s social, economic, and political environment is expected to maintain a stable trend during the forecast period; (ii) the key industry drivers are likely to continue to drive the growth in each market during the forecast period; and (iii) there is no extreme force majeure or unforeseen industry regulations in which the market may be affected either dramatically or fundamentally during the forecast period. All statistics are reliable and based on information available as at the date of the CIC Report. Other sources of information, including those from the government, industry associations, or market participants, may have provided some of the information on which the analysis or its data is based. All the information regarding our Company has been sourced from our Company’s audited report or management interviews. The information concerning and provided by our Company has not been independently verified by CIC.

INDUSTRY OVERVIEW

OVERVIEW OF MALAYSIA’S CIVIL ENGINEERING INDUSTRY

Civil engineering involves design and construction of infrastructure that supports societal functions. In Malaysia, the civil engineering sector can generally be categorised into several segments, including, among others, transportation infrastructure engineering and hydraulic engineering. Transportation infrastructure engineering focuses on design, and construction of transportation systems that facilitate passenger and freight movement. Hydraulic engineering, on the other hand, encompasses the construction of large-scale hydraulic infrastructure, including dams and reservoirs, as well as irrigation systems and flood mitigation.

OVERVIEW OF MALAYSIA’S TRANSPORTATION INFRASTRUCTURE ENGINEERING INDUSTRY

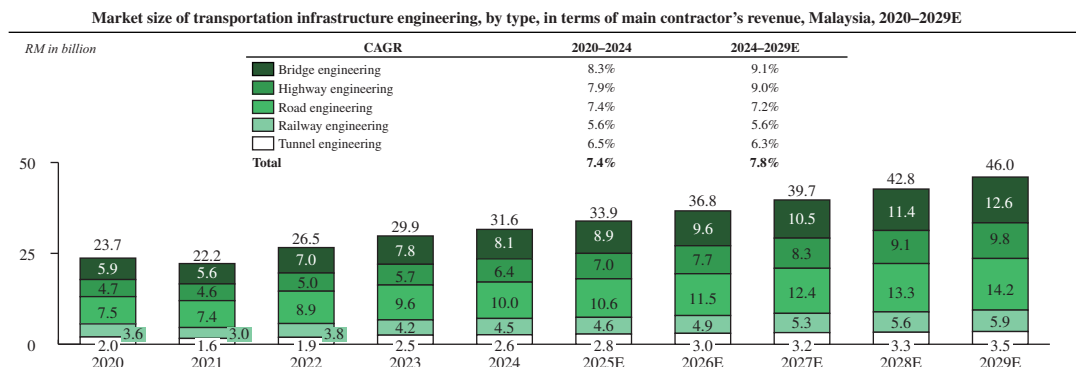
Transportation infrastructure engineering can be categorised into bridge engineering, highway engineering, road engineering, railway engineering and tunnel engineering. A bridge is a structure that provides passage over an obstacle, built either at ground level or elevated above it, depending on terrain and functional needs. Bridge engineering covers the bridge structure itself and the connecting sections at both ends. Connecting sections, including segments of highway, road, or railway, are critical parts of the bridge structure and essential to ensure a smooth, continuous transition between the bridge structure and the surrounding transport network, and for maintaining vertical and horizontal alignment consistency across the overall transportation corridor. Highway engineering refers to design, and construction of highway infrastructure, exclusively with ground-level highways and does not include elevated ones. Road engineering refers to design, and construction of roads that are not classified as highways, which strictly pertains to ground-level road construction, excluding elevated ones. Railway engineering includes design and construction of railway lines to establish a safe and efficient rail transportation system, and focuses on railway infrastructure and does not include elevated ones. Tunnel engineering refers to design, and construction of tunnels, which are passageways excavated within existing structures or geological formations.

Under the policy framework of the Twelfth Malaysia Plan between 2021 and 2025, the Malaysian government has identified three strategic priorities: infrastructure improvement, attracting foreign direct investment, and inter-regional connectivity. To advance these objectives, RM86.0 billion has been allocated to key sectors such as transportation infrastructure in 2025. On the development front, the government is focused on addressing national and regional growth bottlenecks through strategic projects, including the Pan Borneo Highway, the East Coast Rail Link (“ECRL”), and urban rail network expansions. These initiatives aim to connect remote areas, enhance logistics efficiency, and improve transport accessibility. In particular, in East Malaysia, where the terrain is complex and connectivity is limited, the construction of bridges, highways, and tunnels is essential to facilitate population mobility, resource distribution, and regional economic development. Notable projects such as Marudi Bridge, Muara Lassa Bridge, Sibat Bridge, Saribas Bridge, and the planned Labuan-Menuhok Bridge promote the development of transportation in the region, facilitating resource flow and enhancing regional balance. In addition, the National Construction Policy 2030 provides comprehensive support for transportation infrastructure engineering. Through its infrastructure resilience strategy, the policy enhances the durability and disaster resistance of key infrastructure such as roads and bridges. In Malaysia’s civil engineering sector, transportation infrastructure engineering projects are the main source of growth.

INDUSTRY OVERVIEW

The market size of the transportation infrastructure engineering industry in Malaysia

Under the Twelfth Malaysia Plan, which focuses on improving connectivity, transportation infrastructure remains a key investment priority. The plan emphasises strengthening roads, highways, railways, bridges, and tunnels connecting airports, ports, industrial zones, and major urban centres. The Malaysia’s 2025 National Budget further reinforces this commitment, with record-high allocations for infrastructure development. Notably, nationwide transportation infrastructure development has significantly driven the growth of bridge engineering, highlighting their expanding roles in supporting Malaysia’s connectivity and broader infrastructure advancement. In 2024, Malaysia’s transportation infrastructure engineering market size, in terms of main contractor’s revenue, reached RM31.6 billion. It is projected to grow to RM46.0 billion by 2029, with a CAGR of approximately 7.8% from 2024 to 2029. Against the backdrop of Malaysia’s strong push to enhance transportation infrastructure, the country’s unique geographic conditions, including extensive river systems and coastal zones, have driven a surge in bridge engineering projects. This includes major cross-sea developments such as the Second Penang Bridge and the proposed Labuan-Menumbok Bridge. Due to the higher technical complexity and engineering challenges inherent in bridge engineering construction, such as foundation works over water, long-span structural requirements, and advanced material specifications which demand greater capital investment compared to standard highway or road engineering projects. As a result, bridge engineering has become the fastest-growing subcategory within Malaysia’s transportation infrastructure engineering market. In 2024, the market size for bridge engineering, in terms of main contractor’s revenue, reached RM8.1 billion and is projected to grow to RM12.6 billion by 2029, with a CAGR of approximately 9.1% from 2024 to 2029.



Source: Department of Statistics Malaysia, CIC Report

Note: The figures of the chart have been rounded up to one decimal place.

OVERVIEW OF MALAYSIA’S BRIDGE ENGINEERING INDUSTRY

Value chain of the bridge engineering market in Malaysia

The upstream involves the supply of raw materials and equipment, which include (i) essential construction materials such as steel bar, cement and concrete, and (ii) equipment such as cranes and compressors. Provision of raw materials and equipment to support the execution of bridge engineering projects.

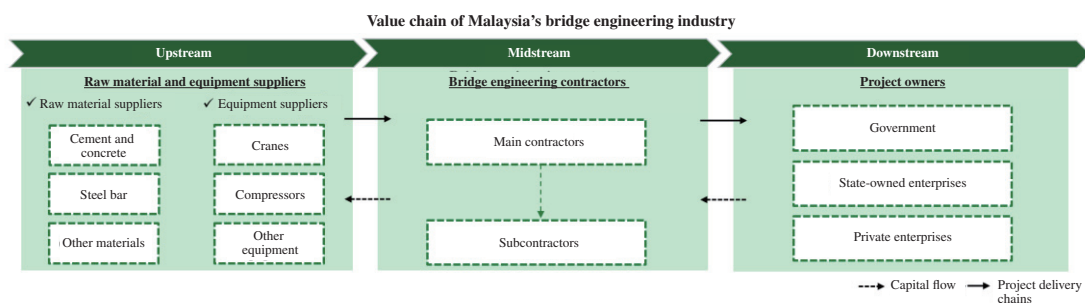
INDUSTRY OVERVIEW

The midstream can be further divided by implementation methods into (i) main contractors and (ii) subcontractors. Main contractors are responsible for organising the entire bridge engineering process following project requirements. Subcontractors are to undertake specific construction work, possessing strong expertise in particular domains. Given the scale, complexity and regulatory requirements of transportation infrastructure engineering projects, those projects, including bridge engineering projects, commonly span several years from commencement to completion. Also, contractors must register with the CIDB to obtain the Government Work Procurement Certificate, also known as SPKK, in order to be eligible for participation in government projects. The SPKK is issued by CIDB to certify that the contractor has fulfilled the requirements and guidelines set by the Ministry of Finance and is qualified to participate in government procurement related to transportation infrastructure engineering projects. Furthermore, local contractors seeking to participate in government projects specifically reserved for indigenous Malaysian contractors are also required to obtain the Bumiputera Status Certificate, known as Sijil Taraf Bumiputera (STB).

It is common in the industry of Malaysia for contractors to enter in joint venture agreements when tendering for and executing transportation infrastructure engineering projects. Such agreements are typically formed between two to three contractors for various strategic purposes, for example, to satisfy specific licensing requirements or to pool resources of different contractors for execution of large-scale projects. On the other hand, it is not uncommon for one contractor under the joint venture agreement to make an advance payment to another contractor, also party to the same joint venture, for the provision of services such as project management, architectural design, or construction works. The terms of such arrangements are usually determined through commercial negotiation among the joint venture parties. Typically, under a joint venture agreement, the main contractor requires funding to cover the performance bond and capital injection, while subcontractor acting as the operating party, provides the necessary funds to the main contractor. It is common in the Malaysian transportation infrastructure engineering industry for contractors without a Bumiputera Status Certificate to enter into a joint venture agreement or collaboration agreement with a company which holds the Bumiputera Status Certificate to tender for and execute a government or government-linked companies’ project designated for indigenous contractors in Malaysia.

The downstream consists of project owners, including government, state-owned enterprises, and private enterprises. They are responsible for project initiation, capital investment, requirements formulation, and final acceptance, thereby driving project implementation and successful delivery. The government focuses on aligning bridge engineering projects with national strategies to enhance connectivity. State-owned enterprises emphasise asset returns and risk control, while private enterprises seek profit and cost efficiency for high investment returns.

In Malaysia’s bridge engineering industry, it is common for subcontractors to exhibit high client concentration, with the top five customers often accounting for over 50% of the total revenue. This is largely due to the limited number and high concentration of main contractors in Malaysia. In 2024, there were approximately 40 main contractors undertaking projects that include bridge engineering works in Malaysia, and the top five main contractors in terms of revenue accounted for approximately 44% of the industry’s market share. These main contractors typically possess capital strength, and project management experience, enabling them to undertake large and complex bridge engineering projects. Bridge engineering projects are typically large-scale, capital-intensive, and awarded through centralised tendering, which naturally limits the customer base.



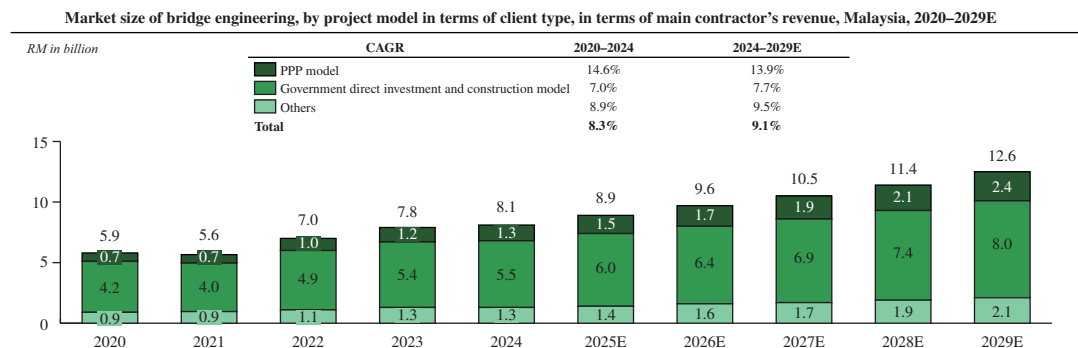
Source: CIC Report

INDUSTRY OVERVIEW

The market size of the bridge engineering market in Malaysia

Excluding the decline in 2021 caused by COVID-19 pandemic related policies, such as Temporary Measures for Reducing the Impact of the Coronavirus Disease 2020 and Recovery Movement Control Order, Malaysia’s bridge engineering market has shown an overall upward trend in terms of main contractor’s revenue. Since 2022, driven by major projects such as SUKE, Light Rail Transit Line 2 (LRT2), and Mass Rapid Transit Circle Line (MRT3), the demand for bridge engineering has remained strong. The Malaysia’s 2025 National Budget continues to emphasise the critical role of bridge engineering in supporting Malaysia’s economic development, with a focus on the widening and upgrading of existing bridge lanes as well as the construction of cross-sea bridges. The government also prioritises bridge engineering projects in East Malaysia, such as the Sabah section of the Pan Borneo Highway and the Sabah-Sarawak Link Road. Looking ahead, with the continued development of major projects such as ECRL, Malaysia’s bridge engineering market is set for steady growth. In 2024, the market size of bridge engineering in Malaysia was RM8.1 billion in terms of main contractor’s revenue. The overall market size, in terms of main contractor’s revenue, is projected to increase from RM8.1 billion in 2024 to RM12.6 billion in 2029, reflecting a CAGR of approximately 9.1% during the period from 2024 to 2029.

The Public-Private Partnership (“PPP”) model has gained significant traction in Malaysia in recent years. Designed to foster collaboration between the government and the private sector, Malaysia’s PPP framework enables joint investment and construction of infrastructure projects and other public service facilities. This approach helps to alleviate the government’s financial burden while leveraging the private sector’s expertise and efficiency to enhance project quality and economic benefits. The PPP sector is expected to maintain an upward trajectory. In 2024, the market size of bridge engineering projects under the PPP model reached RM1.3 billion and is projected to grow to RM2.4 billion by 2029, with a CAGR of approximately 13.9% from 2024 to 2029.



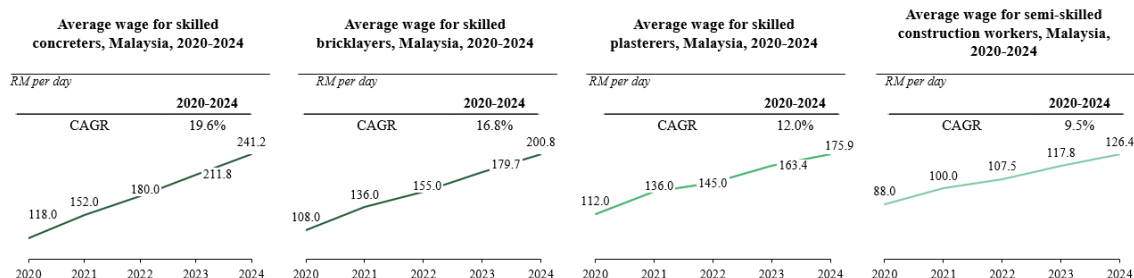
Source: Department of Statistics Malaysia, CIC Report

Note: The figures of the chart have been rounded up to one decimal place.

Cost analysis of the bridge engineering industry in Malaysia

The Malaysian construction workforce is divided into semi-skilled workers and skilled workers, where semi-skilled workers perform tasks requiring no specialised education or experience, while skilled workers are formally certified through the Malaysian Skills Certificate Level 3 as mandated by the Department of Skills Development in Malaysia, representing the minimum qualification for workers who have completed apprenticeships and gained sufficient trade-specific expertise to handle complex tasks requiring specialised knowledge. In recent years, COVID-19 pandemic’s impact has caused labour shortages, cross-border employment difficulties, and rising wage pressures across Malaysia’s civil engineering sector, with skilled trades critical to bridge engineering projects, including plasterers, bricklayers, and concreters, seeing average wage CAGR exceeding 10.0% over five years, while semi-skilled workers’ wages grew approximately 10.0% during the same period.

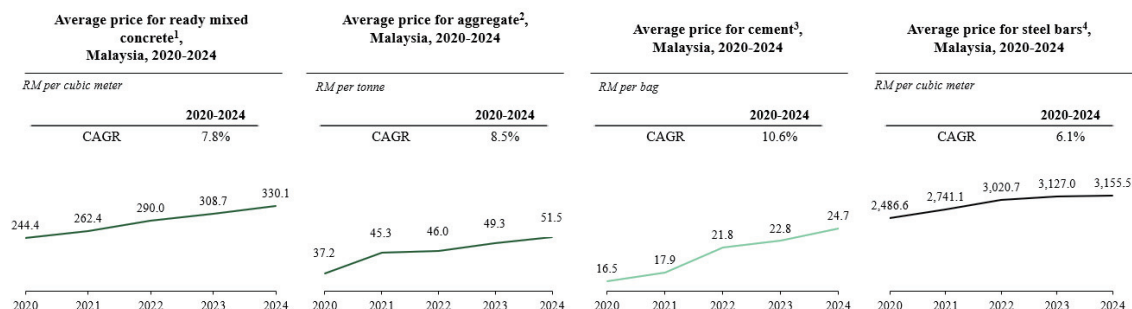
INDUSTRY OVERVIEW



Source: CIDB, CIC Report

Note: The figures of the chart have been rounded up to one decimal place.

The average price of main materials in Malaysia risen rapidly in recent years. A significant factor was the 2020 Malaysia Movement Control Order, which was introduced to combat the COVID-19 pandemic and restricted trade in certain goods and disrupted the normal operations of civil engineering firms. This policy interrupted supply chains, limiting the availability of materials and driving up construction costs. With the easing of the COVID-19 pandemic restrictions in early 2022, the market began to recover, enabling contractors to optimise their operations and supply chains. However, the outbreak of the Russia-Ukraine war in 2022 once again disrupted global supply networks, causing further cost increases for construction companies during the period from 2022 to 2024. From 2020 to 2024, the cost of main construction materials in Malaysia increased steadily. During this period, bridge engineering companies raised their quotations as well. At the same time, leading bridge engineering companies implemented cost management strategies to maintain long-term competitiveness. These strategies included adopting more cost-effective design solutions and optimising resource planning and construction processes to control overall expenditure.



Source: CIDB, CIC Report

Notes:

The figures of the chart have been rounded up to one decimal place.

1. The specification of the raw material is normal mixed, granite Grade 30.
2. The specification of the raw material is granite ¾”.
3. The specification of the raw material is ordinary Portland, 50kg.
4. The specification of the raw material is high tensile deformed bars 32”.

INDUSTRY OVERVIEW

Drivers of the bridge engineering industry in Malaysia

Rising urbanisation rate. Malaysia’s urbanisation process is on a steady rise, increasing from 77.9% in 2020 to 79.0% in 2024. With the acceleration of urbanisation in Malaysia, the demand for bridges connecting cities and suburban areas has grown significantly. Many of the major cities in Malaysia, such as Kuala Lumpur, Penang, and Johor Bahru, are separated by rivers, bays, or other natural barriers, necessitating the construction of bridges to improve regional connectivity and support economic activities. As population and economic activity continue to concentrate in urban centres, the need for bridges between cities and between urban and suburban areas will continue to serve as a key driver for the development of the bridge engineering industry in Malaysia.

Growing expenditure on bridge infrastructures. In recent years, the Malaysian government has allocated substantial funds to enhance the nation’s transportation infrastructure, recognising its critical role in supporting economic growth and improving connectivity across regions. According to the Ministry of Finance of Malaysia, transportation infrastructure spending increased from RM12,800.0 million in 2020 to RM17,600.0 million in 2025, specifically for transportation infrastructure projects, including bridge engineering projects. Additionally, the allocation of such significant funds is part of the Malaysian government’s broader efforts to improve transport links, which includes the development of new bridges to ensure they meet growing traffic demands. The National Transport Policy 2019–2030 underscores the strategic importance of transportation infrastructure in driving economic growth and enhancing regional connectivity. It supports the Malaysian government’s continued investment in key projects, including the construction of bridges. With these increased investments, bridge engineering projects across the nation are expected to witness accelerated growth.

Special local topography. Malaysia’s unique topography and geographical setting necessitate a high reliance on bridge engineering. The country is composed of two main regions: Peninsular Malaysia and East Malaysia, along with several coastal islands such as Penang, Langkawi, and Labuan. Numerous major rivers, such as the Klang River, Pahang River and Kelantan River traverse densely economic areas including Kuala Lumpur and Petaling Jaya. Additionally, the mountainous and hilly terrain across Malaysia’s East Coast and the Borneo region limits traditional highway construction, necessitating the construction of elevated bridges. The multitude of straits and rivers between Malaysia’s islands restricts land transportation, making bridges essential for connecting various economic regions. The need for long-span and specialised bridges is heightened by the country’s complex landscape, making bridge engineering essential to Malaysia’s transportation network and overall development.

Thriving tourism industry. The thriving tourism industry in Malaysia has led to a significant increase in foreign visitors, further amplifying the demand for efficient transportation infrastructure. As international tourism continues to grow, facilitating smooth travel between major cities and tourist destinations has become a priority. Bridges play a crucial role in this regard, ensuring seamless connectivity across urban centres, islands, and key tourist spots. Moreover, as bridge infrastructure continues to develop and mature, it further enhances the tourism experience, especially for short-distance trips. To promote the country as a more attractive travel destination, Malaysia’s need for reliable and efficient transport routes, including well-designed bridge infrastructure, is gradually growing.

More advanced bridge engineering techniques. The advancement of bridge engineering techniques has played a pivotal role in enhancing the structural performance, longevity, and efficiency of bridge engineering in Malaysia. The adoption of innovative materials, such as high-performance concrete and corrosion-resistant steel, has improved load-bearing capacity and durability, reducing long-term maintenance costs. Additionally, modern construction methods, including prefabrication, incremental launching, and cable-stayed designs, have accelerated project timelines and optimised resource utilisation. As Malaysia continues to modernise its transportation infrastructure, the integration of advanced bridge engineering techniques is expected to drive further improvements in construction efficiency, safety, and long-term sustainability.

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Trends of the bridge engineering industry in Malaysia

Adopted PPP model. The Malaysian government is positioning the PPP model as the primary financing mechanism for future large-scale infrastructure projects, including bridge engineering projects. According to the Public-Private Partnership Master Plan 2030 (PIKAS 2030) released in September 2024, the Malaysian government aims to mobilise RM78.0 billion in private investment through the PPP model, with an expected contribution of RM82.0 billion to the national GDP by 2030. PIKAS 2030 outlines four strategic pillars: enhancing the PPP ecosystem, strengthening coordination mechanisms, expanding partnership models, and optimising financing structures. This plan offers more diversified financing and implementation mechanisms for major infrastructure projects such as bridges.

Wider application of smart technology. Malaysia’s bridge engineering sector is accelerating its shift towards smart transformation, with the extensive application of technologies such as Artificial Intelligence (AI), Virtual Reality (VR), Building Information Modelling (BIM), drones, and the Internet of Things (IoT). These innovations aim at enhancing the efficiency and safety of design and construction, management. AI and VR have improved design accuracy and efficiency, smart construction management and drone monitoring have streamlined operations and increased on-site safety, and intelligent sensors along with predictive maintenance systems have strengthened long-term operational performance of bridge infrastructure.

Deepening environmental awareness. Malaysia’s bridge engineering industry is actively advancing green engineering solutions, with the government offering tax incentives to high-performing bridge engineering firms to encourage sustainable development practices. This policy direction has prompted companies to adopt environmentally friendly materials and technologies throughout the design and construction phases, enhancing energy efficiency, reducing carbon emissions, and supporting the industry’s transition towards sustainability. For instance, the Malaysian Green Building Index (GBI) certification tool provides tax exemptions for projects that meet green building standards. Projects certified under the GBI are eligible for income tax relief, thereby incentivising bridge engineering companies to incorporate eco-friendly materials and energy-saving technologies into their designs and construction practices. This has contributed to the systematic and institutional advancement of environmental awareness within the Malaysian bridge engineering sector.

Challenges and threats of the bridge engineering industry in Malaysia

Labour shortage. The Malaysian bridge engineering sector is currently facing the labour shortage, particularly skilled experts. The number of professionals entering the bridge engineering sectors remains insufficient to meet the demands. On average, only approximately 5,000 engineers enter the overall civil engineering sector annually, which is inadequate to support the development of large-scale bridge engineering projects. This gap highlights a significant mismatch between the supply and demand in engineering talent and poses constraints on both the growth and technical advancement of the bridge engineering industry. The bridge engineering sector is often associated with challenging site conditions, such as prolonged exposure to high temperatures, heavy rainfall, and physically demanding outdoor environments, which require a great number of talented workers.

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Extreme climatic conditions. Malaysia’s bridge construction sector faces significant climate-related challenges, largely due to the country’s tropical climate, characterised by persistently high temperatures and humidity. These conditions adversely affect construction efficiency, site safety, and structural durability. Elevated temperatures contribute to worker fatigue, increasing the risk of safety incidents, while high humidity compromises the curing process of concrete, raising the likelihood of structural cracking and potentially delaying project timelines. Humid conditions combined with salt-laden air, especially in coastal areas, accelerate the corrosion of metal components such as cables, joints, and supports, undermining the long-term integrity and durability of bridge structures and necessitating more intensive maintenance. Malaysia is also vulnerable to extreme weather events, including torrential rainfall, tropical storms, and flash floods, which pose serious safety risks at construction sites. These include scaffolding instability, flooded foundations, material damage, and even equipment submersion. Such disruptions not only introduce project uncertainty but also result in substantial cost escalations.

COMPETITIVE LANDSCAPE OF MALAYSIA’S BRIDGE ENGINEERING INDUSTRY

Overview of competitive landscape of Malaysia’s bridge engineering industry

In Malaysia’s bridge engineering industry, contractors are required to obtain a Contractor Registration Certificate issued by the CIDB, which adopts a seven-tier classification system from G1 to G7. As at 31 December 2024, approximately 2,000 companies in Malaysia’s bridge engineering sector had been certified at the highest G7 grade. Despite the large number of certified firms, fewer than 30 bridge engineering subcontractors in Malaysia were actively engaged in bridge engineering projects as at the end of 2024.

Furthermore, subcontracting is integral to Malaysia’s bridge engineering. In 2024, the majority of bridge engineering projects were executed through subcontracting arrangements, a trend that is likely to continue its upward trajectory. This highlights the pivotal role of subcontractors within the industry. Some subcontractors further outsource specific structural components such as beams, bearings, and formwork from specialised firms, which typically act as suppliers or service providers for targeted tasks within the overall bridge engineering process. These specialised firms are often rated below CIDB G5 under CIDB’s contractor grading system, indicating that they lack the qualifications or financial capacity to undertake full bridge packages independently. Instead, they primarily serve a supporting role in providing specific structural components or skilled services within a larger contract. Additionally, the Malaysian government has introduced a series of policies and initiatives designed to support local subcontractors. Their in-depth knowledge of local terrain and well-established communication networks within Malaysia’s supply chain enable them to deliver projects successfully, making them highly favoured by project owners.

Only few companies in Malaysia are active in both bridge engineering and flood mitigation projects. The two sectors offer significant operational synergies. Techniques used in flood mitigation (such as early-stage planning, site investigation, and water flow modeling) can enhance the safety and efficiency of bridge foundation design. Both sectors also require an understanding of terrain, soil, and water behaviour, enabling shared engineering insights and more integrated project delivery. As the Malaysian government’s investment in climate resilience grows, particularly through national flood mitigation initiatives, some of Malaysia’s top bridge engineering contractors are beginning to leverage their expertise to expand into this emerging space for long-term infrastructure opportunities.

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SME Competitiveness Rating for Enhancement (“**SCORE**”), a government initiative which aims to assess and improve the competitiveness of Small and Medium Enterprises (SME), provides tiered support based on star ratings: enterprises rated 0 to 2 stars receive basic advisory services; 3-star enterprises benefit from improvement recommendations and capacity-building programmes; while those rated 4 stars and above are eligible for market expansion support, export promotion, and international business matching services. As of 2024, less than 100 companies in Malaysia have achieved 4-star or 5-star ratings under the SCORE framework. The number of 5-star rated enterprises remains relatively limited, with the figure was approximately 20, most of which demonstrating strong international competitiveness.

Ranking of Malaysia’s bridge engineering subcontractors

The bridge engineering and transportation infrastructure engineering markets under the civil engineering industry in Malaysia are relatively scattered. In the bridge engineering market, subcontractors play a crucial role in Malaysia. The market size of Malaysia’s bridge engineering in terms of subcontractor’s revenue reached RM4.9 billion in 2024. In 2024, our Company ranked as the tenth largest bridge engineering subcontractor in Malaysia in terms of bridge engineering revenue, with its revenue amounted to approximately RM123.2 million and its market share of approximately 2.5%.

Ranking of bridge engineering subcontractors in Malaysia, in terms of bridge engineering revenue, 2024

Rank	Headquarter	Company	Revenue, RM million	Market share
1	Kuala Lumpur	Company A ¹	284.3	5.8%
2	Selangor	Company B ²	253.0	5.2%
3	Kuala Lumpur	Company C ³	235.3	4.8%
4	Kuala Lumpur	Company D ⁴	189.2	3.9%
5	Selangor	Company E ⁵	185.3	3.8%
6	Kuala Lumpur	Company F ⁶	178.7	3.6%
7	Kuala Lumpur	Company G ⁷	165.6	3.4%
8	Kuala Lumpur	Company H ⁸	150.3	3.1%
9	Johor	Company I ⁹	130.4	2.7%
10	Selangor	Our Company ¹⁰	123.2	2.5%

Source: CIC Report

Notes:

The figures of the table have been rounded up to one decimal place.

1. A private company established in 2004 and headquartered in Kuala Lumpur. It has achieved, and continues to maintain, CIDB G7 status and a 5-star SCORE rating. In 2024, its core businesses include bridge engineering, highway and road engineering, transit systems, airports and urban buildings construction.
2. A private company established in 1986 and headquartered in Selangor. It has achieved CIDB G7 status and 3-star SCORE rating. In 2024, its core businesses cover bridge engineering, including flyovers, overpasses and viaducts.
3. A private company established in 1995 and headquartered in Kuala Lumpur. It has achieved CIDB G7 status and 5-star SCORE rating. In 2024, its core businesses cover bridge engineering, highway engineering, and high-rise buildings construction.
4. A private company established in 1986 and headquartered in Kuala Lumpur. It has achieved CIDB G7 status and 3-star SCORE rating. In 2024, its core businesses cover bridge engineering, highway and road engineering, public works and institutional building construction.

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5. A private company established in 2010 and headquartered in Selangor. It has achieved CIDB G7 status and 4-star SCORE rating. In 2024, its core businesses cover bridge engineering, highway engineering and railway engineering which contains urban transit.
6. A private company established in 1982 and headquartered in Kuala Lumpur. It has achieved CIDB G7 status and 3-star SCORE rating. In 2024, its core businesses cover bridge engineering, highway engineering, docks and public works construction, which also provides service in machinery and engineering.
7. A private company established in 1985 and commenced its operations in September 1989 and headquartered in Kuala Lumpur. It has achieved CIDB G7 status and 4-star SCORE rating. In 2024, its core businesses cover bridge engineering, highway engineering and railway engineering which contains urban transit.
8. A private company established in 1986 and headquartered in Kuala Lumpur. It has achieved CIDB G7 status and 5-star SCORE rating. In 2024, its core businesses cover bridge engineering, highway engineering, road engineering, earthworks, building engineering and flood mitigation.
9. A private company established in 2003 and headquartered in Johor. It has achieved CIDB G7 status and 3-star SCORE rating. In 2024, its core businesses cover bridge engineering and reservoir engineering.
10. A private company established in 2001 and headquartered in Selangor. It is registered with G7 status, 3-star SCORE rating with CIDB. In 2024, the Company specialises in bridge engineering, complemented by synergistic operations in flood mitigation engineering. Its main projects include Duta – Ulu Kelang Expressway and Central Spine Road, etc.

Entry barriers of Malaysia’s bridge engineering industry

Strong financial strength. Due to the capital-intensive nature of transportation infrastructure projects involving the provision of bridge engineering services, significant upfront investment is required for equipment procurement, construction machinery, labour recruitment, design preparation, and bid bonds. In addition, long payment cycles in a project often result in financial pressure on bridge engineering subcontractors, which include pre-finance construction activities. Large-scale bridge projects typically involve the use of high-cost specialised equipment such as movable formwork systems, scaffolding and support tower cranes, and concrete pump trucks, alongside the ongoing payment of high wages for technical personnel, rental of general machineries, and skilled workers. Contractors generally experience net cash outflows because of project upfront costs at the early stage of a project; and issuance of performance and/or advance payment bonds. While the nature and quantum of project upfront costs incurred varies from project to project, the amount of upfront costs incurred for transportation infrastructure engineering projects in Malaysia may represent approximately over 5% of the contract sum and may vary depending on the size and the duration of the project, the payment practice of different contractors and the relationship between the relevant parties involved. New market entrants without sufficient cash flow or stable financing channels may struggle to cover substantial start-up and operational costs, exposing them to liquidity constraints, project delays, or even failure to meet contractual obligations. Hence, a bridge engineering subcontractor’s financial capacity not only determines its ability to execute projects effectively but also directly influences its eligibility for market participation.

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Strict certification and qualification. In Malaysia, companies engaged in bridge engineering must obtain the appropriate grade of licence (G1–G7, with G7 being the highest) from CIDB, meeting requirements for financial capacity, technical expertise and project experience. Companies typically require ISO 9001 Quality Management System (QMS) certification, Occupational Safety and Health (OSH) compliance documentation, and Environmental Impact Assessment (EIA) approval for major projects. When participating in government projects, contractors must comply with local tendering regulations including publishing notices in designated media. This comprehensive licensing and certification system ensures the quality, safety and regulatory compliance of bridge engineering projects in Malaysia.

Well-established track record and credibility. A well-established track record and widely recognised projects are key sources of client confidence in a company’s ability to execute projects. A company’s performance in past projects directly influences its competitiveness in future bidding, especially for complex projects like bridges, where clients place significant emphasis on the contractor’s ability to manage safety, environmental concerns, and project timelines. Companies with a strong track record are often able to offer higher reliability and gain more trust. However, for new entrants, building such a track record typically takes years, accumulating experience through participation in smaller or relatively simpler projects. As a result, new companies often face significant challenges in gaining client’s trust and recognition, and lacking strong project references can put them at a disadvantage when competing for high-standard bridge engineering projects.

Sophisticated expertise. The complex technical expertise required in the bridge engineering industry constitutes one of its key entry barriers. Bridge engineering projects involve highly specialised fields such as structural design, geotechnical analysis, construction methodologies, and material selection, demanding multidisciplinary integration and precise technical control. Companies must assemble a high-calibre team such as structural engineers, geotechnical specialists, and safety management personnel, most of whom are expected to possess years of practical experience and relevant professional certifications. For new entrants, it is particularly challenging to recruit a fully qualified team and gain sufficient hands-on project experience in the short term. The new entrants may lack the capability to manage complex site conditions, technical decision-making, and construction coordination effectively. The high level of specialised knowledge required poses barriers to entry in terms of organisational capacity, talent acquisition, and project execution readiness.

Key success factors of Malaysia’s bridge engineering industry

In-depth local market knowledge. Understanding of the local market is one of the key success factors in Malaysia’s bridge engineering industry. Malaysia features diverse terrain, with East Malaysia characterised by tropical rainforests, an extensive network of rivers, and soft soil foundations, all of which contribute to pronounced geological instability. In these regions, bridge foundations typically require deep piling systems, with piles driven over 20 metres deep into load-bearing strata to ensure structural stability. Traditional shallow foundation designs are inadequate in these settings, as they cannot withstand long-term loading or seasonal ground settlement. Companies with local knowledge are better positioned to manage engineering risks and enhance project quality by selecting appropriate locations, adopting deep piling foundation designs, and optimising construction schedules.

INDUSTRY OVERVIEW

A comprehensive and strong construction capability. With the rapid development of large-scale infrastructure projects in Malaysia, bridge engineering places increasingly high demands on contractors’ construction capabilities. Companies offering comprehensive construction services, encompassing geotechnical investigation, piling works, structural erection, deck surfacing, and drainage systems, are better positioned to deliver integrated solutions that enhance project efficiency, shorten timelines, and reduce coordination risks. In the ECRL project, the route passes through mountainous terrain, swamps, and river systems, resulting in complex bridge structures and tight schedules. Contractors capable of managing prefabrication, deep piling, slope stabilisation, and integrated deck construction are better equipped to address on-site challenges and maintain continuity of works. Comprehensive construction capabilities improve technical integration, increase adaptability in complex project environments, and strengthen contractors’ competitiveness in bridge engineering market.

Solid relationship with governments. The transportation infrastructure engineering market in Malaysia is mainly driven by the ongoing and planned major local infrastructure projects. Market participants which can take part in these major infrastructure projects will enjoy a competitive edge in the industry. In Malaysia’s bridge engineering industry, as large-scale infrastructure investment continues to be driven predominantly by the government, competition among contractors has become increasingly intense. Establishing strong relationships with government bodies has emerged as a critical factor in securing market share and accessing high-value projects. Many bridge initiatives, such as nationally strategic railways, inter-state highway networks, and rural-urban connectivity bridges, are typically led by Malaysian federal or state governments. Companies that maintain close communication with government agencies, possess a strong understanding of policy directions, and respond promptly to evolving technical standards are more likely to succeed during the tendering process. A strong governmental relationship can also help accelerate approval procedures, facilitate land acquisition, and improve coordination with local authorities, ultimately enhancing overall project delivery efficiency.

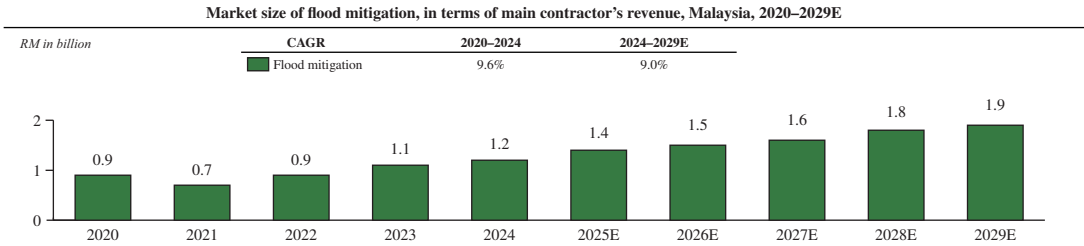
Efficient project management and emergency response capabilities. In Malaysia’s bridge engineering industry, exceptional project management and execution capability are core competitive advantages for success in complex project environments. Many bridge engineering projects face challenges such as variable terrain, adverse weather conditions, land acquisition difficulties, and the need for interagency coordination. Without a systematic project management framework, these factors can easily lead to delays, budget overruns, and resource inefficiencies. Effective project management ensures that each phase progresses in an organised manner and enables prompt adjustments to plans in response to unforeseen events such as flooding, foundation collapse, or construction conflicts. Scientifically structured scheduling, transparent progress tracking, and rational resource allocation further enhance client’s satisfaction and improve overall project control and deliverability.

OVERVIEW OF MALAYSIA’S FLOOD MITIGATION INDUSTRY

As a part of the hydraulic engineering segment, the flood mitigation refers to dredging operations aimed at clearing silt and sediment from rivers and waterways, thereby improving navigability, enhancing flood resilience, and supporting land reclamation efforts.

INDUSTRY OVERVIEW

Malaysia’s coastal geography, characterised by low-lying areas, makes it particularly vulnerable to flooding, especially during monsoon seasons. The tropical rainforest climate in Malaysia is strongly influenced by maritime conditions, leading to high and increasing annual rainfall. Since 2020, Malaysia’s average precipitation has shown an upward trend, rising from 3,040.0 millimeters in 2020 to 3,490.0 millimeters in 2022 – the highest in nearly a decade – despite a slight dip to 3,085.5 millimeters in 2024 due to a shift in monsoon patterns and a delayed onset of the northeast monsoon season. The extreme of rainfall has prompted the Malaysian government to place greater emphasis on flood mitigation infrastructure in recent years. Malaysia’s vulnerability to flooding, especially during monsoon seasons, has led the government to prioritise investment in flood resilience infrastructure. To enhance flood resilience, the Malaysian government is expected to invest heavily in flood mitigation projects. For example, the Malaysian government has allocated RM3.0 billion in the Malaysia’s 2025 National Budget to initiate key flood mitigation projects implementing 12 major flood mitigation programmes. These include the flood mitigation works along the Sungai Damansara in Selangor, the Sungai Likas in Kota Kinabalu, Sabah, and the Sungai Triang in Bera, Pahang, among others. This investment aims to accelerate the progress of flood mitigation efforts across the industry, ensuring the nation’s hydraulic security. In 2024, Malaysia’s flood mitigation market size, measured by main contractor’s revenue, reached RM1.2 billion and is projected to expand to RM1.9 billion by 2029, with a CAGR of approximately 9.0% from 2024 to 2029.



Source: Department of Statistics Malaysia, CIC Report
Note: The figures of the chart have been rounded up to one decimal place.

REGULATORY OVERVIEW

LAWS AND REGULATIONS IN MALAYSIA

The following is an overview of the material laws and regulations that are relevant to the business operations of our subsidiary in Malaysia:

Laws and regulations relating to construction activities in Malaysia

Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994

The Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (Construction Industry Development Board Act Malaysia 1994 or “**CIDB Act**”) which applies throughout Malaysia, regulates the establishment of the Lembaga Pembangunan Industri Pembinaan Malaysia, or Construction Industry Development Board (“**CIDB**”), and provides for its function relating to the construction industry and for matters connected therewith.

Pursuant to the CIDB Act, a contractor means a person who carries out or completes or undertakes to carry out or complete any construction works and for the purpose of the CIDB Act, any person who has been awarded or executed any contract for construction works, or has undertaken to carry out, manage or complete any construction works, or has carried out, managed or completed any construction works, shall be deemed to be a contractor unless proven otherwise.

Under the CIDB Act, “construction works” means the construction, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling, or demolition of:

- (a) any building, erection, edifice, structure, wall, fence or chimney, whether constructed wholly or partly above or below ground level;
- (b) any road, harbour works, railway, cableway, canal or aerodrome;
- (c) any drainage, irrigation or river control works;
- (d) any electrical, mechanical, water, gas, petrochemical or telecommunication works; or
- (e) any bridge, viaduct, dam, reservoir, earthworks, pipeline, sewer, aqueduct, culvert, drive, shaft, tunnel or reclamation works,

and includes –

- (A) any works which form an important and integral part of or are preparatory to or temporary for the works described in (a)–(e) above, including site clearance, soil investigation and improvement, earth-moving, excavation, laying of foundation, site restoration and landscaping; or
- (B) procurement of construction materials, equipment or workers, necessarily required for any work described in (a)–(e) above.

REGULATORY OVERVIEW

In Malaysia, a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete or undertake to carry out or complete any construction work or hold himself/herself out as a contractor. Failure to register with the CIDB constitutes an offence and on conviction, the party in breach of the CIDB Act may be liable to a fine of not less than RM10,000 but not more than RM100,000.

Every contractor, whether registered under CIDB Act or not, is subject to the CIDB Act.

Pursuant to Sections 30(1) and 30(1A) of the CIDB Act, where the CIDB finds that construction works are being carried out or completed, or undertaken to be carried out or completed by any person who is not registered with CIDB under the CIDB Act or by a registered contractor in contravention of any provision of the CIDB Act, the CIDB may by notice in writing served on him/her require him/her to abstain from commencing or proceeding with the construction works or from undertaking to carry out or complete the construction works, with or without conditions.

Failure to comply with Sections 30(1) and 30(1A) of the CIDB Act constitutes an offence and on conviction, the party in breach of the CIDB Act shall be liable to a fine not exceeding RM5,000 and in the case of a continuing offence, to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

According to the Contractor Registration Requirements and Procedures Handbook issued by the CIDB in July 2018, the certification of registration issued by the CIDB is valid for a minimum period of one year and a maximum term not exceeding three years, unless cancelled, suspended or revoked earlier by the CIDB. There are four categories of registrations, namely building construction, civil engineering, mechanical and electrical and facilities. The scope of registration may further be classified into the following seven grades with each grade having different tendering capacity:

Grade	Tendering capacity	Paid-up capital requirement (RM)	Personnel technical requirement
G1	Not exceeding RM200,000	5,000/10,000 (Certificate of Government Procurement Works, SPKK (as defined below))	One technical certificate holder in construction-related fields (if any)
G2	Not exceeding RM500,000	25,000	One technical certificate holder in construction-related fields (if any)
G3	Not exceeding RM1.0 million	50,000	One technical certificate holder in construction-related fields (if any)
G4	Not exceeding RM3.0 million	150,000	One diploma holder in construction-related fields

REGULATORY OVERVIEW

Grade	Tendering capacity	Paid-up capital requirement (RM)	Personnel technical requirement
G5	Not exceeding RM5.0 million	250,000	One diploma holder in construction-related fields (with a minimum of five years of experience in construction works) or one degree holder in construction-related fields (with a minimum of one year of experience in construction works)
G6	Not exceeding RM10.0 million	500,000	One degree holder in construction-related fields and one diploma holder in construction-related fields, where one of the holders must possess a minimum of three years of experience in construction works
G7	No limit	750,000	One degree holder in construction-related fields and one diploma holder in construction-related fields where both holders must possess a minimum of five years of experience in construction works; or Two degree holders in construction-related fields, where one of the holders must possess a minimum of five years of experience in construction works

Pursuant to Section 34(1) of the CIDB Act, every contractor shall declare and submit to the CIDB, in the manner as may be prescribed by the CIDB, any contract which he/she has been awarded on any construction works. For every contract referred to in Section 34(1) of the CIDB Act, whether stamped or not, having a contract sum of above RM500,000, the contractor shall be liable to pay to the CIDB a levy calculated at the rate of 0.125 per centum of the contract sum. Where a contractor fails to pay any levy due within the prescribed period by the CIDB, the contractor shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or four times the amount of such levy payable, whichever is higher.

There is also a certificate issued by the CIDB known as “sijil perolehan kerja kerajaan” or Certificate of Government Procurement Works (“**SPKK**”) whereby construction companies holding the said certificate are eligible to participate in any government projects based on their qualifications.

In addition, contractors with a “sijil taraf bumiputera kontraktor kerja” or Bumiputera Work Contractor Status Certificate (“**STB**”) issued by the Ministry of Entrepreneur Development and Cooperatives Malaysia are able to tender for any government projects which are designated for the companies with a STB.

REGULATORY OVERVIEW

Construction Industry Payment and Adjudication Act 2012

The Construction Industry Payment and Adjudication Act 2012 (“**CIPAA**”) facilitates regular and timely construction industry payments, provides a mechanism for speedy dispute resolution through adjudication and provides remedies for the recovery of payment in the construction industry and matters incidental thereto.

The CIPAA applies to every construction contract made in writing relating to construction work carried out wholly or partly within the territory of Malaysia, including a construction contract entered into by the Malaysian Government. The CIPAA does not apply to construction contract entered into by a natural person for any construction work in respect of any building which is less than four storeys high and which is wholly intended for his/her occupation.

Land Public Transport Act 2010

Pursuant to Section 51(1) of Land Public Transport Act 2010 (“**LPTA 2010**”), no person shall operate or provide a goods vehicle service using a class of goods vehicles for the carriage of goods for hire or reward or for or in connection with any trade or business unless he holds an operator’s license.

Pursuant to Section 51(2) of the LPTA 2010, a person would be deemed to be operating or providing a goods vehicle service if he/she uses or drives the goods vehicle himself/herself or employs one or more persons to use or drive the same to operate or provide a goods vehicle service, and he/she either owns the said goods vehicle or he/she is responsible under any form of arrangement with the owner or lessor of the goods vehicle to manage, maintain or operate such goods vehicle.

Section 51(7) of the LPTA 2010 also provides that a company or corporation which contravenes Section 51(1) of the LPTA 2010 commits an offence and shall, on conviction, be liable to a fine not exceeding RM200,000.

Financial Procedure Act 1957 (Revised 1972)

The Financial Procedure Act 1957 (“**FPA 1957**”) provides for the control and management of the public finances of Malaysia, and for financial and accounting procedure, including procedure for the collection, custody and payment of the public moneys of the Federation and of the States, and the purchase, custody and disposal of public property, other than land, of the Federation and of the States and for matters connected therewith.

The FPA 1957 must be read together with Paragraph 178A of the Treasury’s Direction (Arahan Perbendaharaan), Paragraphs 1.1 and 1.2 of Treasury Circular (1 Pekeliling Perbendaharaan (“**1PP**”) and Government Procurement (Perolehan Kerajaan (“**PK**”)) PK 5, and Paragraph 3(ii) of Treasury Circular PK 8 which stipulated that all companies that wish to do business with the Malaysian Government must be registered with the Ministry of Finance (“**MOF**”).

REGULATORY OVERVIEW

According to Paragraphs 4.1.1(b) and 3.8 of the Guide for Account Registration MOF for the procurements of supplies and services including consulting firms (version 2) issued in January 2023 by MOF, renewal of the MOF account registration must be made not less than three months before the date of expiration, otherwise, the MOF account will be automatically terminated if the company does not apply for renewal for a period more than one year from the date of expiration, which may result in the company not being able to participate in government procurement.

Pursuant to the Paragraphs 1 and 2 of Treasury Circular PK 8 in relation to the disciplinary actions against the company in government procurement, the MOF has the right to take disciplinary action or impose penalties such as issuance of warning letters; cancellation of approved field code; suspension of registration with the MOF for a period up to five years and prohibition from receiving/participating in future tender/quotation; cancellation of registration with the MOF for a maximum period of up to five years and removal from the MOF registration record; and blacklisting owner or board member of the company for a period of up to five years, if the following events occur, but not limited to:

- (a) violation of terms of the registration by falsifying or altering information or documents;
- (b) allowing registration certificate to be used by other designated individuals or companies;
- (c) failing to update the company’s information regarding registrations with the MOF;
- (d) not cooperating with respective authorities on matters regarding registrations with the MOF;
- (e) violation of tender or contractual terms;
- (f) withdrawing from tender or quotation process after the closure of the tender or quotation;
- (g) collaborating tender/quotation price with another company;
- (h) assigning awarded contract to other company;
- (i) failing to comply with the contractual obligations; and
- (j) criminal offences such as bribery, fraud and breach of trust or civil conviction such as imposition of judgment debt, bankruptcy, receivership or liquidation order.

Licensing and Permit Requirements

Business License under local laws

In Malaysia, a private limited company may commence business operations upon registration for incorporation under the Companies Act 2016 (“**CA 2016**”). Following its registration for incorporation, the company shall obtain a business premise license for each operating premise from the relevant local authority which was empowered under the Local Government Act 1976 (“**LGA 1976**”).

REGULATORY OVERVIEW

The LGA 1976 empowers every local authority to, amongst others, grant license or permit for any trade, occupation or premises. In exercising its powers under Section 102 of the LGA 1976, the local authorities are further empowered to pass their own by-laws. BBSB Holdings is running its business in several district in Malaysia and therefore it is a requirement for its operating premises to obtain a business license from the local authority.

Laws and regulations in relation to Labour, Health and Safety

Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 (“**OSHA 1994**”) provides provisions for securing the safety, health and welfare of persons at work, for protecting others against risks to safety or health in connection with the activities of persons at work and for matters connected therewith and applies throughout Malaysia to the industries specified in the OSHA 1994.

Pursuant to Section 15 of the OSHA 1994, every employer has a duty to ensure, so far as is practicable, the safety, health and welfare at work of all their employees by (including but without limitation):

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health at work of his employees;
- (d) so far as is practicable, as regards any place of work under the control of the employer, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks;
- (e) the provision and maintenance of a working environment for his employees that is, so far as is practicable, safe, without risks to health, and adequate as regards facilities for their welfare at work; and
- (f) the development and implementation of procedures for dealing with emergencies that may arise while the persons are at work.

REGULATORY OVERVIEW

Pursuant to Section 18A(1) of the OSHA 1994, it shall be the duty of every principal to take, so far as is practicable, such measures as are necessary to ensure the safety and health of:

- (a) any contractor engaged by the principal when at work;
- (b) any subcontractor or indirect subcontractor when at work; and
- (c) any employee employed by such contractor or subcontractor when at work.

For the purpose of this section, "subcontractor" means any person who contracts with a contractor for the execution by or under the subcontractor of the whole or any part of any work undertaken by the contractor for his/her principal, and includes any person who contracts with a subcontractor to carry out the whole or any part of any work undertaken by the subcontractor for a contractor.

Pursuant to Section 18A(3) of the OSHA 1994, the measures necessary to ensure the safety and health of the persons at work include:

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risk to health;
- (b) the making of arrangements including the allocation of sufficient time, budget and other resources for ensuring, so far as is practicable, safety and absence of risks to health in connection with construction work activities, use or operation, handling, storage or transport of plant and substances;
- (c) the provision of such information, instruction, training and supervision as is necessary to ensure, so far as is practicable, the safety and health of the persons at work;
- (d) so far as is practicable, as regards to any place of work under the control of the principal, the maintenance of the place of work in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks;
- (e) the provision and maintenance of a working environment for the persons at work that is, so far as is practicable, safe and without risks to health; and
- (f) the development and implementation of procedures for dealing with emergencies that may arise while the persons are at work.

Pursuant to Section 18A(4) of the OSHA 1994, it shall be the duty of every principal to take, so far as is practicable, necessary measures to ensure the safety and health of persons, other than a person referred to under Section 18A(1) of the OSHA 1994 stated above, working under the principal's direction, who may be affected by any undertaking carried on by him/her at the place of work.

REGULATORY OVERVIEW

Pursuant to Section 18A(5) of the OSHA 1994, it shall be the duty of every principal, in the prescribed circumstances and in the prescribed manner, to give to persons, other than a person referred to under Section 18A(1) of the OSHA 1994 stated above, working under the principal’s direction, the prescribed information on such aspects of the manner in which he/she conducts his/her undertaking as might affect their safety or health.

Pursuant to Section 19 of the OSHA 1994, a person who contravenes the provisions of Sections 15 and/or 18A of the OSHA 1994 constitute an offence and on conviction the person shall be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both.

The Department of Occupational Safety and Health (“**DOSH**”) officer may also issue (i) an improvement notice against any non-compliance of the OSHA 1994; or (ii) a prohibition notice against an employer if in general an activity is undertaken at the workplace may create an immediate danger to life or property. Failure to comply with such notice without reasonable excuse constitutes an offence and shall on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding two years or to both, and to a further fine of RM2,000 for each day during which the offence continues.

The Factories and Machinery Act 1967 (“**FMA 1967**”) and the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 (“**FMR 1970**”) provide for the control of factories with respect to, inter alia, the matters relating to safety, health and welfare of person therein. The FMA 1967 also provides that no person shall operate or cause or permit to operate any machinery in respect of which a certificate of fitness is prescribed, unless there is in force in relation to the operation of the machinery a valid certificate of fitness issued under the FMA 1967.

Any person who operates any machinery without a certificate of fitness shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding three years or to both.

It is provided under the FMA 1967 that any contravention under the FMA 1967, the occupier of a factory or the owner (as the case may be) shall be guilty of an offence. However, if it is proved to the satisfaction of a court that a contravention of the FMA 1967 has been committed by any person other than the occupier or owner of the factory or machinery in respect of which the contravention has been committed, the owner or the occupier as the case may be shall also be held to be liable for that contravention and to the penalty provided therefore, unless he/she shall prove to the satisfaction of the court that the same was committed without his knowledge or consent and that he had taken all the reasonable means to prevent the same and to ensure the observance of the FMA 1967.

The Factories and Machinery (Repeal) Act 2022 (“**FMA**”) was passed on 16 March 2022 and have taken effect on 1 June 2024. From 1 June 2024, the relevant provisions of the repealed FMA 1967, in particular provisions relating to inspection of machineries, will be consolidated (with changes) into the amendment to the OSHA 1994.

The requirements for certificate of fitness before the installation and operation of any prescribed plant under the OSHA 1994 essentially mirrors the fitness certification of prescribed machineries under the FMA 1967 and the FMA.

REGULATORY OVERVIEW

Section 27D(1) of the OSHA 1994 provides that no person shall operate or cause or permit to be operated any plant prescribed as plant requiring certificate of fitness unless the plant has a certificate of fitness issued by an officer or a licensed person. According to Section 3 of the OSHA 1994, plant includes any machinery, equipment, appliance, implement or tool, any component thereof and anything fitted, connected or appurtenant thereto.

Pursuant to Regulation 3 of the Occupational Safety and Health (Plant Requiring Certificate of Fitness) Regulations 2024, the following plants are prescribed as plants requiring certificate of fitness:

- (a) steam boiler;
- (b) pressure vessel; and
- (c) lifting machinery.

Any person who contravenes Section 27D(1) of the OSHA 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding one year or to both.

Furthermore, Section 31A(2) of the OSHA 1994 provides that the employer of any person required to attend any training course under Section 31A(1) of the OSHA 1994 shall ensure that the person has completed such training course before allowing that person to perform any work for which the training is required. Failure to do so constitutes an offence, and upon conviction, the employer shall be liable to a fine not exceeding RM50,000 or imprisonment for a term not exceeding six months, or both.

Laws and regulations in relation to environmental protection in Malaysia

Water Services Industry Act 2006

The Water Services Industry Act 2006 (“**WSIA 2006**”) establishes a regulatory framework for the water supply services and sewerage services in Malaysia, including the licensing and operation of water supply and sewerage services providers.

Pursuant to Section 2 of the WSIA 2006, “water supply services” means the treatment of water abstracted from watercourses and the distribution and supply of treated water to consumers and includes the operation and maintenance of the water supply system and “sewerage services” means the collection, conveyance, treatment and disposal of sewage or sewage sludge, and includes the operation and maintenance of a sewerage system and the desludging of septic tanks.

The Suruhanjaya Perkhidmatan Air Negara Act 2006 establishes the National Water Services Commission (Suruhanjaya Perkhidmatan Air Negara) (“**SPAN**”), the regulatory body responsible for supervising and regulating the water supply and sewerage services in Peninsular Malaysia and Federal Territories of Putrajaya and Labuan. The SPAN regulates all entities in the water supply and sewerage services industry including public and private water supply and sewerage services operators, water supply and sewerage contractors, permit holders and suppliers of water and sewerage products and they sets standards for service providers in the industry.

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Pursuant to Section 45(1) of the WSIA 2006, no person shall construct, alter, modify, disconnect or close up a water supply system, sewerage system, septic tank, individual internal sewerage piping or common internal sewerage piping unless the relevant plans or specifications which requires the approval of the SPAN have first been approved in writing by the SPAN. Section 45(3) of the WSIA 2006 stipulates that a person seeking the approval of the SPAN under Section 45(1) of the WSIA 2006 shall submit to the SPAN such information and document in a form and manner and within the time as may be provided in the rules made under Section 180 of the WSIA 2006. Failure to comply with the same will result in the person's application for approval be deemed to be withdrawn without affecting the person's right to submit a fresh application.

Section 45(7) of the WSIA 2006 provided that a person who-

- (a) constructs, alters, modifies, disconnects or closes up a water supply system, sewerage system, septic tank, individual internal sewerage piping or common internal sewerage piping without the plans and specifications which are required to be approved by the SPAN being first approved in writing by the SPAN;
- (b) constructs, alters, modifies, disconnects or closes up any water supply system, sewerage system, septic tank, individual internal sewerage piping or common internal sewerage piping not in accordance with approved plans and specifications; or
- (c) makes any alteration to approved plans and specifications for the water supply system, sewerage system, septic tank, individual internal sewerage piping or common internal sewerage piping otherwise than in accordance with the WSIA 2006 or its subsidiary legislation,

commits an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding five years or to both; and he/she shall alter the water supply system, sewerage system, septic tank, individual internal sewerage piping or common internal sewerage piping so as to comply with the approved plans and specifications.

Pursuant to Section 45(8) of the WSIA 2006, if the SPAN is satisfied that any person has committed any of the offences under Section 45(7) of the WSIA 2006, then notwithstanding that the construction, alteration, modification, disconnection or closure may have been approved under any written law, the SPAN may-

- (a) if the construction, alteration, modification, disconnection or closure has been completed, direct that person, the owner or management corporation of the land or any combination of them, within a specified period, to bring the construction, alteration, modification, disconnection or closure into conformity in the manner as the Commission deems fit or, where this is not possible, to restore the land as far as possible to the condition it was in before the construction, alteration, modification, disconnection or closure was commenced; or

REGULATORY OVERVIEW

- (b) if the construction, alteration, modification, disconnection or closure has not been completed, direct that person, the owner or management corporation of the land to immediately cease the construction, alteration, modification, disconnection or closure works and comply with such requirement as the Commission deems fit or, where this is not possible, to restore the land as far as possible to the condition it was in before the construction, alteration, modification, disconnection or closure was commenced.

Rule 7 of the Water Services Industry (Planning, Design and Construction of Sewerage System And Septic Tank) Rules 2013 (“**WSIR 2013**”), the competent person shall apply to the SPAN for the approval of sewerage planning for sewerage works or septic tank works.

Pursuant to Section 50(1) of the WSIA 2006, subject to such exemptions as may be specified by the SPAN, no person shall without a written permit issued by the SPAN:–

- (a) carry out any construction, connection, modifications or repairs to water pipes and water fittings which convey or will convey water from the public mains;
- (b) carry out any works necessary to connect a private connection pipe to a sewer or sewage treatment works;
- (c) construct, install or modify any part of a water supply system or sewerage system;
- (d) carry out maintenance services for a water supply system or a sewerage system but does not involve the operation of such systems; or
- (e) undertake, provide or make available sewerage desludging services or any other sewerage services.

Section 50(2) of the WSIA 2006 provides that any person who fails to comply with Section 50(1) of the WSIA 2006 commits an offence and shall, on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding three years or to both.

Section 51 of the WSIA 2006 provides that all plumbing works (excluding sanitary plumbing), connection works and any other related works and all future repairs, extensions and alterations of such works shall only be undertaken in accordance with the WSIA 2006 and its subsidiary legislation.

REGULATORY OVERVIEW

Environmental Quality Act 1974

The Environmental Quality Act 1974 (“**EQA 1974**”) relates to the prevention, abatement, control of pollution and enhancement of the environment and shall apply to the whole of Malaysia.

Pursuant to Section 21 of the EQA 1974, the minister, after consultation with the council, may by regulations specify the acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into any area, segment or element of the environment and may set aside any area, segment or element of the environment within which the emission, discharge or deposit is prohibited or restricted.

Pursuant to Section 22(1) of the EQA 1974, unless licensed, no person shall emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere in contravention of the acceptable conditions specified under Section 21 of the EQA 1974. Any person who contravenes Section 22(1) of the EQA 1974 shall commits an offence and shall, on conviction, be liable to a fine of not less than RM10,000 and not exceeding RM1.0 million or to imprisonment for a term not exceeding five years or to both and shall also be liable to a further fine not exceeding RM1,000 for every day during which the offence is continued after a notice by the Director General of Environmental Quality (“**Director General of Environmental Quality**”) requiring him/her to cease the act specified therein has been served upon him/her.

Pursuant to Section 23(1) of the EQA 1974, unless licensed, no person shall emit or cause or permit to be emitted any noise greater in volume, intensity or quality in contravention of the acceptable conditions specified under Section 21 of the EQA 1974. Any person who contravenes Section 23(1) of the EQA 1974 commits an offence and shall, on conviction, be liable to a fine of not less than RM10,000 and not exceeding RM250,000 or to imprisonment for a term not exceeding five years or to both, and shall also be liable to a further fine not exceeding RM1,000 for every day during which the offence continues after a notice by the Director General of Environmental Quality requiring him/her to cease the act specified therein has been served upon him/her.

Pursuant to Section 24(1) of the EQA 1974, unless licensed, no person shall pollute or cause or permit to be polluted any soil or surface of any land in contravention of the acceptable conditions specified under Section 21 of the EQA 1974. Any person who contravenes Section 24(1) of the EQA 1974 commits an offence and shall, on conviction, be liable to a fine of not less than RM50,000 and not exceeding RM500,000 or to imprisonment for a term not exceeding five years or to both and shall be liable to a further fine not exceeding RM1,000 for every day during which the offence continues after a notice by the Director General of Environmental Quality requiring him/her to cease the act specified therein has been served on him/her.

Pursuant to Section 25(1) of the EQA 1974, unless licensed, no person shall emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters in contravention of the acceptable conditions specified under Section 21 of the EQA 1974. Any person who contravenes Section 25(1) of the EQA 1974 commits an offence and shall, on conviction, be punished with imprisonment for a term not exceeding five years and shall also be liable to a fine of not less than RM50,000 and not exceeding RM10.0 million.

REGULATORY OVERVIEW

Laws and regulations in relation to employment

Employment Act 1955

The Employment Act 1955 (“**EA 1955**”) regulates all employment related matters including contracts of service, payment of wages, maternity protection, rest days, hours of work, holidays, termination, lay-off and retirement benefits, employment of foreign employees and keeping of registers of employees and applies to Peninsular Malaysia.

Pursuant to Section 69(1) of the EA 1955, the Director General of Labour appointed under the EA 1955 (“**Director General of Labour**”) may inquire into and decide any dispute between an employee and his employer in respect of wages or any other payments in cash due to such employee under:

- (a) any term of the contract of service between such employee and his employer;
- (b) any of the provisions of the EA 1955 or any subsidiary legislation made thereunder; or
- (c) the provisions of the Wages Councils Act 1947 or any order made thereunder,

and, in pursuance of such decision, may make an order in the prescribed form for the payment by the employer of such sum of money as he deems just without limitation of the amount thereof.

Any person who fails to comply with any decision or order of the Director General of Labour made under Section 69(1) of the EA 1955 commits an offence and shall be liable, on conviction, to a fine not exceeding RM50,000, and shall also, in the case of a continuing offence, be liable to a daily fine not exceeding RM1,000 for each day the offence continues after conviction.

The Ministry of Human Resource is responsible for monitoring and ensuring that companies are in compliance with the EA 1955 and to protect the welfare of employees.

Section 60K of EA 1955 provides that no employer shall employ a foreign employee unless prior approval has been obtained from the Director General of Labour.

Employment (Restriction) Act 1968 & Immigration Act 1959/1963

The Employment (Restriction) Act 1968 (“**ERA 1968**”) provides for the restriction of employment in certain business activities in Malaysia of persons not being citizens and the registration of such non-citizens and for matters connected therewith. No person shall employ in Malaysia any non-citizen of Malaysia unless there has been issued in respect of such non-citizen a valid employment permit.

REGULATORY OVERVIEW

Failure to comply will result in the employer being guilty of an offence who shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding one year or to both. Further, pursuant to Section 17(3) of the ERA 1968, every omission or neglect to comply with, and every act done or attempted to be done contrary to the ERA 1968 or of any regulations made thereunder, or any breach of the conditions and restrictions subject to or upon which an employment permit is issued under the ERA 1968, shall be an offence against the ERA 1968 and the offender shall, if no penalty is expressly provided, be liable on conviction to a fine not exceeding RM1,000 or to imprisonment for a term not exceeding six months or to both and, in the case of a continuing offence, to a further fine not exceeding RM100 a day.

It is further provided in the Section 55B(1) of the Immigration Act 1959/1963 (“**IA**”) that any person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass shall be guilty of an offence and shall on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to a imprisonment for a term not exceeding 12 months or to both for each such employee.

IA provides that if it is proven that the person employed more than five such non-resident employees without valid entry permit shall on conviction be liable to imprisonment for a term of not less than six months but not more than five years, and shall also be liable to whipping of not more than six strokes.

Pursuant to Section 55E(1) of the IA, no occupier shall permit any illegal immigrant to enter or remain at any premises, failing which, the occupier shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM5,000 and not more than RM30,000 or to imprisonment for a term not exceeding 12 months or to both for such illegal immigrant found at the premises and, in the case of a second or subsequent conviction, to a fine of not less than RM10,000 and not more than RM60,000 or to imprisonment for a term not exceeding two years or to both for each illegal immigrant found at the premises.

Employees Provident Fund Act 1991

The Employees Provident Fund (“**EPF**”) is a social security institution formed in accordance with the Employees Provident Fund Act 1991 (“**EPF Act**”) providing for the retirement benefits for employees through the management of their savings in an efficient and reliable manner.

Pursuant to Section 43(1) of the EPF Act, every employee and every employer of a person who is an employee within the meaning of the EPF Act shall be liable to pay monthly contributions on the amount of wages for the month at the rate respectively set out in the Third Schedule of the EPF Act.

Any person being an employer who fails, within such period as may be prescribed by the minister, to pay to the EPF any contributions which he/she is liable under the EPF Act to pay in respect of or on behalf of any employee in respect of any month shall be guilty of an offence and shall, on conviction, be liable to imprisonment for a term not exceeding three years or to a fine not exceeding RM10,000 or to both.

REGULATORY OVERVIEW

Employees’ Social Security Act 1969

The Employees’ Social Security Act 1969 (“**SOCSSO Act**”), which applies throughout Malaysia, provides social security in certain contingencies and makes provision for certain other matters in relation to it. It is applicable to all industries having one or more employees.

Pursuant to Section 5(1) of the SOCSSO Act, all employees in industries to which the SOCSSO Act applies, irrespective of the amount of wages, shall be insured in the manner provided by the SOCSSO Act.

Pursuant to Section 94 of the SOCSSO Act, if any person amongst others fails to pay any contribution or any part thereof which is payable by him/her under the SOCSSO Act or fails to pay within the time prescribed by regulations any interest payable or is guilty of any contravention of or non-compliance with any of the requirements of the SOCSSO Act or the rules or the regulations in respect of which no special penalty is provided, he/she shall be punishable with imprisonment for a term which may extend to two years, or with a fine not exceeding RM10,000, or with both.

Employment Insurance System Act 2017

Employment Insurance System Act 2017 (“**EISA 2017**”) is an employment insurance system administered by the Social Security Organisation (“**SOCSSO**”) to provide certain benefit and re-employment placement programme for insured persons in the event of loss of employment which will promote active labour market policies, and for matters connected therewith.

With effect from January 2018, an employer that has registered his industry with SOCSSO in accordance with SOCSSO Act shall be deemed to have registered his industry under EISA 2017 and shall make contribution at the rate as specified in the second schedule of EISA 2017 based on the amount of the monthly wages of the employees insured under EISA 2017. Such contribution shall cease when the employee attains the minimum retirement age.

Any employer who fails to register his industry shall on conviction, be liable to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two years or to both. Any question, dispute, claim, or appeal by an insured person, employer, training provider or any person in relation to any matter under EISA 2017 shall be filed to the Social Security Appellate Board instituted under Section 83 of the SOCSSO Act 1969 for decisions.

Pursuant to Section 21 of the EISA 2017, the employer who fails to pay the amount of the monthly contribution within such period as referred to in Section 20 of the same Act, shall be liable to pay interest on such amount to SOCSSO at the rate as prescribed by the minister in respect of any period during which such amount remains unpaid.

Pembangunan Sumber Manusia Berhad Act 2001

A corporation under the name of Pembangunan Sumber Manusia Berhad (“**Corporation**”) had been incorporated under the CA 1965 to impose and collect human resource development levy for the purpose of promoting the training and development of employees, apprentices and trainees and for the establishment and administration of the Human Resource Development Fund (“**HRD Fund**”).

REGULATORY OVERVIEW

Pursuant to Section 13(1) of the Pembangunan Sumber Manusia Berhad Act 2001 (“**PSMBA 2001**”) as read together with Section 1(2) of the PSMBA 2001, an employer in the industries specified in Part 1 of the First Schedule of PSMBA 2001 shall register with the Corporation within such time and in such manner as may be prescribed. Pursuant to Section 4(1) of the Pembangunan Sumber Manusia Berhad (Registration of Employers and Payment of Levy) Regulations 2001 (“**PSMB Regulation**”), an employer to whom the PSMBA 2001 applies on the date of coming into operation of PSMB Regulation shall submit a form to the Corporation not later than thirty days from 16 May 2001 or such date not later than 30 days after the PSMBA 2001 becomes applicable to the employer. Any employer who fails to do the same commits an offence and shall on conviction be liable to a fine not exceeding RM10,000 or to imprisonment not exceeding one year or both.

Pursuant to Section 14(1) of the PSMBA 2001, an employer to whom the PSMBA 2001 applies shall pay a human resource development levy in respect of each of his employees at the rate of one percent of the monthly wages of the employees. Any employer who fails to pay any levy due under Section 14(1) of the PSMBA 2001 within such period as may be prescribed commits an offence and shall, on conviction, be liable to a fine not exceeding RM20,000 or to imprisonment for a term not exceeding two years or to both.

Further, according to the Pembangunan Sumber Manusia Berhad (Amendment of First Schedule) Order 2021, the HRD Fund has expanded the coverage of PSMBA 2001 effective from 1 March 2021 to include Malaysian employers across all sectors, including construction except for non-governmental organisations and carrying out any activity as prescribed under the said order.

Minimum Wages Order 2022 and Minimum Wages Order 2024

The Minimum Wages Order 2022 (“**MWO 2022**”) was gazette on 27 April 2022 in accordance and came into effect on 1 May 2022.

Pursuant to Section 4 of the MWO 2022, the minimum wages rates payable to an employee was revised to RM1,500 per month, or RM7.21 per hour and is only applicable to (a) employer who employs five or more employees in a company; and (b) regardless of the number of the employee employed, employer who carries out a professional activity classified under the Malaysia Standard Classification of Occupations (“**MASCO**”) as published officially by the Ministry of Human Resources.

Pursuant to Section 5 of the MWO 2022, the minimum wages payable to an employee who is not paid basic wages but is paid wages based only on piece rate, tonnage, task, trip or commission, the rate of monthly wages payable to that employee with effect from 1 January 2023 shall not be less than RM1,500. This shall apply to employers who employ less than five employees in a company other than an employer who carries out a professional activity classified under the MASCO as published officially by the Ministry of Human Resources.

Pursuant to Section 6 of the MWO 2022 and with effect from 1 May 2022 to 31 December 2022, the minimum wages rates payable to an employee remained at RM1,200 per month, or RM5.77 per hour for employees working in city council or municipal council areas in contrast with RM1,100 per month, or RM5.29 per hour for employees working in areas other than the city council or municipal council. Section 6 of the MWO 2022 is applicable only for employer who employs less than five employees in a company other than an employer who carries out a professional activity classified under the MASCO as published officially by the Ministry of Human Resources.

REGULATORY OVERVIEW

Further, in exercising the powers conferred by Section 23 of the National Wages Consultative Council Act 2011, the Minimum Wages Order 2024 (“**MWO 2024**”) was gazette on 4 December 2024. The MWO 2024 came into effect on 1 February 2025 and MWO 2022 is thereby revoked.

Pursuant to Section 3 of the MWO 2024, the minimum wages rates payable to an employee was revised to RM1,700 per month, or RM8.72 per hour and is only applicable to (a) employer who employs five or more employees in a company; and (b) regardless of the number of employees employed, employer who carries out a professional activity classified under MASCO.

Pursuant to Section 4 of the MWO 2024 and with effect from 1 February 2025 to 31 July 2025, the minimum wages rates payable to an employee remained at RM1,500 per month, or RM7.21 per hour for employees employed by an employer who employs less than five employees in a company other than an employer who carries out a professional activity classified under the MASCO as published officially by the Ministry of Human Resources.

Pursuant to Section 5 of the MWO 2024, the minimum wages payable to an employee who is not paid basic wages but is paid wages based on piece rate, tonnage, task, trip or commission, the rate of monthly wages payable to that employee with effect from 1 August 2025 shall not be less than RM1,700. This shall apply to employee employed by an employer who employs less than five employees in a company other than an employer who carries out a professional activity classified under the MASCO as published officially by the Ministry of Human Resources.

Laws and regulations in relation to the distribution of dividend

Companies Act 2016

The CA 2016 requires that a company may only declare dividend and make distribution to the shareholders out of profits of the company available if the company is solvent.

Furthermore, all the distribution must be authorised by the directors of the company before the distribution is made and the directors may only authorise the distribution at such time and in such amount as the directors consider appropriate, if the directors are satisfied that the company will be solvent immediately after the distribution is made.

For the purpose of Section 132 of the CA 2016, the company is regarded as solvent if the company is able to pay its debts as and when the debts become due within 12 months immediately after the distribution is made.

Pursuant to CA 2016, every director or officer of the company who wilfully pays or permits to be paid or authorised the payment of any improper or unlawful distribution, shall, on conviction be liable to imprisonment for a term not exceeding five years or to a fine not exceeding RM3.0 million or to both.

REGULATORY OVERVIEW

Laws and regulations in relation to taxation

Dividends and distributions

All dividends and other distributions payable on the shares of each of our subsidiaries may under the current laws and regulations of Malaysia be converted and paid in any other foreign currency and be remitted out of Malaysia to its overseas holding company without the necessity of obtaining any authorisation, approval, consent or license of any governmental or regulatory body or authority in Malaysia subject to the applicable reporting requirements.

All such dividends payable to its non-resident shareholders will not be subject to withholding or other taxes under the laws and regulations of Malaysia.

Corporate income tax

The standard corporate tax rate is 24%, whilst the rate for resident small and medium sized companies (i.e. companies incorporated in Malaysia with paid-up capital not more than RM2.5 million and gross business income of not more than RM50.0 million) is 15% on the first RM150,000, 17% on RM150,001 to RM600,000 and the subsequent balance being taxed at the 24% rate with effect from year of assessment 2023–2024.

Deduction of Tax from Contract Payment

Pursuant to Section 107A(1) of the Income Tax Act 1967 (“**ITA 1967**”), where any person (“**payer**”) is liable to make contract payment to a non-resident contractor in respect of services under a contract, he/she shall upon paying or crediting such contract payment deduct therefrom tax at the rate of:

- (a) 10% of the contract payment on account of tax which is or may be payable by that non-resident contractor for any year of assessment; and
- (b) 3% of the contract payment on account of tax which is or may be payable by employees of that non-resident contractor for any year of assessment,

and (whether or not that tax is so deducted) shall within one month after paying or crediting such contract payment render an account and pay the amount of that tax to the Director General of Inland Revenue (“**Director General of Inland Revenue**”).

Pursuant to Section 107A(2) of the ITA 1967, where the payer fails to pay any amount due from him/her under Section 107A(1) of the ITA 1967 as stated above, the amount which he fails to pay shall be increased by a sum equal to 10% of the amount which he fails to pay, and that amount and the increased sum shall be a debt due from him/her to the Government of Malaysia and shall be payable forthwith to the Director General of Inland Revenue.

REGULATORY OVERVIEW

Service Tax Act 2018

Under the Service Tax Act 2018, service tax shall be charged and levied on any taxable service provided in Malaysia by a registered person in carrying on his/her business, or any imported taxable service. Any person who renders services as specified under the Service Tax Regulations 2018 are subject to the service tax.

Following the Service Tax (Rate of Tax) (Amendment) Order 2025 and the Service Tax (Amendment) Regulations 2025 which came into operation on 1 July 2025, the service tax now applies to, among others, maintenance or repair management services and construction works services (excluding the construction of a residential building and public facility related to the residential building). The rate of service tax which shall be charged and levied on services is fixed at 8%, except for those services which are specifically prescribed to be fixed at 6% or other rate of tax by the said order, or otherwise exempted under the relevant service tax legislation. For avoidance of doubt, the rate of service tax for the construction works services to be provided by the group are specifically prescribed to be 6% from the value of the taxable service, while the rate of 8% applies to maintenance or repair management services to be provided by the group.

According to the Guide on Disbursement and Reimbursement issued by the Royal Malaysian Customs Department on 15 September 2020, a person who provides taxable services exceeding a specified threshold is required to be registered under the Service Tax Act 2018 and is known as a “registered person” who is required to charge on his taxable services made to his customers.

Pursuant to Section 71 of the Service Tax Act 2018, it provides that any person who, with the intent to evade or assist any other person to evade service tax:

- (a) omits from a return any information in relation to any matter affecting the amount of service tax chargeable by him or other person;
- (b) makes a false statement or entry in any return, declaration, claim or application;
- (c) gives any false answer, whether in writing or otherwise, to any question asked or request for information made under this Act;
- (d) prepares or maintains, or authorizes the preparation or maintenance of, any false book of accounts, false invoices or other false records, or falsifies or authorizes the falsification of any book of accounts, invoices or records; or
- (e) makes, uses or authorizes the use of any fraud, artifice or contrivance,

commits an offence, and shall on conviction, for the first offence, be liable to a fine of not less than 10 times and not more than 20 times the amount of service tax or to imprisonment for a term not exceeding five years or to both; and for a second or subsequent offence, be liable to a fine of not less than 20 times and not more than 40 times the amount of service tax or to imprisonment for a term not exceeding seven years or to both.

Furthermore, Section 79 of the Service Tax Act 2018 provides that any person who commits an offence under the Service Tax Act 2018 for which no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM30,000 or to imprisonment for a term not exceeding two years or to both.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OVERVIEW

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 May 2025 and it serves as the holding company of our Group. As at the Latest Practicable Date, our Group comprised our Company and two subsidiaries. Details regarding our subsidiaries and the corporate structure of our Group are set out in the sub-section headed “Establishment and development of our Company and our subsidiaries” in this section.

Immediately following completion of the Capitalisation Issue and the [REDACTED], BBSB Overseas will own an aggregate of [REDACTED]% of the issued share capital in our Company (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme).

BUSINESS DEVELOPMENT

Leveraging his experience and network in the civil engineering industry in Malaysia, Datuk Tan acquired a majority shareholding interest in BBSB Holdings in November 2004 from an Independent Third Party using his personal resources. Together with Datin Pan, they became the sole shareholders of BBSB Holdings in August 2008. At that material time, BBSB Holdings was principally engaged in the provision of civil engineering services.

Over the years, BBSB Holdings has strategically concentrated its business in transportation infrastructure engineering. Since its incorporation, BBSB Holdings had been awarded projects for design and construction of the entire girder bridge or any one or more of its sections as subcontractors under projects ultimately owned by the government or government-linked companies in Malaysia. The major projects BBSB Holdings had participated in over the years included Eastern Dispersal Link (EDL), Duta-Ulu Kelang Expressway (DUKE), Damansara-Shah Alam Elevated Expressway (DASH) and the SUKE Highway.

Since 2008, BBSB Holdings has been registered with a CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), the highest grade of contractor licence issued by the CIDB, enabling it to undertake civil and structural works of unlimited tender or contract value.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

MILESTONES OF OUR GROUP

The following table sets forth the key milestones in the development of our Group up to the Latest Practicable Date:

Year	Milestone
2004	Datuk Tan acquired a majority shareholding interest in BBSB Holdings, our principal operating subsidiary in Malaysia
2008	BBSB Holdings first obtained the CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), the highest grade of contractor licence under the CIDB which allows our Group to undertake civil and structural works of unlimited tender/contract value
2019	BBSB Holdings’ quality management system was first accredited ISO 9001:2015 Quality Management System by SIRIM QAS International and IQNet Association (The International Certification Network)
2024	BBSB Holdings was registered with the Ministry of Finance which allows it to do business with the Malaysian government BBSB Holdings was awarded by SME Corporation Malaysia and CIDB in recognition of achieving a three-star rating for the year 2024
2025	BBSB Holdings was awarded by SME Corporation Malaysia and CIDB in recognition of achieving a four-star rating for the year 2025

For details of our certificates and recognitions, please refer to the sub-section headed “Business – Certificates and recognitions” in this document.

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY AND OUR SUBSIDIARIES

Our Company

Our Company was incorporated in the Cayman Islands on 30 May 2025 as an exempted company with limited liability to facilitate the [REDACTED] and serves as the holding company of our Group. Our Company was registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 30 June 2025 and obtained a business registration certificate under the Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong). As at the date of its incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of par value of HK\$0.01 each, of which one Share was allotted and issued as fully paid to the initial subscriber at par on 30 May 2025 and transferred from the initial subscriber to BBSB Overseas on the same day.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Immediately following the completion of the Capitalisation Issue and the [REDACTED], BBSB Overseas will own an aggregate of [REDACTED]% of the issued share capital in our Company (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme).

As at the Latest Practicable Date, our Group comprised our Company and two subsidiaries, namely BBSB Holdings and BBSB (HK). Set out below is the brief corporate history of the subsidiaries of our Company.

BBSB Holdings

BBSB Holdings is our principal operating subsidiary.

BBSB Holdings was incorporated in Malaysia with limited liability on 16 January 2001, with an initial authorised capital of RM100,000. At the time of its incorporation, it was owned by two Independent Third Parties. In November 2004, Datuk Tan acquired 67% shareholding interest in BBSB Holdings from an Independent Third Party at a consideration of RM670. After such acquisition, BBSB Holdings was held as to 67% by Datuk Tan and 33% by the remaining Independent Third Party.

In December 2006, the remaining Independent Third Party transferred all his 33% shareholding interest in BBSB Holdings to Datin Pan at a consideration of RM330. As a result, BBSB Holdings was owned as to 67% by Datuk Tan and 33% by Datin Pan, respectively.

Between 2006 and 2008, there were various share transfers and allotments involving other Independent Third Parties. As at 1 August 2008, BBSB Holdings was owned as to 70% by Datuk Tan and 30% by Datin Pan, respectively. Such shareholding structure remained unchanged until immediately prior to the Reorganisation.

As advised by our Malaysia Legal Advisers, as at the Latest Practicable Date, all share transfers of BBSB Holdings have been properly and legally completed and settled and all necessary approvals (as applicable) have been obtained from the relevant authorities.

Upon completion of the Reorganisation, BBSB Holdings became an indirect wholly-owned subsidiary of our Company. For further details, please refer to the sub-section headed “Reorganisation” in this section below.

BBSB (HK)

BBSB (HK) was incorporated in the BVI with limited liability on 6 June 2025.

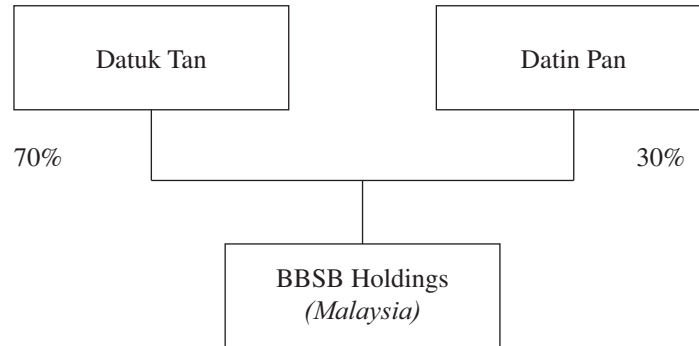
BBSB (HK) is authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each of a single class, of which one share was allotted and issued as fully paid to our Company at par on 6 June 2025.

As at the Latest Practicable Date, BBSB (HK) is an investment holding company.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

REORGANISATION

The following diagram sets out the corporate and shareholding structure of our Group immediately prior to the Reorganisation and the [REDACTED]:



In preparation for the [REDACTED], we have undergone the Reorganisation, details of which are set out as below:

(1) Incorporation of BBSB Overseas

BBSB Overseas was incorporated in the BVI with limited liability on 27 May 2025.

BBSB Overseas is authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each of a single class, of which seven and three shares were allotted and issued as fully paid to Datuk Tan and Datin Pan at par, respectively on 27 May 2025. After the said allotment, BBSB Overseas is owned as to 70% by Datuk Tan and 30% by Datin Pan, respectively.

BBSB Overseas is intended to be an investment holding company for the interests of Datuk Tan and Datin Pan in our Company upon completion of the Reorganisation.

(2) Incorporation of our Company

To facilitate the proposed [REDACTED], our Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on 30 May 2025. Upon incorporation, our Company had an initial authorised share capital of HK\$380,000 divided into 38,000,000 Shares of par value of HK\$0.01 each, of which one Share was allotted and issued as fully paid to the initial subscriber, an Independent Third Party on 30 May 2025. Subsequently on the same date, the initial subscriber transferred the one Share to BBSB Overseas. As a result, our Company is wholly-owned by BBSB Overseas.

Our Company was subsequently registered in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 30 June 2025.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

(3) Incorporation of BBSB (HK)

BBSB (HK) was incorporated in the BVI with limited liability on 6 June 2025.

BBSB (HK) is authorised to issue a maximum of 50,000 shares with a par value of US\$1.00 each of a single class, of which one share was allotted and issued as fully paid to our Company at par on 6 June 2025.

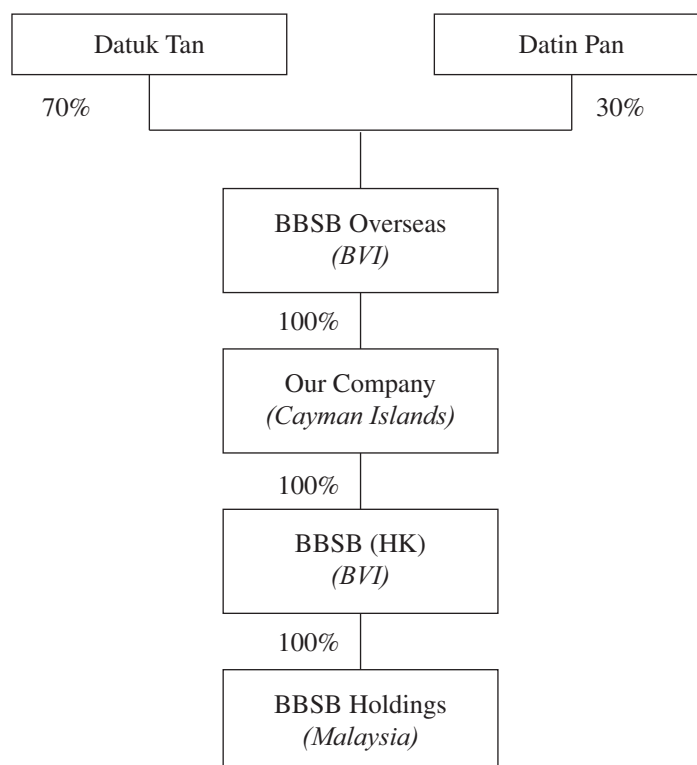
BBSB (HK) is intended to be an offshore investment holding vehicle.

(4) Transfer of the entire issued share capital of BBSB Holdings from Datuk Tan and Datin Pan to BBSB (HK)

On 8 December 2025, BBSB (HK) acquired 2,450,000 shares and 1,050,000 shares of BBSB Holdings from Datuk Tan and Datin Pan, at the nominal consideration of RM1 and RM1, respectively, for the purpose of the Reorganisation. The transfers were legally and properly completed and settled on 22 December 2025. Following the transfers, BBSB Holdings became an indirect wholly-owned subsidiary of our Company.

As advised by our Malaysia Legal Advisers, as at the Latest Practicable Date, all share transfers pursuant to the Reorganisation have been properly and legally completed and settled and all necessary approvals (as applicable) have been obtained from the relevant authorities.

Upon completion of the above reorganisation steps, our Company became the holding company of our Group. The following chart sets forth the shareholding and corporate structure of our Group immediately following the Reorganisation but prior to the completion of the Capitalisation Issue and the [REDACTED]:

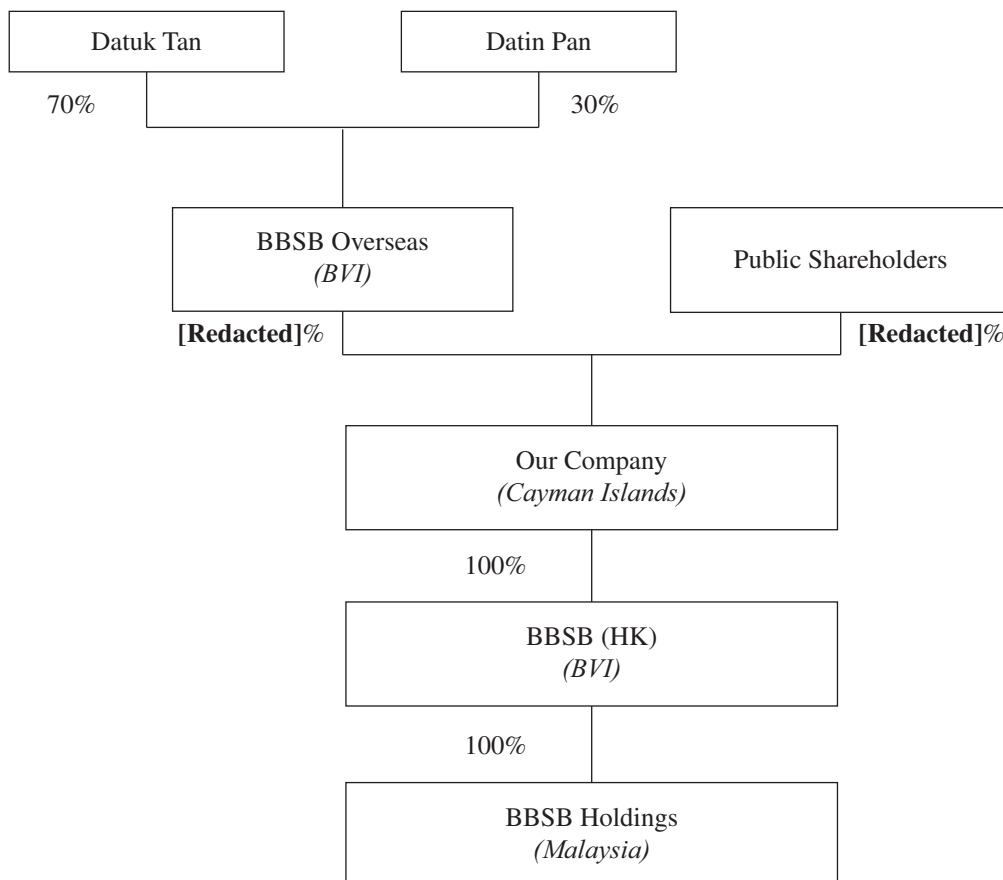


HISTORY, REORGANISATION AND CORPORATE STRUCTURE

(5) Capitalisation Issue

Conditional on the share premium account of our Company being credited as a result of the issue of the [REDACTED] pursuant to the [REDACTED], our Shareholders shall pass a resolution to authorise our Directors to capitalise an amount of HK\$[REDACTED] standing to the credit of the share premium account of our Company. Such sum will be applied towards the full payment at par for a total of [REDACTED] Shares to be allotted and issued to BBSB Overseas, thereby maintaining its aggregate shareholding in our Company at a percentage of [REDACTED]% of the enlarged issued share capital of our Company (immediately following completion of the Capitalisation Issue and the [REDACTED] but without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme).

The following chart sets forth the shareholding and corporate structure of our Group immediately following completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme):



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

PUBLIC FLOAT AND FREE FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, where the expected market value at the time of [REDACTED] does not exceed HK\$6,000,000,000, at least 25% of the total issued share capital of our Company must at all times be held by the [REDACTED].

Upon the [REDACTED], except for the Shares held by BBSB Overseas, Shares held by other Shareholders, representing [REDACTED]% of our enlarged issued share capital immediately following the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), will be counted towards the public float.

The Directors confirm that immediately upon [REDACTED], our Company will comply with (i) the applicable public float threshold under Rule 11.23 of the GEM Listing Rules and (ii) the free float requirements under Rule 11.23A of the GEM Listing Rules.

BUSINESS

OVERVIEW

We are a civil engineering contractor in Malaysia with over 16 years of experience, specialising in providing bridge engineering services as a subcontractor for large-scale transportation infrastructure engineering projects. Our bridge engineering services primarily involve the design and construction of the entire girder bridge or any one or more of its sections with various structural configurations and span across roads and rivers together with the construction of connecting highways, roads and ancillary facilities related to the bridge. The projects we undertake are predominantly initiated or owned by the government or government-linked companies in Malaysia and are typically large-scale and involve complex girder bridge design and structures. During the Track Record Period, leveraging our reputation and experience in civil engineering industry in Malaysia, we strategically expanded our civil engineering services offering to include flood mitigation works. This extension was facilitated by the shared engineering procedures between bridge engineering works and flood mitigation works, such as the planning, geotechnical works, structural design, construction methods and environmental compliance.

Our Group holds a CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical) in Malaysia, which is the highest grade of contractor licence under the CIDB and allows our Group to undertake civil and structural works of unlimited tender/contract value. During the Track Record Period, our Group was a subcontractor in all of the projects we undertook.

The following table sets out a breakdown of our revenue by the type of civil engineering works undertaken by us during the Track Record Period:

	FY2023		FY2024		6M2025	
	RM'000	%	RM'000	%	RM'000	%
Bridge engineering works <i>(Note)</i>	74,594	97.2	123,208	92.6	73,148	98.9
Flood mitigation works	2,163	2.8	9,794	7.4	838	1.1
Total revenue	76,757	100.0	133,002	100.0	73,986	100.0

Note: A typical bridge engineering project undertaken by our Group generally comprises both design and construction of the entire girder bridge or any one or more of its sections and/or the construction of the connecting highways, roads and other ancillary facilities such as drainage, sewerage, lighting and signage.

According to the CIC Report, the transportation infrastructure engineering market in Malaysia is relatively scattered. Bridge engineering forms a distinct segment within the market; and we were ranked the tenth largest bridge engineering subcontractor in Malaysia in 2024, with a market share of approximately 2.5% in the bridge engineering segment in Malaysia in terms of bridge engineering revenue.

BUSINESS

During the Track Record Period, we had completed two notable projects, related to (i) the SUKE Highway, a major urban expressway running from Sri Petaling to Ulu Kelang, Malaysia which is designed to ease traffic congestion along certain busy routes in Cheras, Pandan Indah and Ampang; and (ii) a major federal highway project in Peninsula Malaysia, designed to improve north-south connectivity and involving two states, namely Pahang and Kelantan. As at the Latest Practicable Date, we had five ongoing projects, which consist of four bridge engineering projects and one flood mitigation project, with an aggregate contract sum of approximately RM723.5 million.

We are committed to the health, safety and well-being of our employees as well as those of our subcontractors, while continuously enhancing our operational resilience and performance. Accordingly, we have been accredited with ISO 9001 since 2019, and we were awarded the Certificate of Achievement by SME Corporation Malaysia and CIDB in recognition of achieving a three-star rating for the year 2024 and a four-star rating for the year 2025.

During the Track Record Period, our customers mainly comprised main contractors in transportation infrastructure engineering projects in Malaysia. The owners of these projects are the federal government or government-linked companies in Malaysia. We generally secure projects by (i) submitting tenders in response to open invitations or invitations extended only to shortlisted candidates issued by main contractors or project owners, or (ii) providing private quotations upon request. We generally identify potential business opportunities through (i) publicly available tenders posted online; (ii) invitations to short-listed tenderers; or (iii) direct invitations for quotations.

We generally engage subcontractors on a project-by-project basis to perform labour-intensive works such as reinforced concrete structure works, beam casting works and road furniture works; and other works that require niche technical expertise, such as bored piling works, soil investigation works, environmental works, earthworks and geotechnical works where it would be cost prohibitive for us to maintain in-house capabilities. With the engagement of our subcontractors, our Directors believe that we can focus our internal resources on project management and supervision, quality assurance and provision of holistic value engineering services to our customers. In carrying out the subcontracted works, most of our subcontractors supply the relevant construction materials and machinery with the associated cost and machinery rental charges being factored into the overall subcontracting cost. For FY2023, FY2024 and 6M2025, our subcontracting costs amounted to approximately RM46.0 million, RM77.9 million and RM37.9 million, respectively, representing approximately 70.0%, 72.6% and 65.1% of our cost of services, in the corresponding years/period.

Our suppliers primarily include (i) suppliers of construction materials such as cement, ready-mixed concrete and steel bars; and (ii) machinery rental service providers. For FY2023, FY2024 and 6M2025, our total costs of construction materials and supplies and rental costs of plant and machinery amounted to approximately RM7.9 million, RM17.0 million and RM14.0 million, respectively, representing approximately 12.1%, 15.9% and 24.0% of our total cost of services for the corresponding years/period.

BUSINESS

COMPETITIVE STRENGTHS

We have proven track record in the transportation infrastructure engineering market in Malaysia

Since 2008, by providing bridge engineering services for major transportation infrastructure engineering projects in Malaysia, we have progressively established a strong foothold in the transportation infrastructure engineering market, a distinct segment within civil engineering industry in Malaysia. Over the years, we have developed an in-depth understanding of the bridge engineering market and the broader transportation systems landscape in Malaysia. This accumulated experience enables us to deliver tailored solutions that address the evolving needs of our customers, while maintaining a focus on service quality, customer satisfaction and cost control. According to the CIC Report, we were ranked the tenth largest bridge engineering subcontractor in Malaysia in 2024, with a market share of approximately 2.5% in terms of bridge engineering revenue.

Attributed to our experiences in undertaking large-scale transportation infrastructure engineering projects in Malaysia, we are registered with a CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), which is the highest contractor licence under the CIDB and allows our Group to undertake civil and structural works of unlimited tender/contract value.

Over the past 16 years, we take pride in our participation in various major transportation infrastructure engineering projects in Malaysia such as (i) Eastern Dispersal Link (EDL), an 8.1 km controlled-access tolled highway located in Johor Bahru, Malaysia, running east of the city centre and a key infrastructure in Johor Bahru’s road network, helping streamline traffic flow to and from Singapore; (ii) Duta–Ulu Kelang Expressway (DUKE), a major urban tolled highway spanning approximately 18 km with six lanes across northern Kuala Lumpur comprising seven interchanges; (iii) Damansara-Shah Alam Elevated Expressway (DASH), a 20.1 km, mostly elevated, tolled highway with a dual three-lane carriageway in each direction in the Klang Valley, Selangor, Malaysia; and (iv) the SUKE Highway, a 24.4 km fully elevated tolled expressway in Klang Valley, Malaysia, linking Sungai Besi to Ulu Klang, with a three-lane dual carriageway and multiple interchanges. Our Directors believe that our involvement in these large-scale transportation infrastructure engineering projects demonstrates not only our technical capability and service quality but also our potential to capture future opportunities in the transportation infrastructure engineering market in Malaysia.

BUSINESS

The photos below illustrate some of the notable bridge engineering projects in which we participated. The relevant sections of the girder bridges undertaken by us are annotated for illustration purposes.

Eastern Dispersal Link (EDL)



Duta–Ulu Kelang Expressway (DUKE)



BUSINESS

Damansara-Shah Alam Elevated Expressway (DASH)



SUKE Highway



Note: The photos may only present a partial view of the bridges. Part of our responsible section may extend beyond the frame.

BUSINESS

We provide holistic value engineering solutions to our customers

We differentiate our transportation infrastructure engineering services through our ability to provide holistic value engineering solutions to our customers for the design and construction of girder bridges as well as the construction of the connecting highways, roads and other ancillary facilities. These solutions take into account construction cost, timelines and environmental impacts. In brief, value engineering is a systematic methodology that applies established tools and techniques to identify, analyse and optimise the functions of a project. The goal is to achieve the same or enhanced functionality at a lower or comparable cost by eliminating unnecessary elements or materials, adopting alternative design or implementing more efficient construction methods, etc. For instance, we conduct comprehensive analysis of design parameters for both superstructural and substructural system in a girder bridge design, taking into account the structural criteria that affect the costs. This includes calculating concrete volumes and reinforcement weights based on the bridge span lengths, deck slab configurations, and the construction methods adopted. As part of our value engineering process, we may propose reducing the number of piers of the girder bridge while increasing its cross-sectional dimensions, or altering the construction methods, such as opting for simple support, continuous support or a combination of both for a section of the bridge.

Our ability to offer alternative designs that meet the technical specifications of a project, upon our customers’ requests, is a key competitive strength. Through detailed analysis of project requirements and close collaboration with our customers, we ensure that the final design is both efficient and cost-effective. Furthermore, by taking charge of all or part of the design and construction process for certain projects, we could eliminate coordination gaps and accelerate timelines for our customers, and at the same time improve our profit margins.

In addition, our executive Directors and senior management actively monitor project budget variances to manage the risk of cost overruns. Backed by a team of experienced professionals and a deep understanding of industry standards, we excel in identifying solutions that would enhance cost efficiency and project sustainability for our customers.

Our management team possesses in-depth industry experience and knowledge

Our management team has extensive industry experience and expertise in the transportation infrastructure engineering industry, especially in the provision of bridge engineering services for large-scale transportation infrastructure engineering projects in Malaysia. Datuk Tan, the chairman of the Board and an executive Director, is a professional engineer in Malaysia and a chartered professional engineer in Australia with over 36 years of experience in the transportation infrastructure engineering industry across both public and private sector projects in Malaysia. In addition, key members of our senior management team, namely Mr. Liew Chen Keong, Mr. Lee Soon Pok and Mr. Goh Chong Yong, each possesses approximately 20 years of experience in the construction industry in Malaysia. The credentials and practical experience of our executive Directors and senior management play a vital role in shaping our business strategy. Their leadership is instrumental in the formulation of competitive tender proposals, securing new business opportunities, and the development of technical solutions that ensure timely and efficient project execution. For details of the qualifications and experience of our Directors and senior management, please refer to the section headed “Directors, Senior Management and Employees” in this document.

BUSINESS

Our operations are also supported by 152 employees as at the Latest Practicable Date, including project directors, project managers, contracts managers, and safety and health officers, etc. Through continuous training and development, we have built a reliable and professionally equipped workforce capable of delivering our services to high standards.

We are committed to upholding safety and eco-friendliness in undertaking our projects

We place emphasis on safety standard, stringent quality control and environmental protection in the execution of our projects. Our management systems for provision of construction and completion of our projects were certified to be in compliance with the standard required under ISO 9001. For further details of our certificates and recognitions, please refer to the sub-section headed “Certificates and recognitions” in this section below. Our track record in health and safety is reflected in the fact that our Group (including employees of our subcontractors) did not record any material accidents or incidents involving fatal injuries in any of our projects during the Track Record Period and up to the Latest Practicable Date.

We maintain long-term and stable business relationships with our major customers, suppliers and subcontractors

We believe that our extensive experience and technical knowledge, coupled with our steadfast commitment to safety, quality and environmental responsibility, have earned the confidence of our customers. As a result, we have been able to maintain long-term business relationships with reputable and large-scale construction and engineering contractors. As at the Latest Practicable Date, our five largest customers in each of FY2023 and FY2024 and four largest customers in 6M2025 had maintained a business relationship with us for up to eight years.

We have also established stable business relationships with our major suppliers and subcontractors. As at the Latest Practicable Date, (i) our five largest suppliers in each year/period during the Track Record Period had maintained a business relationship with us for up to 16 years; and (ii) our five largest subcontractors in each year/period during the Track Record Period had maintained a business relationship with us for up to 11 years.

Our Directors are of the view that our operating history, together with the long-term and stable business relationships with our major customers, suppliers and subcontractors, will enhance our recognition and visibility in the market and enable us to capture potential business opportunities.

BUSINESS

BUSINESS STRATEGIES

Our principal business objective is to further consolidate our position as an established contractor in the provision of bridge engineering services for transportation infrastructure engineering projects in Malaysia. In parallel, we also plan to continue to expand the scope of our civil engineering services to other segments such as flood mitigation works. To achieve these goals, we have formulated the following business strategies to strengthen our position and expand our market share in the transportation infrastructure engineering market in Malaysia:

Competing for more upcoming large-scale transportation infrastructure engineering projects and flood mitigation projects in both Peninsular Malaysia and East Malaysia

Driven by the Malaysian government’s commitment to reducing regional development disparities, especially the development gap between Peninsular Malaysia and East Malaysia, several large-scale infrastructure projects have been initiated in Malaysia, including (i) the continuation of the Pan Borneo Highway in Sarawak (a major project improving road connectivity across Sabah and Sarawak involving construction and upgrading of a vast network of highways), (ii) the expansion of Tawau Airport in Sabah and Miri Airport in Sarawak; and (iii) the construction of the Sabah-Sarawak Link Road (SSLR) project (a large-scale infrastructure development aimed at enhancing the connectivity between the two states and the phase two of which is underway).

Under the policy framework of the Twelfth Malaysia Plan between 2021 to 2025, the Malaysian government has prioritised infrastructure improvement and inter-regional connectivity. To advance these objectives, RM86.0 billion was allocated to key sectors such as transportation and municipal infrastructure in 2025. In East Malaysia, where complex terrain limits connectivity, infrastructures such as bridges, highways, railways, and tunnels are essential to ensure smooth transportation links between regions and thereby facilitate population mobility, resource distribution, and regional economic development. Notable projects include the Marudi and Muara Lassa bridges in Sarawak, and the planned Labuan-Menuhok Bridge, which reinforce interregional transport integration.

In May 2024, our Group entered into a collaboration agreement with Bridgex in connection with its submission of a tender proposal for a bridge engineering project in Sabah, East Malaysia. We would be appointed as the subcontractor if the tender is awarded, which would provide us with the opportunity to expand our business into East Malaysia. As at the Latest Practicable Date, the outcome of the tender remained pending. For further details on this potential project, please refer to the paragraphs headed “Future Plans and [REDACTED] – [REDACTED] – Our potential projects” in this document.

In addition, Malaysia’s 2025 National Budget (the “**Budget 2025**”) earmarked funding for 12 critical flood mitigation projects, including initiatives along Sungai Damansara (Selangor), Sungai Likas (Kota Kinabalu, Sabah), and Sungai Triang (Bera, Pahang), aimed at protecting lives and property and reducing the economic impact of flooding.

BUSINESS

Our Directors believe that our established track record in the transportation infrastructure engineering market coupled with our successful application of our civil engineering expertise to flood mitigation projects positions us favourably to bid for future large-scale transportation infrastructure engineering projects and flood mitigation projects in both Peninsular Malaysia and East Malaysia. According to the CIC Report, both Peninsular Malaysia and East Malaysia show demands for bridge engineering projects and flood mitigation projects. In Peninsular Malaysia, the development of coastal reclamation zones, such as the Penang reclamation initiative, has led to increased demand for bridge engineering to ensure seamless connectivity. In East Malaysia, the relatively underdeveloped infrastructure has prompted greater government support for bridge engineering as a basic mode of connectivity. Additionally, Peninsular Malaysia and East Malaysia are frequently impacted by the southwest monsoon and extreme rainfall, placing significant pressure on flood mitigation projects.

Our potential projects

As at the Latest Practicable Date, our Group had tendered/submitted quotation for five projects whose outcome remained pending. Based on the preliminary assessment by our executive Directors, the total aggregate contract value of these potential projects is estimated to be approximately RM1.6 billion. This estimate is subject to change pending the formal award of contracts and final negotiations of commercial terms. Of these five potential projects, four are located in Peninsular Malaysia and one in East Malaysia. Four of these potential projects are government projects. Two involve tenders we submitted as the main contractor, while the remaining three involve our participation as a subcontractor. Set out below are the details of these potential projects:

Potential project	Expected date of release of tender/quotation result ^(Note 1)	Expected commencement date ^(Note 2)	Expected duration of works ^(Note 2)
Potential Project 1	First half of 2026	First half of 2026	36 months
Potential Project 2	First half of 2026	First half of 2026	48 months
Potential Project 3	First half of 2026	First half of 2026	30 months
Potential Project 4	First half of 2026	First half of 2026	36 months
Potential Project 5	First half of 2026	First half of 2026	24 months

Notes:

1. The expected date of release of tender/quotation result is provided based on our management’s discussion and our Directors’ industry knowledge and experience and is subject to change depending on the progress of the tender/quotation review process.
2. The expected commencement date and duration of our works are provided based on our management’s best estimation. In making the estimation, our management takes into account factors including the communications with the potential customers (if any), size and complexity of the project and the estimated work schedule.

BUSINESS

Of the five potential projects, our Group's role will be that of the main contractor for two projects (Potential Project 1 and Potential Project 4). For the remaining three potential projects, our role will be that of a subcontractor.

During the Track Record Period, we were contractually engaged as a subcontractor on all projects and did not hold the formal status of a main contractor. However, the scopes of works including operational coordination and execution functions entrusted to us in six out of seven projects (save for Project JB30) undertaken by us during the Track Record Period were substantial and central to the projects, such that, within the subcontracting framework, we effectively performed key functions typically undertaken by a main contractor. Our Directors consider that the potential award of projects to our Group as a main contractor will therefore not constitute a material change of business strategy or focus, and we are well-positioned to secure potential projects as a main contractor, for the following reasons:

- (i) our Group holds a CIDB Grade G7 certification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical) in Malaysia, which is the highest grade contractor licence under the CIDB classification system. This licence allows us to undertake civil and structural works of unlimited tender or contract value either as a main contractor or subcontractor. Accordingly, we are fully qualified under Malaysia law and industry practice to tender directly as main contractor for projects not designated exclusively for indigenous contractors;
- (ii) our core competence lies in bridge engineering and related transportation infrastructure works, and this focus remains unchanged. Acting as a main contractor or a subcontractor is a continuation of our current scope and operations, leveraging the same engineering expertise, workforce, management system, and project execution capabilities already in place;
- (iii) although our Group was contractually positioned as a subcontractor in all the projects during the Track Record Period, we have consistently undertaken the comprehensive and core scopes of work in large-scale bridge engineering projects involving construction of the entire girder bridge or any one or more of its sections. For six out of the seven projects undertaken by us during the Track Record Period, our Group in substance took up certain roles of a main contractor, such as being responsible for the execution, coordination and completion of key construction components, including site management, progress monitoring, and ensuring compliance with the design specifications and quality standards prescribed by the project owner. Accordingly, our Group possesses technical capabilities and operational experience equivalent to those of a main contractor, despite the absence of a direct contractual relationship with the project owner; and

BUSINESS

- (iv) in particular, in Project JB25, our Group assumed a primary role notwithstanding our contractual position as a subcontractor and the project owner awarded the contract to Project JB25 Joint Venture as the panel contractor. Our Group possessed predominant rights, interests, liabilities, obligations and entitlements to the profits and losses of the Project JB25 Joint Venture, and exercised substantive control over the project’s operations. We were responsible for project planning, coordination, procurement, engagement of subcontractors and overall project management. We also undertook all financial and operational responsibilities associated with the project. Hence, in substance, our Group effectively acted as the contractor to the project owner, demonstrating our capability to deliver projects independently at a main-contractor level. Please refer to the paragraphs headed “Business – Our Projects – Project-based collaboration arrangement with Bridgex” for further details of our role in the joint venture for Project JB25.

As advised by our Malaysia Legal Advisers, the fact that our Group, within the subcontracting framework, performed certain functions typically undertaken by a main contractor does not give rise to any non-compliance with applicable laws or regulations during the Track Record Period, having considered that: (i) our Group was properly engaged under valid subcontracting agreements; and (ii) Malaysian construction laws and regulations do not prohibit a subcontractor from undertaking substantial or comprehensive scopes of work, provided that the main contractor remains contractually responsible to the project owner. As such, our Group’s performance of main contractor functions in substance does not contravene any applicable legal or regulatory requirements.

Based on the legal advice provided by the Malaysia Legal Advisers above and the due diligence work performed by the Sole Sponsor, the Sole Sponsor is of the view that the disclosure of the Group’s role above appropriately presented the Group’s legal status as a subcontractor and its functional responsibilities as a main contractor, which does not contravene with any applicable laws and regulations.

Going forward, we remain open to continue pursuing projects both as a main contractor and as a subcontractor, depending on, among other factors, the specific project structure and tender eligibility requirements, including whether the project is designated exclusively for indigenous contractors.

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If awarded, these projects would substantially increase our operational commitments and necessitate additional manpower to ensure their effective and timely execution, without compromising the progress or quality of our ongoing projects. Please refer to the paragraphs headed “Future Plans and [REDACTED] – [REDACTED] – Our potential projects” in this document for further details on our potential projects. To prepare ourselves for our potential projects, as well as bidding for large-scale projects in the future, we require sufficient capital to meet, among others, the upfront costs and associated project expenses. Furthermore, contractors with stronger financial standing and liquidity are generally better positioned in competitive tenders for large-scale transportation infrastructure engineering projects in the future. In view of the aforesaid, our executive Directors believe that our expansion and growth have to be supported by a sound financial position and adequate financial resources given the capital intensive nature of our business. Our Group plans to secure the necessary manpower and financial resources to manage these potential projects alongside our on-going projects through the following means:

- (i) we intend to allocate a portion of the [REDACTED] from the [REDACTED] for strengthening liquidity and expanding our project management teams. Specifically, our Group plans to use approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) to cover upfront operational costs, including subcontracting costs, material costs, and machinery rentals for Potential Project 1 and Potential Project 2, while an additional sum of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) would fund approximately six months of salaries for new project management personnel required to handle the associated workload for Potential Project 1 and Potential Project 2;
- (ii) the potential projects are also expected to be funded, in part, by income generated from the projects themselves. As will be elaborated below, the first progress payment of a project is typically received four to eight months after project commencement, while net positive cash inflows may materialise after up to 20 months. Once the potential projects have started, our executive Directors expect that monthly income would be generated and recognised after this timeframe whereby our Group can utilise the income as financial resources to manage the projects;
- (iii) we also intend to rely on available internal resources, including cash flows generated from other ongoing projects, to supplement working capital needs of the potential projects and provide additional flexibility in project execution; and
- (iv) our Group may explore alternative financing options such as bank loans. However, given our asset-light financial structure, securing additional debt could be challenging, which would lead to higher gearing ratios, increased interest expenses, and a decline in competitiveness. To mitigate these risks, we will prudently manage our financial and manpower resources, striking a balance between growth and operational efficiency to ensure long-term success in a competitive market.

BUSINESS

For 6M2025, our Group recorded a tender and quotation success rate of approximately 33.3%, which was higher than the industry range. According to the CIC Report, in Malaysia’s transportation infrastructure sector including bridge engineering, the average tender success rate was below 10% for private-sector projects in FY2024 and 6M2025. For public-sector projects, the average tender success rate ranged between 10% and 20% in FY2024 and 6M2025. Our Directors are of the view that our Group is well-positioned to secure the potential projects and future tenders, notwithstanding existing commitments extending through 2027 to 2028, having regard to the following factors:

- (i) *Proven technical expertise:* Our Group has accumulated extensive experience through the successful delivery of notable large-span bridge projects of comparable scale and technical complexity, including the projects in the SUKE Highway, Damansara-Shah Alam Elevated Expressway (DASH) and Duta-Ulu Kelang Expressway (DUKE). In particular, during the Track Record Period, we undertook Project JB27, a major federal highway project spanning approximately 340 km across Peninsular Malaysia and providing a four-lane inland route, which encompassed earthworks, drainage, road furniture, pavement, geotechnical, structural works and other associated works. The technical specifications and construction methodologies applied in Project JB27 were closely aligned with those of the four potential projects which involve the construction of double-lane dual carriageways with connecting bridges. Our Directors believe that our Group’s successful delivery of Project JB27 demonstrates our proven capability to manage and execute large-scale transportation infrastructure projects with multi-lane carriageways and bridge structures.
- (ii) *Leveraging customer relations:* over the years, our Group has cultivated relationships with customers who are reputable main contractors. As at the Latest Practicable Date, our five largest customers in each of FY2023 and FY2024 and four largest customers in 6M2025 had maintained a business relationship with us for up to eight years. These well-established relationships create opportunities for collaboration on future projects. Our past participation alongside these contractors further demonstrates that we are capable of meeting project requirements and delivering work to a high standard. This proven working history facilitates smoother coordination and communication when we are engaged on new projects, enhancing overall project execution and increasing our likelihood of being invited to participate in tenders.
- (iii) *Leveraging subcontractor relations:* we usually engage subcontractors for labour-intensive and specialised works, and have maintained long-standing business relationship with our subcontractors. Our Group has a strict pre-qualification system for subcontractors, ensuring that they are reliable and can handle large-scale projects. This approach also allows us to commence new projects without having to keep extra staff or machinery on hand. By leveraging long-standing relationships with trusted subcontractors, reinforced by our reputation for timely payment and consistent workflow, our Group can avoid delays and maintain quality standards across concurrent projects. This quick and efficient access to specialised resources also strengthens our position in competitive tenders.

BUSINESS

- (iv) *Disciplined cost control:* our Group maintains competitive pricing through cost control measures. We obtain quotations from approved suppliers and subcontractors for each project’s construction materials and machinery and subcontracted services, and negotiate to ensue cost predictability. We also incorporate comprehensive cost analyses when preparing tenders, by taking into account labour costs, costs of construction materials and supplies and subcontracting costs required in the potential projects. These assessments are based on both historical data and prevailing market trends. This approach has enabled our Group to manage cost risks effectively while maintaining a competitive edge in pricing.

In light of the above, our Directors consider that our Group’s strategic advantages, including our technical expertise, well-established relationship with customers, well-managed subcontractors, disciplined cost control and phased resource planning, would not only enable us to fulfill our existing commitments but also strengthen our position in competitive tender processes.

Project upfront costs

Due to the capital-intensive nature of transportation infrastructure engineering projects involving the provision of bridge engineering services, contractors generally experience net cash outflows at the early stage of a project because of upfront costs. Our upfront costs mainly include the following components:

- Subcontracting fees, particularly where our subcontractors are responsible for procuring construction materials and arranging machinery and equipment rentals whereby the associated cost and rental charges will be factored in the subcontracting fee;
- Direct procurement costs incurred by our Group for materials, temporary works, or specialist equipment if they are not provided by subcontractors;
- Costs for recruitment of additional project management personnel;
- Administrative, compliance, and site setup costs, including mobilisation of site offices, utilities, temporary access roads, security, and permits; and
- Initial financial obligations, such as advance payments to subcontractors, deposits to suppliers, and if applicable, costs related to arranging performance bonds and insurance.

According to the CIC Report, while the nature and amount of project upfront costs may vary from project to project, the amount of upfront costs incurred for transportation infrastructure engineering projects in Malaysia may represent over 5% of the total contract sum and may vary depending on the size and the duration of the project, the payment practice of different contractors and the relationship between the relevant parties involved.

BUSINESS

Net cash outflows during project execution due to time lag between increasing costs for subcontractor and supplies and receiving certified progress payment from customers

Further, we generally continue to experience net cash outflow even after the receipt of first payment from our customers due to the time lag between the receipt of progress payment from our customers and payments to our subcontractors and other suppliers. Our Group generally incurs costs before or along with the performance of our works as we have to pay our subcontractors for carrying out the works on site and the construction materials, machinery and equipment, either provided by the subcontractors with the associated cost being factored into the overall subcontracting cost or procured by us directly. Meanwhile, our customers generally make monthly progress payments according to our works performed, and such payments are required to be certified by our customers before we issue an invoice to them. It generally takes time for our customers to certify our progress payments and for us to issue an invoice. During the Track Record Period, the time taken by our customers to issue payment certificates after our submission of monthly progress payment applications was up to 199 days, with an average of approximately 32 days. Further, we generally grant our customers a credit term of approximately 30 to 45 days from the date of certification by our customers of our completed works. Hence, there may be a timing difference up to several months between the time we incur costs for performing our works and the time we receive payments from our customers for performing such works.

Depending on the terms of the contract, our customers may also hold up a certain percentage of each payment made to us as retention monies. Typically 10% of each progress payment is withheld, subject to a cap of 5% of the total contract sum. In general, half of the retention money is released to us upon practical completion of a project. The remaining half is generally released upon expiry of the defects liability period or upon receiving a certificate of making good defects.

Based on our operational history prior to and during the Track Record Period, and depending on the scale and terms of individual projects, the average timeframe between the initial incurrence of upfront costs and the receipt of the first payment from customers was approximately four to eight months. During this period, the total upfront costs incurred by our Group may account for up to around 3% of the project’s contract sum. However, the timeframe between the initial incurrence of upfront costs and the point at which we began to generate net positive monthly cash flow from the project could extend up to 20 months (the “**Upfront Period**”). Over this Upfront Period, the total upfront costs incurred may account for up to 16% of the project’s contract sum.

As at the Latest Practicable Date, we had submitted tenders/quotation for five potential projects, the results of which are pending. Based on our competitive pricing structure, demonstrated technical capabilities, existing customer relationship, and the constructive engagements held to date, our Directors consider our prospects of winning Potential Project 1 and Potential Project 2 are high. Based on information currently available to our Group on the potential size of the potential projects and the estimated upfront cost needed, the total upfront cost for the five potential projects is estimated to be not less than approximately RM49.7 million, of which the aggregate upfront cost of Potential Project 1 and Potential Project 2 is estimated to be not less than approximately RM36.6 million. Our net cash outflows will be exacerbated if these potential projects commence concurrently, as this would require significant upfront payments to subcontractors and suppliers before corresponding customer payments are received.

BUSINESS

As at 31 December 2023, 31 December 2024 and 30 June 2025, our contract assets amounted to approximately RM48.5 million, RM32.9 million and RM69.4 million, respectively, of which approximately RM18.4 million, RM7.1 million and RM10.5 million was retention receivables, respectively. Given that the billing of contract assets and the settlement of trade receivables are subject to our customers’ certification process, internal invoice approval process and the credit term granted to them, any delay in certification or payment of our work may adversely affect our cash inflow. In such event, we may face difficulties in funding the upfront costs of other transportation infrastructure engineering projects, particularly if these projects are to commence around the same time. Hence, the amount of our contract assets, which represented the amount of our uncertified and unbilled completed work and retention receivables, coupled with our trade receivables, can together reflect our capital pressure as they may not be fully and immediately available to undertake other transportation infrastructure engineering projects. Accordingly, maintaining adequate liquidity to support these upfront costs is critical to our ability to undertake and manage multiple large-scale projects concurrently.

Further strengthening our manpower and enhancing our project management capability

Owing to the nature of bridge engineering works within transportation infrastructure projects, which typically span one to five years and involve complex, large-scale construction at designated sites, our Group is required to deploy a full project management team for each project. Such teams typically comprise a project director, project manager, construction manager, project coordinator, site engineer, QAQC engineer, safety and health personnel, and quantity surveyor. These roles are critical for ensuring compliance with technical, safety, and environmental standards, addressing site-specific challenges, and maintaining progress in line with project timelines.

As at the Latest Practicable Date, we had submitted tenders/quotation for five potential projects, the results of which are pending. If our Group is awarded any of the potential projects, our existing manpower resources would be insufficient to meet the additional demands of project supervision and management. Given the scale, complexity, and on-site requirements of these projects, particularly as Potential Project 2 is located in East Malaysia, we would be required to deploy dedicated project management personnel to each project site.

Our current personnel are already fully engaged in overseeing ongoing projects and can only be gradually released and reallocated upon the completion of those commitments, which are presently scheduled for 2027 or 2028, subject to potential delays arising from variation orders or other unforeseen circumstances. Accordingly, to ensure the effective execution of any newly awarded projects without compromising the progress, quality, or safety standards of our ongoing works, additional recruitment would be necessary to strengthen our project supervision and site management capabilities.

Our Directors believe that applying part of the [REDACTED] from the [REDACTED] to strengthen our liquidity position would not only enable us to meet the upfront costs requirements, but also support our participation in larger scale, capital-intensive projects. Therefore, our Group intends to allocate a portion of the [REDACTED] from the [REDACTED] to fund our project upfront costs requirements and expansion of project management personnel.

BUSINESS

Expansion of workforce to support growth across all regions

As part of our strategic growth initiative, we plan to expand our headquarters workforce in Peninsular Malaysia to strengthen our central operational capabilities. Our headquarters expansion in Peninsular Malaysia will focus on adding corporate personnel across key support functions including accounting, human resources and administration, contracts, information technology and procurement. By expanding our central workforce, we ensure that new project management personnel are deployed swiftly without overburdening existing headquarters staff, maintain strict compliance standards, and provide the necessary back-office support that enables successful project execution. Furthermore, it will enable us to maintain our competitive edge in tender evaluations by demonstrating full operational readiness. The expansion in our workforce at headquarters will create a robust foundation that not only supports our current project commitments but also positions us to capitalize on future growth opportunities.

At the same time, should we be awarded the Potential Project 2 in Sabah, East Malaysia, we intend to recruit supporting personnel to ensure efficient project delivery and to handle increased operational complexity in East Malaysia. This on-the-ground presence would enable timely responsiveness to project requirements and close collaboration with local customers in East Malaysia. For further details on Potential Project 2, please refer to the paragraph headed “Future Plans and [REDACTED] – [REDACTED] – Our potential projects” in this document.

Accordingly, we will allocate a portion of the [REDACTED] from the [REDACTED] to expand our headquarters workforce and recruitment of supporting personnel in East Malaysia should we be awarded the Potential Project 2 in East Malaysia.

Upgrade and digitise our Group’s information systems and internal processes

At present, our Group does not have an integrated IT system in place and instead relies on individual software tools for specific functions such as budgeting, scheduling, and documentation. However, the lack of integration among these tools limits operational efficiency, data consistency, and real-time visibility across project sites. We therefore intend to acquire a range of software, IT infrastructure upgrades, and process enhancements to establish a streamlined and integrated procurement management system.

Therefore, our Group intends to allocate a portion of the [REDACTED] from the [REDACTED] to upgrade and digitise our Group’s information systems and internal processes.

Please refer to the section headed “Future Plans and [REDACTED]” in this document for details of implementation of our strategies.

BUSINESS

OUR SERVICES

We principally provide bridge engineering services, which encompass the design and construction of the entire girder bridge or any one or more of its sections with varying structures and lengths spanning across roads and rivers and the construction of the connecting highways, roads and facilities ancillary to the girder bridge such as drainage, sewerage, lighting and signage. These services are typically provided and delivered within transportation infrastructure engineering projects owned or initiated by the government or government-linked companies in Malaysia. The projects we undertake are generally large in scale and involve girder bridges with complex design and structures, such as double-deck configurations, long-span structural requirements, box girders for highway flyovers or piers constructed over water bodies. Leveraging our reputation and experience in civil engineering industry, especially in the public infrastructure in Malaysia, we expanded the scope of our civil engineering works to include the design and construction of flood mitigation structural forms during the Track Record Period. Detailed description of our services is as follows:

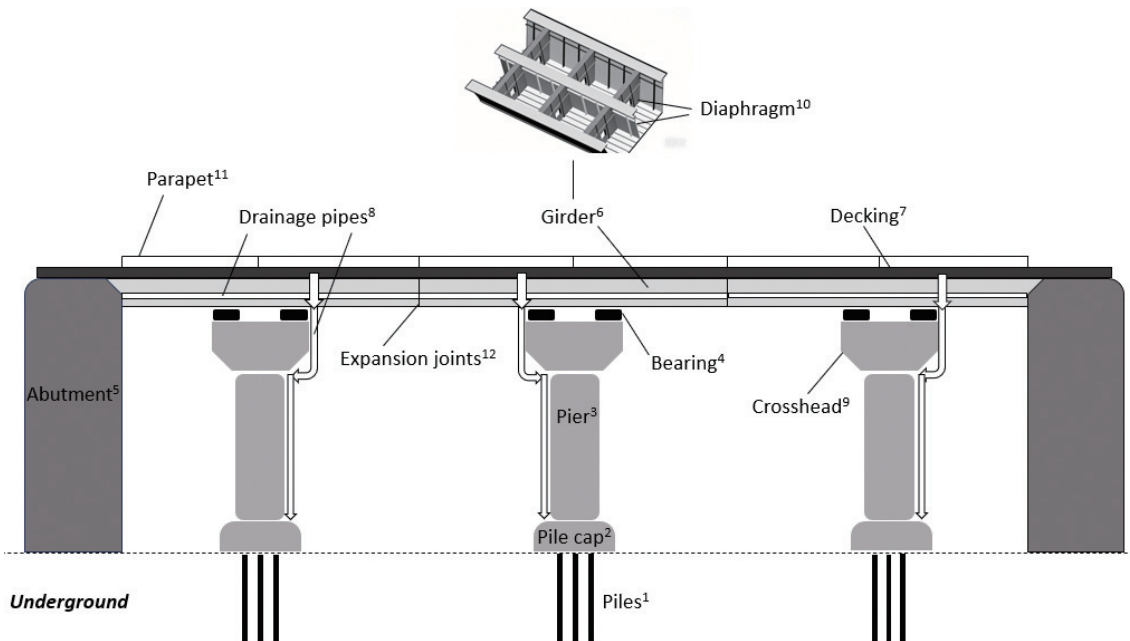
I. Design and construction of girder bridges and construction of the connecting highway, roads and ancillary facilities

During the Track Record Period, we provide bridge engineering services as subcontractor for transportation infrastructure engineering projects involving the design and construction of the entire girder bridge or any one or more of its sections. These works are undertaken in accordance with the drawings, specifications and structural requirements provided by our customers, who are primarily main contractors in projects owned or initiated by the government or government-linked companies in Malaysia. As part of our bridge engineering services, we also construct the connecting highways, roads and facilities ancillary to the girder bridges, such as drainage, sewerage, lighting and signage. Our customers generally provide design, including drawings and specifications (including those for bridges), for our execution, which occurred in six out of the seven projects undertaken by our Group during the Track Record Period and up to the Latest Practicable Date. However, if deemed necessary based on our assessment and/or upon our customers’ request, we would provide value engineering solutions to our customers to enhance their design.

According to the CIC Report, value engineering solutions is a recognised and widely used industry term. As defined in Value Engineering Application Guidelines for Public Projects issued by Jabatan Kerja Raya (JKR) in 2013, value engineering is applied during the design stage of project implementation to align or realign technical solutions with project objectives and scope requirements, ensuring optimised functionality, cost, and quality. It systematically evaluates alternative design options and methods based on the customer’s value criteria, required functions, and performance needs. In practice, such solutions may involve optimising bridge span arrangements and pier configurations, refining deck slab and reinforcement design, selecting efficient construction techniques, adopting modular or precast elements, and improving implementation sequencing and constructability.

BUSINESS

For the purpose of illustration, the diagram below sets out the salient components of a typical girder bridge:



Notes:

1. **Pile:** Piles form the initial foundation for the bridge. They help transmit the weight and stresses of the bridge structure evenly through the ground, making the overall foundation stable and strong. The piles play a key role in ensuring the stability of the bridge over its lifespan.
2. **Pile cap:** Pile caps are concrete structures that sit atop the piles supporting a bridge, it helps transfer and spread the load from the above structure to the piles underneath.
3. **Pier:** The pier extends from the ground pile cap to a certain height to support the bridge superstructure and transfer loads down to the foundation.
4. **Bearing:** Bearings are structural components that transfer the loads from the bridge deck down to the underlying support structures, like the piers. They allow for controlled movement between different parts of the bridge. Bearings help displace the stresses and loads through the girders to the piers, enabling the necessary flexibility between the bridge's interconnected elements.
5. **Abutment:** Abutments are the vertical supports of bridges at their approaching ends which function as retention walls and form a smooth transition between the bridge and roads.
6. **Girder:** Girders are the long horizontal support beams that span in between piers and be seated on the bearings. They provide the main structural support for the bridge deck above. The shape of girders (as shown above, for illustration purposes) enhances their ability to resist stresses and loads.
7. **Decking:** The decking is the top, flat surface of the bridge that carries the direct traffic load. Bridge decks can be made of concrete or metal. The deck includes the travel lanes, walkways, drainage systems, curbs, etc.

BUSINESS

8. **Drainage pipe:** Drainage pipes on bridges remove water from the deck and structure, preventing damage and flooding hazards, with their size, number, and placement carefully engineered as an integral part of the bridge’s design.
9. **Crosshead:** Crosshead is a horizontal structure located on top of piers that act as a support for bearing and girders.
10. **Diaphragm:** Diaphragm is a horizontal or vertical structure that connects all girders in one end of the span to distribute loads evenly from the top of bridge deck to the bearings.
11. **Parapet:** Parapet is a safety barrier located at the edge of the bridge, mainly to protect people and vehicles from falling over.
12. **Expansion joints:** Expansion joint is a structural component designed to allow for the expansion and contraction of a bridge deck due to temperature changes and other movements, while maintaining a smooth and continuous surface for traffic.

To enhance the efficiency of construction, main contractors may divide a project into multiple sections (e.g. a 20-kilometre project divided into five sections of approximately four kilometres each) and engage different subcontractors, such as our Group, for different sections so they can each separately work on their section simultaneously.

BUSINESS

In providing bridge engineering services for transportation infrastructure engineering projects, we generally follow the procedures set out in the table below in performing works for our section:

Steps	Description of works carried out by our Group	
1. Site inspection, planning and design	• Site visit and feasibility assessment • Conduct site survey and review the surroundings to set up site office at a suitable location • Overall planning and management of works schedules in relation to subcontractors, materials, machinery and other resources required at work sites • Instruct and supervise our subcontractors in conducting site survey and soil test; reviewing and assessing the results to justify bridge structure, materials used, expected traffic load, etc. • Provide, if necessary, preliminary value engineering assessment by our internal technical personnel without additional charges. This assessment involves analysing and enhancing bridge design provided by customers to improve efficiency and reduce costs without compromising structural integrity. This may involve, among others, refining the design of foundation layouts to reduce the volume of piles required while maintaining bearing capacity, or implementing post-tensioned precast elements to shorten project cycles and reduce construction material usage. If necessary and upon our customers' request, we will engage external consultant to conduct a detailed value engineering review and provide a modified alternative design^(Note).	 

Note: In particular, our Group primarily focuses on design efficiency, technical analysis and value engineering input. During the bridge design review process, our in-house engineering personnel conduct comprehensive feasibility assessments to ensure that proposed girder configurations, construction methodologies and material selections are practical, cost-effective, and suited to site-specific conditions. We then provide targeted technical recommendations and enhancement proposals to the external engineering consultant, who will incorporate these adjustments into the detailed structural design. Our review of bridge design typically takes into account cost, timelines and environmental impacts, with the goal of achieving the same or enhanced functionality at a lower or comparable cost by eliminating unnecessary elements or materials, adopting alternative design or implementing more efficient construction methods, etc. For instance, comprehensive analysis of design parameters is performed on both superstructural and substructural system in a girder bridge design, taking into account the structural criteria that affect the costs. This includes calculating concrete volumes and reinforcement weights based on the bridge span lengths, deck slab configurations, and the construction methods adopted. Examples of modification based on the value engineering review include reducing the number of piers of the girder bridge while increasing its cross-sectional dimensions, or altering the construction methods, such as opting for simple support, continuous support or a combination of both for a section of the bridge. Through this process, our Group contributes to improving constructability, reducing material consumption, and enhancing work sequencing efficiency, thereby achieving cost and time savings for both our customers and our construction operations.

According to the CIC Report, under the prevailing practices in the Malaysian civil engineering and transportation infrastructure engineering sector, providing preliminary value engineering input without additional charges is consistent with market norm. Contractors commonly offer high-level optimisation suggestions during early engagement to demonstrate technical capability and improve competitiveness, and such input is typically limited to assessments performed by in-house technical personnel. Consistent with industry practice, only detailed value engineering reviews requiring full recalculation, redesign or modelling are separately chargeable and usually undertaken by independent engineering consultants at the customer's cost. The Group's approach therefore aligns with customary commercial practice in the industry.

BUSINESS

Steps	Description of works carried out by our Group
2. Site formation	- Carry out utilities mapping survey to verify obstacle between new structures and existing utilities - Carry out right-of-way survey to obtain approval from the authorities on boundary of work site and to ensure that no part of the newly constructed structures is built within boundaries of private lands - Instruct and supervise our subcontractors in conducting: (i) Clearance of construction sites such as demolition of unwanted existing structures, shrubs, surface, soil and debris (ii) Earthworks (iii) Excavation to the design formations (iv) Preparing construction sites for subsequent foundation works, substructure construction and/or superstructure construction (v) Formation of the relevant work site and construction of associated retaining walls and ramps (vi) Ancillary works including drainage and landscaping



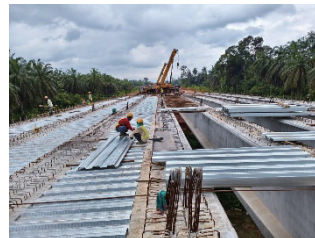
BUSINESS

Steps	Description of works carried out by our Group
3. Foundation setting	- Conduct supplier factory visits to assess the suitability of the construction materials used in a project and subsequently seek approval from the project owner - Perform factory acceptance test to ensure the construction materials used in a project is fit for purpose in accordance with the requirements of the specifications and drawings of a project - Instruct and supervise our subcontractors in conducting: (i) Site formation works of existing ground or base layer (ii) Installation of foundation piles
4. On-site pre-casting	Instruct and supervise our subcontractors in conducting on-site pre-casting of bridge components such as girders, crossheads and parapets tailored to the specific requirements of each project
5. Installation of substructure	Instruct and supervise our subcontractors in building upward and installing the substructure components such as pile caps, piers and bearings at the predetermined height



BUSINESS

Steps	Description of works carried out by our Group
6. Completion of superstructure	- Instruct and supervise our subcontractors in conducting: (i) Installing the superstructure such as girders and decking (ii) Installing drainage pipes (iii) Installing safety features such as guardrails, lighting and signage
7. Final quality and safety inspections	Performing safety and quality inspections, such as detailed examinations of the bridge’s load-bearing components, including the piles and abutments, to ensure they meet the design specifications and can safely support the anticipated loads
In general throughout the course of a project	- Closely monitor project progress and costs, and quality of works of subcontractors on site - Undertakes detailed progress management and analysis to identify and resolve potential issues that may give rise to future delays or disputes, such as overlapping or conflicting works - Closely monitor environmental hazards and the disposal activities carried out by subcontractors to ensure that all such activities are performed in a safe, compliant and controlled manner



BUSINESS

As part of our bridge engineering services provided for transportation infrastructure engineering projects, upon customers’ requests, we are also responsible for the construction of the highways and roads ancillary to, or alongside the girder bridge or connecting a section of the bridge to other sections of the bridge or highways. We generally follow the procedures set out in the table below in performing the ancillary road works of a project:

Steps	Description of works carried out by our Group	
1. Site formation	- Carry out utilities mapping survey and right-of-way survey - Instruct and supervise our subcontractors in conducting: (i) Clearance and preparatory earthworks, including installation of utility infrastructure (ii) Ancillary works including drainage and landscaping	
2. Base preparation and application of asphalt	Instruct and supervise our subcontractors in applying tack coat, laying and leveling asphalt and compacting it with rollers	
3. Final quality and safety inspections	Inspect surface finish and require subcontractors to rectify any unevenness or defects	

BUSINESS

Steps	Description of works carried out by our Group
In general throughout the course of a project	- Closely monitor project progress and costs, and quality of works of subcontractors on site - Undertakes detailed progress management and analysis to identify and resolve potential issues that may give rise to future delays or disputes, such as overlapping or conflicting works - Closely monitor environmental hazards and the disposal activities carried out by subcontractors to ensure that all such activities are performed in a safe, compliant and controlled manner

For details of the works rendered by us in our major projects, please refer to the sub-section headed “Our projects” in this section.

II. Flood mitigation works

In response to increasing demand for flood resilience infrastructure, we diversified into the design and construction of flood mitigation structural forms during the Track Record Period. There are common civil engineering procedures that apply to both bridge engineering works and flood mitigation works in relation to the planning, geotechnical works, structural design, construction methods and environmental compliance. According to the CIC Report, Malaysia’s vulnerability to flooding, especially during monsoon seasons, has led the government to prioritise investment in flood resilience infrastructure. During the Track Record Period, we had undertaken one civil engineering project focusing on the design and construction of flood mitigation structural forms as a subcontractor.

BUSINESS

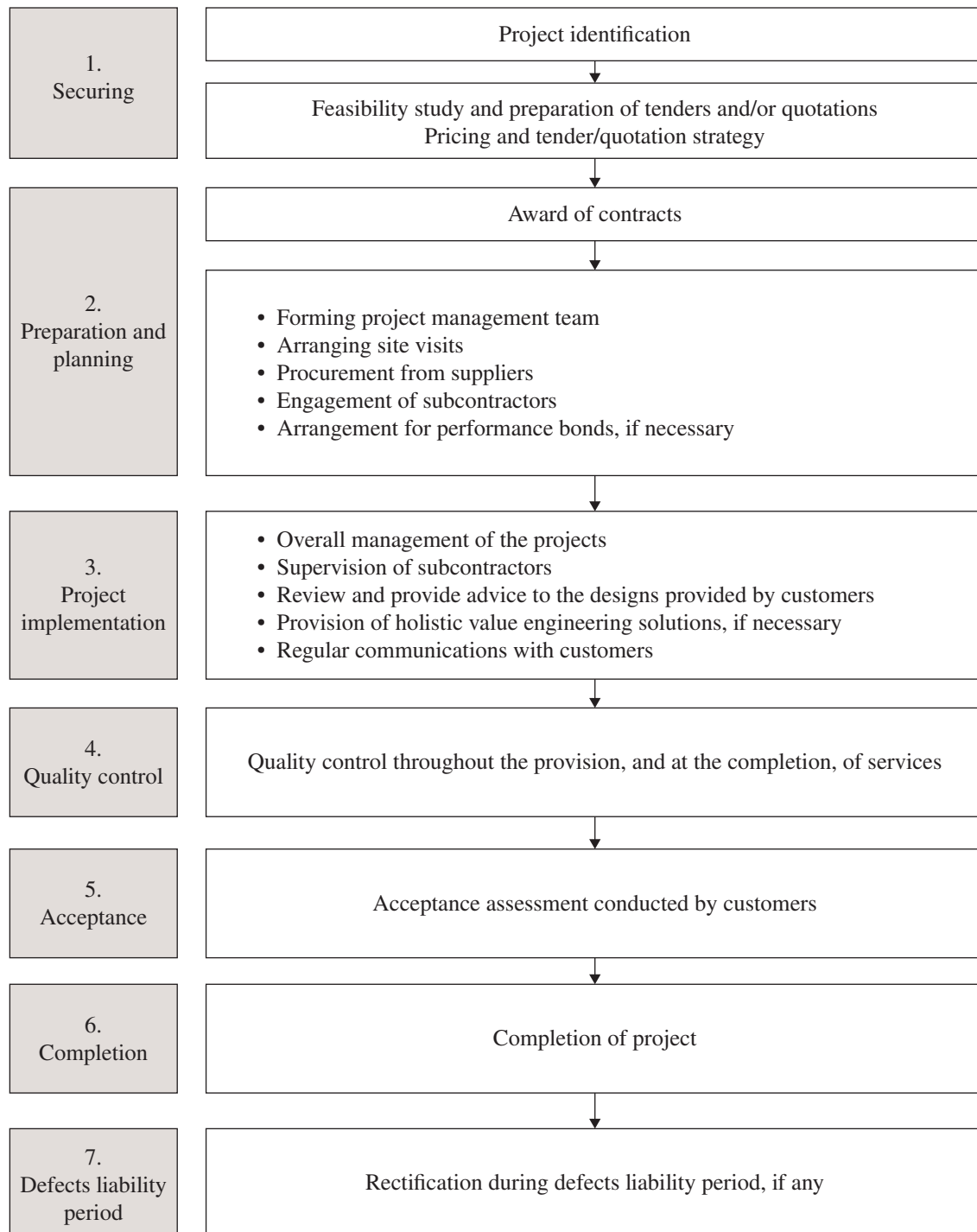
In our flood mitigation project, our specialised engineers and technicians conduct site inspections, geotechnical and hydraulic analysis and implement structural solutions to address deficiencies such as:-

Deficiencies	Mitigation solutions
1. Insufficient capacity of river channel	Increasing flow capacity and accommodating higher volume of floodwater by: • removal of sediment deposits to restore the river depth; and • widening of river bends.
2. Insufficient flood control infrastructure	• Construction of flood protection structures, including earth bunds and sheet pile floodwalls, to enhance flood resilience by acting as barriers that prevent floodwaters from encroaching on populated areas. • Construction of pump houses and detention ponds to regulate water levels during heavy rainfall by utilising pumps to actively remove excess water and temporarily storing runoff in storage ponds for controlled release. • Construction of a rock weir with high-strength materials to control sediment flow and prevent further sedimentation by reducing the velocity of water flow and thus facilitating sediment deposition.
3. Lack of proper maintenance and upkeep	• Regular maintenance and clearing, such as cleaning and desilting river and pond, repairing slopes and embankments, and removal of litter and other obstruction.

BUSINESS

OUR OPERATIONS

The following flow chart sets out our overall business operational flow:



BUSINESS

Project identification

We generally identify potential projects through (i) open tender invitations launched by our existing or prospective customers which are publicly accessible on the internet; (ii) invitations to tenders extended only to shortlisted candidates; and (iii) direct invitations to submit quotations. For open tenders, our customers may publish the invitation whenever a need for particular services arises. Accordingly, we actively monitor such channels to identify potential business opportunities. In some instances, we may also receive direct invitations to tender or submit quotations from prospective customers, especially those seeking to expedite the procurement process by engaging a pre-qualified pool of eligible candidates.

In the course of project identification, we are usually provided with tender documents or quotation request which generally include (i) the scope of works, technical specifications and contract conditions; (ii) tendering or quotation procedures; (iii) time frame of the project; and (iv) documents required to be submitted by the candidate (such as its contractor licence, certificates, technical proposals, etc.).

Feasibility study and preparation of tenders and/or quotations

Upon identifying a prospective project, our management team, led by our project directors and supported by our engineering and contract teams, will conduct a preliminary technical and financial assessment of a prospective project based on the specific requirements and other relevant information provided by the potential customer. In evaluating whether to undertake a prospective project, we generally take into account, among others, the following factors: (i) the background, budget and financial resources of the potential customer (if disclosed), and the projected profitability and timeline of the project; (ii) the feasibility of undertaking the project in view of technical requirements and specifications, complexity of the works and our internal capability and expertise; and (iii) our current capacity including workforce availability and financial resources.

Pricing and tender/quotation strategy

We will also assess the pricing of the project and the anticipated profitability of each project on a case-by-case basis. During the tender or quotation assessment stage, our senior management led by Datuk Tan would estimate the overall project costs, taking into account (i) if applicable, the anticipated quantity, type and costs of labour, construction materials and machinery required in the potential project; (ii) the estimated subcontracting costs and whether such costs include the provision of construction materials and machinery and equipment; (iii) the technical and structural complexity of the works involved and the expected project duration; (iv) historical fees we received for similar projects; and (v) the prevailing market conditions.

If our executive Directors consider that a project is commercially viable and technically feasible, we will proceed to submit the tender or quotation to prospective customers.

BUSINESS

During the Track Record Period, our customers engaged us based on fixed price contracts, where the initial contract value is expressed to be a fixed lump sum of which no adjustment is allowed for any fluctuations in the costs nor changes in the quantities of work and/or materials, except for variation orders initiated by our customers. Depending on our negotiations with customers, we may also enter into contracts with customers on re-measurement basis, which will specify an estimated contract sum based on the agreed unit rates and the estimated quantities of work items. Our customers will measure the actual quantities of works executed on site and our Group will be paid based on the actual work done. We were able to achieve overall gross profit for all of the projects completed during the Track Record Period. For details of our contract terms, please refer to the paragraphs headed “Customers – Major terms of engagement” in this section.

Based on the tender or quotation submitted by us, the customer may further negotiate with us on the commercial and technical terms. Hence, the duration between the submission of tender or quotation and award of contract may vary from project to project and is generally dependent on the size and complexity of the project; and individual customers’ internal approval process.

The following table sets out the number of tenders or quotations submitted, number of projects awarded and the corresponding success rate during the Track Record Period:

	FY2023	FY2024	6M2025
Number of tenders or quotations submitted during the year/period	4	3	3
Number of successful tenders or quotations	3	–	1 ^(Note)
Success rate (<i>approximate %</i>)	75.0	–	33.3

Note: The letter of award was received in July 2025.

Our tenders and quotations success rate decreased from FY2023 to FY2024, primarily due to our concurrent engagement in various ongoing projects, which typically span one to five years. In order to maintain our market presence, despite that we were operating near full capacity in FY2024, we still decided to submit further tenders or quotations, but we adopted a prudent approach to cost estimation by incorporating higher profit margins to account for potential risks, which may have rendered our tender less competitive. Moreover, our major customers are established and well-recognised contractors who attract a high volume of bids for their projects, thereby increasing market competition.

Given that the majority of our ongoing projects are large-scale infrastructure works with significant outstanding contract sum, a low tender or quotation success rate in FY2024 did not have a material adverse effect on our business.

Project preparation and planning

After a customer has informed us of its acceptance of our tender or quotation, we generally enter into a formal contract (normally in the form of a letter of award signed by both parties) with the customer which sets out our scope of services and other terms, details of which are set out under the paragraphs headed “Customers – Major terms of engagement” below in this section.

BUSINESS

(a) Formation of project management team

Once our engagement is confirmed, we will commence the preparation of the project by forming a project management team generally comprising a project director and supported by a project manager, site engineer, QAQC engineer, safety and health officer and quantity surveyor, for project execution. The composition of which may vary depending on the type and complexity of a project.

The primary responsibilities of each key member in the project management team are as follows:

Position	Primary Responsibilities
Project director	Oversees the entire project; supervises the project team; participates in the selection of subcontractors; reviews project proposal or plan; maintains communication with the customers.
Project manager	Coordinates day-to-day operations; manages construction activities; develops a detailed project plan to track progress; conducts valuation of progress claims and verifies subcontractors’ work for payment.
Site engineer	Manages site operation and supervises the work progress at site; produces daily work schedule; prepares construction plans.
QAQC engineer	Develops and determines all standards to perform inspection and tests on all procedures; oversees all testing methods and maintains high standards of quality for all processes.
Safety and health officer	Ensures health, safety and environment regulatory compliance; assesses hazardous and unsafe situations and develops measures to assure personal safety.
Quantity surveyor	Involved in contract matters during construction such as progress payment, progress claim, variation order and extension of time.

When necessary, our project management team may conduct site visits with our customer to assess site conditions and finalise construction solutions collaboratively.

BUSINESS

(b) Engagement of subcontractors and procurement from suppliers

In engaging subcontractors, we will agree in advance with the subcontractors whether the construction materials and machinery will be (i) procured by our subcontractors at their own cost and the associated material expenses and machinery rental cost will be typically factored into the overall subcontracting cost; or (ii) procured by us for the subcontractors’ use, in which case, the cost incurred by us will be deducted from the payment due to the subcontractors. During the Track Record Period, to a large extent, the subcontracting fees we paid to subcontractors included the material costs and the machinery rental costs. For details, please refer to the paragraphs headed “Subcontractors – Principal terms of subcontracting engagement” in this section. In preparation for a project, our project directors and our purchasing team jointly identify the required types and quantities of construction materials to be purchased for the project. The construction materials for undertaking our projects mainly include cement, ready-mixed concrete and steel bars.

As the construction materials are procured on a project-by-project basis in accordance with the project requirements, we rely on the accurate estimation of the required quantities, with a small buffer included in each order to minimise wastage. The construction materials purchased by us or by our subcontractors are delivered to the project site directly by the respective suppliers.

For details of our subcontractors and suppliers, please refer to the sub-sections headed “Suppliers” and “Subcontractors” below in this section.

(c) Arrangement for bonds and guarantee

Performance bonds and performance guarantees

During the Track Record Period, to secure the due performance and observance of our obligations under the contract, we were required by our customer in one project to procure a performance bond in favour of the project owner equivalent to 5% of the total contract sum awarded by the project owner to the main contractor. To support the issuance of such performance bonds, we are typically required to maintain pledged deposits with banks as collateral, which usually represent a certain percentage to the bond amount in general. To minimise our risks, we may enter into similar arrangements with our subcontractors where we procure a performance bond from our subcontractors to be granted in our favor.

In another project undertaken by us during the Track Record Period, instead of requiring us to arrange for a performance bond, the customer deducted and retained a sum equivalent to 5% of each progress payment as a form of performance guarantee.

BUSINESS

If we fail to complete a project in accordance with the contract due to our fault, the project owner may claim the performance bond amount, or our customers may claim the amount retained as performance guarantee to cover their losses, as the case may be. Subject to the terms of individual contracts, the value of the performance bond or the retained amount by the customers as performance guarantee is generally released to us within 12 to 24 months after the expiry of the defects liability period. During the Track Record Period, the performance bond procured by us had not been enforced by the project owner, and no amount retained as performance guarantee was claimed by our customer.

Project implementation

Following the finalisation of project plans and arrangements for supplies and subcontracted services, our project managers coordinate the commencement of site works in accordance with the customer’s schedule and specific requirements. A project generally commences according to the commencement date as stipulated in the letter of award. The construction works and other labour-intensive works at the site are generally executed by our subcontractors under the supervision of our project management team. Our project managers coordinate day-to-day operations, manage construction activities, conduct valuation of progress claims and verify subcontractors’ works for payment, maintain regular communication with the customer to report on project status, address any feedback, and provide timely updates. In parallel, our senior management team would continuously monitor the progress of our projects on a continuous basis to ensure that our works meet our customers’ requirements, and the progress aligns with budgetary forecast and verifying compliance with all applicable laws and regulations.

Depending on individual projects’ size, complexity and manpower requirements, our Group in general undertakes three to five projects at one time. As at the Latest Practicable Date, we had five ongoing projects, including four bridge engineering projects and one flood mitigation project. The project duration (from commencement to completion) of our projects during the Track Record Period ranged from approximately one to five years.

During the implementation phase, we may from time to time receive variation orders from customers requiring additional or revised works. Please refer to the paragraphs headed “Customers – Major terms of engagement” below in this section for details. For such changes, the scope and pricing will be agreed with the customer, and the agreed variation is then reflected in our monthly payment applications.

Quality control and acceptance assessment

Our engineers and QAQC personnel are responsible for quality control throughout the procurement of supplies and project execution. Please refer to the sub-section headed “Quality control” below in this section for more details.

BUSINESS

Subject to the terms and conditions of each contract, our customers generally make progress payments to our Group on a monthly basis. Our Group typically submits monthly payment applications to our customers detailing the value of our works completed in the preceding month. Certification of payment applications generally takes about two to three weeks from the submission date, while the final accounts certification may take a longer time as the customers or their consultants may require more time to evaluate our overall works.

Our customers are generally entitled to hold 10% of each monthly payment made to us as retention money and subject to a cap of 5% of the total contract sum. Depending on the contract terms, half of the retention money withheld is generally released to us after practical completion of a project and the remaining half is generally released after expiry of the defects liability period or upon receiving the certificate of making good defects. For our projects completed during the Track Record Period, all retention monies retained by our customers were fully released to us. We also impose similar retention arrangement on our subcontractors to align with payment structures and safeguard against defective works.

Completion

A project is typically deemed to be substantially completed when all contracted works have been duly carried out to the satisfaction of the customers, as confirmed through final inspection and the issuance of a certificate of practical completion. Our Group will then prepare the final accounts with the customers to set out the amount to be paid by the customers taking into account the value of total work done, amount previously paid, retention monies and variations claims, etc.

During the Track Record Period and up to the Latest Practicable Date, our Group had not encountered any material disputes with our customers concerning project completion status or delay attributable to our Group.

Defects liability period

We typically provide a defects liability period of up to 24 months following the practical completion of each project. During the defects liability period, we are responsible for rectifying, at our own cost, defects or deficiencies in the works which are discovered after completion. For subcontracted works, we require the responsible subcontractors to address any defects arising from their scope of work without additional charges to our Group. Where necessary, joint inspections with the customer are conducted to determine the root cause of defects and allocate responsibility accordingly. During the Track Record Period, we did not experience any material claim by our customers in respect of any defective works.

Throughout both project execution and the defects liability period, our Directors and senior management maintain regular communication with our customers to gather feedback on service quality. These discussions cover our responsiveness, adherence to specifications, coordination with customer instructions, and overall project management. Our Directors believe this continuous engagement allows us to better align with customer expectations and remain attuned to evolving market demands.

BUSINESS

Certificate of making good defects

At the conclusion of the defects liability period, our customer will issue a formal certificate of making good defects to confirm that all defects, if any, have been satisfactorily rectified in accordance with the contract requirements. The issuance of this certificate of making good defects typically triggers the release of the remaining half of the retention monies withheld during the project.

OUR PROJECTS

Given the scale, complexity and regulatory requirements of transportation infrastructure engineering projects, as noted in the CIC Report, such projects commonly span several years from commencement to completion. The projects undertaken by us during the Track Record Period were primarily owned or initiated by the federal government or government-linked companies in Malaysia and were characterised by large-scale construction involving girder bridges with complex design and structures. These projects typically require multiple regulatory approvals, including among others, environmental impact assessments, site safety assessments and grant of permit to work, which can be time-consuming. Furthermore, successful execution of transportation infrastructure engineering projects demands strong liquidity and access to substantial working capital to finance upfront costs such as labour, materials, and machinery, as detailed in the paragraphs headed “Business strategies – Project upfront costs” in this section. Due to their capital-intensive nature, such projects inherently limit the number of projects a contractor, like our Group, can undertake concurrently, as over committing resources may jeopardise both financial stability and project delivery. Accordingly, the number of projects that our Group can execute concurrently is constrained by our then available working capital, manpower and other operational resources.

Given our limited concurrent project capacity, our Group focuses on deploying resources to compete for large-scale, high-value projects in Malaysia that align with our financial capacity, operational expertise and long-term growth objectives. By concentrating on fewer but larger projects, we can maintain high-quality execution, optimise resource allocation, mitigate risks, and build a reputation for reliability and excellence.

As at the Latest Practicable Date, we had five ongoing projects, comprising four bridge engineering projects and one flood mitigation project, with an aggregate contract sum of approximately RM723.5 million. Depending on the specific scope, technical complexity of a project as well as the existence of any unforeseen circumstances (such as adverse weather condition, industrial accidents and variation orders subsequently requested by customers), the duration of a project (from the date of engagement to the date of completion) could generally range from approximately one to five years.

BUSINESS

Project-based collaboration arrangement with Bridgex

As advised by our Malaysia Legal Advisers, only contractors with a STB issued by the Ministry of Entrepreneur Development and Cooperatives Malaysia are able to tender for any government projects which are designated for the companies with a STB. According to the CIC Report, it is common in the industry of Malaysia for contractors to enter into joint venture agreements or arrangements when tendering for and executing construction projects. Such agreements are typically formed between two to three contractors for various strategic purposes, for example, to satisfy specific licensing requirements or to pool resources of different contractors for execution of large-scale projects. These joint venture agreements or collaboration agreements would typically delineate the respective roles, responsibilities and contributions of each party to the project.

Joint venture for Project JB15: We formed a project-based unincorporated joint venture with Bridgex in March 2016 (the “**Project JB15 Joint Venture**”) for jointly participating in the tender and execution of a project located in the SUKE Highway, a project initiated by a government-linked company designated for indigenous contractors in Malaysia (“**Project JB15**”) and Bridgex held a STB. Pursuant to the relevant joint venture agreement, it was agreed, among others, that the Project JB15 Joint Venture was to be managed by a management committee comprising three members, two from Bridgex and one from us. The Project JB15 was awarded to the Project JB15 Joint Venture as the main contractor, through which Bridgex secured the contract. Under the terms of that arrangement, Bridgex had control over the management and operation of Project JB15 Joint Venture and assumed the leading role in the execution of Project JB15. Acting under Bridgex’s overall project coordination in Project JB15, our Group was engaged as a subcontractor to carry out certain works, including inter alia, the construction and completion of the mainline and ramps and other associated works in the project site, with a total contract sum of approximately RM260.7 million. Accordingly, our role in Project JB15 was that of a subcontractor to Bridgex and thus, Bridgex was regarded as our customer in this project. There was no sharing of economic interest for work done at the level of the Project JB15 Joint Venture.

The project was completed in July 2021 and certificate of making good defects was subsequently issued to confirm that the works have been completely made good in February 2024. The joint venture arrangement in relation to this Project JB15 was formally terminated in 2024.

BUSINESS

Our Group generated revenue of approximately RM2.7 million, RM4.0 million and nil for FY2023, FY2024 and 6M2025, respectively, from this project. Although the project was completed in 2021, we recognised revenue in FY2023 and FY2024 which was related to post-completion adjustment and certification of work done finalised due to variation orders in these two financial years. In particular, based on the negotiation between our Group and Bridgex, the letter of award for Project JB15 was entered into on a re-measurement basis, pursuant to which an estimated contract sum was determined based on the agreed unit rates and the estimated quantities of work items. Under the re-measurement basis, Bridgex would measure the actual quantities of works executed on site and our Group would be paid based on the actual work done. The revenue recognised in FY2023 and FY2024 in relation to Project JB15 comprised (i) works completed prior to the project’s practical completion in 2021, for which the final contract sum remained subject to post-completion adjustments arising from re-measurement of quantities of our work done; and (ii) additional works performed pursuant to variation orders issued by Bridgex after the project’s practical completion in 2021, which were mainly attributable to additional works in relation to the underground utilities relocation activities. These post-completion adjustments and variation orders were progressively finalised as our Group’s claims were certified by Bridgex after the practical completion of the project, as part of the ongoing process of closing the final accounts. Accordingly, revenue recognition could occur prior to the issuance of such final accounts, consistent with industry practice under re-measurement contracts.

According to CIC, (i) in the Malaysian civil engineering industry, it is not uncommon for additional revenue to arise from post-completion adjustments resulting from re-measurement of quantities and variation orders. Under Clause 11.1 of the Pertubuhan Akitek Malaysia (PAM) 2006 Form of Contract (a widely adopted industry-standard contract form in Malaysia’s civil engineering industry), such adjustments and variations may involve alterations or modifications to the design, quality or quantity of works, covering additions or substitutions of works, changes in standard of materials, removal of executed works or materials, and adjustments relating to working hours, site access, working space, or sequence of execution; (ii) the period for resolving such post-completion adjustments and variation orders is generally within one and a half to three years, and may extend up to five years after project completion with exceptionally complex terrain conditions or design alterations; and (iii) the timing for issuing final account statements varies, with the closing of final accounts and issuance of final statements occasionally delayed for four to five years after completion.

Joint venture for Project JB25: We formed another project-based unincorporated joint venture with Bridgex in July 2021 (the “**Project JB25 Joint Venture**”) for jointly participating in the tender in the project involving step-in works to complete the unfinished portion of a girder bridge of the SUKE Highway (“**Project JB25**”). Project JB25 was to be managed by a management committee comprising three members, one from Bridgex and two from us.

BUSINESS

Our Group was selected to step in and complete outstanding works, including mainline and associated works, site clearance, and temporary works, covering a total distance of approximately 0.66 km along the SUKE Highway. As our Group was expected to assume a primary role in Project JB25 due to our prior successful participation in Project JB15, which was also undertaken along the SUKE Highway, we had demonstrated to the customer our Group’s proven technical capabilities, available resources, liquidity position, and financial capacity for successful execution of the work required under the project. In light of the above, in July 2021, the customer (being the project owner of the project) awarded the contract for Project JB25 to the Project JB25 Joint Venture as the panel contractor. Under the relevant joint venture agreement, we had predominant rights, interests, liabilities, obligations and entitlements to profits and losses of the Project JB25 Joint Venture, thereby exercising substantive control over its operations. In practice, the Project JB25 Joint Venture did not maintain any separate operation or workforce of its own; all project works were executed by our Group under the joint venture arrangement. We assumed the leading role in project planning, coordination and execution including the engagement of subcontractors, procurement of materials and overall project management. We also undertook all financial responsibilities associated with the project, and engaged subcontractors to undertake specific portions of the works. Therefore, while our Group was contractually positioned as a subcontractor to the Project JB25 Joint Venture, our Directors consider that, in substance, our Group effectively acted as the contractor to the project owner in view of our Group’s direct responsibilities and control over project implementation. On the other hand, Bridgex was responsible for site cleaning, cleaning and associated works. As a result, there was no sharing of economic interest for work done at the level of the Project JB25 Joint Venture.

According to the CIC Report, although contractual arrangements generally do not specify whether a subcontractor assumes a primary role, those with strong track records, relevant project experience, and professional expertise are usually to be relied upon and expected by project owners and main contractors in project execution. In particular, subcontractors whose previous experience can be directly applied to the current project tend to have their importance further underscored, albeit without exceeding that of the main contractor. Accordingly, during both project acquisition and implementation, subcontractors with directly transferable experience in specialised areas are typically regarded highly by project owners and main contractors alike. Their solutions and recommendations for addressing contingencies are also given careful consideration, which is not uncommon in industry practice.

As this project involved step-in works to assist in the completion of certain portions of the works that had not yet been completed, the total contract sum was determined based on the actual volume of work carried out by us in accordance with the customer’s requests and instructions issued from time to time during the course of the project. As such, the total contract sum for Project JB25 was not fixed at the outset but was determined progressively by reference to the actual volume of work completed. At the initial stage of engagement, our Group internally estimated the contract sum to be approximately RM4.2 million, based on preliminary management discussions and an indicative understanding of the expected scope. As the project progressed, the scope of work expanded significantly due to the identification of further work requirements, including column works, crosshead portal works, crosshead stressing works, beam launching works, diaphragm works and deckslab works, which were beyond our original anticipation. As a result, the total contract sum increased to approximately RM33.1 million as at 30 June 2025, reflecting the actual cumulative volume and value of works performed by our Group in accordance with the customer’s instructions. The project was completed in August 2023. Revenue recognised from this project amounted to approximately RM18.8 million prior to the Track Record Period and approximately RM12.9 million, RM1.4 million and nil for FY2023, FY2024 and 6M2025, respectively.

BUSINESS

The shift in primary roles between our Group and Bridgex in Project JB15 and Project JB25 arose from specific commercial decisions made in respect of each project. These decisions took into account the unique circumstances and technical requirements of the respective project, the party’s experience in taking on similar projects, their designated responsibilities, and their respective levels of financial commitments and manpower capacity at the relevant time.

According to CIC, adoption of an unincorporated joint venture structure is consistent with industry practice. This structure is particularly suited for civil engineering projects entailing project-specific collaborations with a short-to-medium term, generally not exceeding three years. At the inception of a project, the unincorporated joint venture structure avoids the administrative burden and regulatory requirements associated with establishing and maintaining a separate legal entity. During execution, it enables each party to preserve its distinct legal status and operational autonomy, while clearly delineating respective obligations, liability allocations, and profit-sharing mechanisms pursuant to the joint venture agreement. Upon completion, the unincorporated joint venture structure facilitates a streamlined and cost-efficient conclusion of the collaboration, as the parties may conclude the arrangement without the procedural and statutory complexities involved in winding up a jointly incorporated entity. Our Group and Bridgex formed the unincorporated structure of joint ventures for Project JB15 and Project JB25 by entering into the relevant joint venture agreements, for, among others, tendering for the project together and executing the project with different division of labour. Accordingly, the “unincorporated” joint venture structure between our Group and Bridgex for Project JB15 and Project JB25 were consistent with industry practice, according to CIC.

In contrast to Project JB15 and Project JB25, in the case of Project JB16 and Project JB31 (both of which were awarded to our Group by Bridgex), Bridgex secured the projects independently as the main contractor, and our Group was subsequently engaged by Bridgex as its subcontractor on a standalone basis, without any collaboration arrangement in place. These were ordinary commercial subcontracting arrangements entered into at the sole discretion of Bridgex, without prior understanding or agreement to collaborate or share project responsibilities with our Group. Likewise, when our Group independently secures a project as a subcontractor, we may, where appropriate, engage Bridgex to perform certain portions of the works, such as traffic management and control, site cleaning and clearing and other associated works, on a standalone commercial basis, just like other Independent Third Party subcontractors our Group engages. These engagements are also conducted without any project-level collaboration arrangement or joint venture structure in place.

BUSINESS

Notable projects completed prior to the Track Record Period

Prior to the Track Record Period, our Group participated as subcontractor in several notable transportation infrastructure engineering projects in Malaysia. These projects contributed significantly to strengthening our market position in the transportation infrastructure engineering market in Malaysia.

Project	Description of project	Services rendered by us	Duration of project
Eastern Dispersal Link (EDL) Johor Bahru, Johor (Project JB03)	Construction and completion of the EDL, an 8.1 km expressway in Johor Bahru, Malaysia, connecting the north–south expressway to the Johor-Singapore causeway. Strategically located, it enhances cross-border traffic flow, reduces city congestion, and supports regional trade by improving connectivity between Malaysia and Singapore’s southern economic corridor.	Construction of the entire girder bridge and four bridge ramps, covering a total distance of approximately 4.0 km	2008–2011
Duta-Ulu Kelang Expressway (DUKE) – Sri Damansara Link (SDL) (Project JB10)	Construction and completion of the SDL, part of the DUKE expressway, 7.0 km elevated expressway in Kuala Lumpur, connecting the districts of Segambut and Bandar Menjalara. It serves to alleviate congestion and enhance connectivity between northwestern suburbs and the city center.	Construction of a section of the girder bridge, covering a total distance of approximately 0.46 km	2014–2015
The SUKE Highway (Project JB15)	Construction and completion of a segment of the 24.4 km SUKE Highway. This segment enhances connectivity between Sri Petaling and Ulu Kelang of the Greater Kuala Lumpur metropolitan area, alleviating congestion in Kuala Lumpur’s eastern corridor.	Construction of a section of the girder bridge and the ancillary works, covering a total distance of approximately 2.8 km	2016–2021
Damansara – Shah Alam Elevated Expressway (DASH) (Project JB16)	Design, construction and completion of a segment of the 20.1 km DASH highway in Selangor. Spanning from Puncak Perdana to Penchala, it enhances connectivity between western and eastern Klang Valley, alleviating congestion and supporting regional development.	Construction of a section of the girder bridge and the ancillary works, covering a total distance of approximately 2.3 km	2016–2021

BUSINESS

Projects completed during the Track Record Period and up to the Latest Practicable Date

During the Track Record Period, we successfully completed two transportation infrastructure engineering projects and the total contract value of these completed projects amounted to approximately RM58.1 million. These projects demonstrated our technical capabilities, project management proficiency, and commitment to quality, further reinforcing our track record in Malaysia’s transportation infrastructure engineering market. The table below sets forth details of our projects completed during the Track Record Period and up to the Latest Practicable Date.

No.	Project	Description of project	Services rendered by us	Customer	Project owner	Commencement date		Completion date		Adjustment/ Original contract sum/ variation order/work instructions received on/before the Latest Practicable Date				Total revenue recognised before the Track Record Period				Estimated revenue to be recognised after Track Record Period
						(Note 1)	(Note 2)	(Note 3)	(Note 4)	(approx. RM'000)	(approx. RM'000)	(approx. RM'000)	(approx. RM'000)	(approx. RM'000)	(approx. RM'000)	(approx. RM'000)	(approx. RM'000)	
1.	SUKE Highway (Project JB25) (Note 5)	Construction and completion of a segment of the 24.4 km SUKE Highway. This segment includes five ramps, enhancing connectivity between a suburban area south-east of Kuala Lumpur and eastern Klang Valley, and alleviating congestion along key urban routes in the region.	Step-in works to assist in the completion of certain portions of the works that had not yet been completed including mainline and other associated works, site clearance, temporary works, in place of another subcontractor, covering a total distance of approximately 0.66 km	Customer B	Customer B	September 2021	August 2023	4,150	28,999	33,149	18,787	12,940	1,421	-	-	-		
2.	Central Spine Road, Raub Bypass (Project JB30)	Construction and completion of the Raub Bypass, a toll-free expressway segment in Raub, Pahang, which serves to divert traffic away from Raub town, significantly improving inter-regional connectivity and reducing travel time across central Peninsular Malaysia by up to 90 minutes.	Construction of earthworks and drainage works ancillary to bridges along the highway, covering a total distance of approximately 9.6 km	Customer C	Government of Malaysia	July 2023	June 2024	25,000	-	25,000	-	12,771	12,229	-	-	-		

BUSINESS

Notes:

1. This refers to the commencement date as set out in the letter of award issued by our customers.
2. This refers to (i) the completion date as set out in the letter of award or (ii) the completion date extended by the certificate of delay and extension of time issued by our customers, whichever is later.
3. The original contract sum for Project JB30 refers to the contract sum stated in the letter of award, and does not reflect any adjustments made due to variation orders (if any) or adjustments in contract sum after the award of contract. The original internal estimated contract sum for Project JB25 refers to our Group’s initial internal estimation of the contract sum as the letter of award did not specify a fixed contract sum for this rescue project, and does not reflect any sum of work instructions from the customer from time to time during the subsistence of the project. For works of Project JB25 that commenced before the Track Record Period, part of the contract sum has been recognised as revenue in financial years prior to the Track Record Period.
4. The total contract sum as at the Latest Practicable Date equals to the original contract sum/original internal estimated contract sum after adjustments made due to variation orders (if any) or work instructions for the relevant project as agreed between us and the customer after the award of contract and up to the Latest Practicable Date.
5. Project JB25 was tendered through an unincorporated joint venture between Bridgex and our Group. The contract was awarded to the Project JB25 Joint Venture whereby our Group assumed primary responsibility for project coordination and execution. The project was managed mainly by our Group, including the engagement of subcontractors and procurement of materials. For further details on the joint venture arrangement, please refer to the paragraphs headed “Our projects – Joint venture arrangement for tendering government or government-linked companies’ projects designated for indigenous contractors” in this section.
6. Figures may not add up due to rounding.

BUSINESS

Ongoing projects as at the Latest Practicable Date

As at the Latest Practicable Date, our Group had five ongoing infrastructure projects comprising four bridge engineering projects and one flood mitigation project, with a total contract value of approximately RM723.5 million. These projects, which were at various stages of execution, form part of our strategic focus on large-scale public infrastructure developments ranging from bridge engineering projects under transportation infrastructure engineering market and flood mitigation project. The table below sets forth details of our ongoing projects as at the Latest Practicable Date.

No.	Project	Description of project	Services rendered/ to be rendered by us	Customer	Project owner	Commencement date (Note 1)	Expected completion date (Note 2)	Original contract sum (Note 3)	Adjustment/ variation order received on/before the Latest Practicable Date	Total contract sum as at the Latest Practicable Date (Note 4)	Total revenue recognised before the Track Record Period (approx. RM'000)	Total revenue recognised for FY2023 for FY2024 for 6M2025 (approx. RM'000)	Total revenue recognised after the Track Record Period (Note 5)	Estimated revenue to be recognised
1.	A major federal highway project spanning approximately 340 km across Peninsular Malaysia, providing a four-lane inland route that enhances north-south connectivity between central and east coast regions (Project JB27) (Note 7)	Construction and completion of a highway segment linking certain regions in Pahang, which serves to divert traffic away from a congested town centre, reducing travel time by up to 40 minutes and enhancing connectivity between the east coast and central Peninsular Malaysia. (Note 7)	Construction of the road works and a section of a girder bridge and other ancillary works including site clearing, earthworks, drainage, road furniture, pavement, geotechnical, structural works, environment protection and other associated works, covering a total distance of approximately 10.3 km. (Note 8)	Customer A	Government of Malaysia	July 2022	April 2027	232,000 (approx. RM'000)	1,361 (approx. RM'000)	233,361 (approx. RM'000)	2,908 (approx. RM'000)	65,363 (approx. RM'000)	24,219 (approx. RM'000)	101,667 (approx. RM'000)

BUSINESS

No.	Project	Description of project	Services rendered/ to be rendered by us	Customer	Project owner	Commencement date (Note 1)	Expected completion date (Note 2)	Original contract sum (Note 3) (approx. RM'000)	Adjustment/ variation order received on/before the Latest Practicable Date (approx. RM'000)	Total contract sum as at the Latest Practicable Date (approx. RM'000)	Total revenue recognised before the Track Record Period (approx. RM'000)	Total revenue recognised for FY2023 for FY2024 for 6M2025 (approx. RM'000)	Total revenue recognised after the Track Record Period (Note 5) (approx. RM'000)	Estimated revenue to be recognised	
2.	Bridge and road works of 2.8 km long, spanning the Bernam River connecting a district in Selangor to a district in Perak over the Air Tawar river (Project JB28) (Note 7)	Construction and completion of the bridge and road project over the Bernam River which connects a district in Selangor, and a district in Perak. The project is designed to reduce travel time between the two towns by up to 55 minutes, enhancing regional connectivity and economic integration. (Note 7)	Design and construction of the road and the entire girder bridge and other ancillary works including site clearance and demolition, earthworks, drainage, pavement, road furniture, geotechnical, structures, traffic management and control, environmental protection, routine maintenance, occupational safety and health and electrical works, covering a total distance of approximately 2.8 km. (Note 8)	Customer D	Government of Malaysia	December 2022	June 2027	165,000	-	165,000	30	7,878	33,699	46,173	77,220

BUSINESS

No.	Project	Description of project	Services rendered/ to be rendered by us	Customer	Project owner	Commencement date (Note 1)	Expected completion date (Note 2)	Original contract sum (Note 3) (approx. RM'000)	Adjustment/ variation order received on/before the Latest Practicable Date (Note 4) (approx. RM'000)	Total contract sum as at the Latest Practicable Date (Note 4) (approx. RM'000)	Total revenue recognised before the Track Record Period (approx. RM'000)	Total revenue recognised for FY2023 (approx. RM'000)	Total revenue recognised for FY2024 (approx. RM'000)	Total revenue recognised for 6/12/25 (approx. RM'000)	Estimated revenue to be recognised after the Track Record Period (Note 5) (approx. RM'000)
3.	Bridge and road works in a rural village located in the Kulim district of Kedah (Project JB29) (Note 7)	Construction and completion of the bridge and road project in a rural village in the Kulim district of Kedah, which aims to enhance regional connectivity within the northern corridor of Peninsular Malaysia and improve transportation links between Kedah and neighboring states, supporting economic growth and accessibility in the region. (Note 7)	Design and construction of the road connected to the girder bridges and the entire section of two girder bridges and other ancillary works including site clearance and demolition, earthworks, culvert & drainage, pavement, road furniture, geotechnical, structures, traffic management and control, environmental protection, routine maintenance, occupational safety and health and electrical works, covering a total distance of approximately 11.1 Km. (Note 8)	Customer E	Government of Malaysia	August 2023	November 2028	118,000	-	118,000	-	1,186	6,494	2,756	107,564

BUSINESS

No.	Project	Description of project	Services rendered/ to be rendered by us	Customer	Project owner	Commencement date (Note 1)	Expected completion date (Note 2)	Original contract sum (Note 3) (approx. RM'000)	Adjustment/ variation order received on/before the Latest Practicable Date (approx. RM'000)	Total contract sum as at the Latest Practicable Date (Note 4) (approx. RM'000)	Total revenue recognised before the Track Record Period (approx. RM'000)	Total revenue recognised for FY2023 for FY2024 for 6M2025 (approx. RM'000)	Total revenue recognised after the Track Record Period (Note 5) (approx. RM'000)	Estimated revenue to be recognised	
4.	Flood mitigation works for the Kenau River, Sungai Lembing Town, Kuantan, Pahang (Project JB31)	Performance and completion of flood mitigation works at the Kenau River in Pahang, a significant initiative aimed at reducing flood risks in this historically flood-prone area. The project targets to decrease the flood-affected population from 4,600 to 400 and reduce the inundated area from 40 hectares to 4 hectares, thereby enhancing safety and resilience for the local community.	Design and construction of the flood mitigation structural forms including site clearance and demolition, geotechnical, structures, traffic management, environmental protection, routine maintenance, occupational safety and health and mechanical and electrical works. (Note 8)	BridgeX	Government of Malaysia	November 2023	April 2027	95,989 (approx. RM'000)	-	95,989 (approx. RM'000)	-	2,163 (approx. RM'000)	9,794 (approx. RM'000)	838 (approx. RM'000)	83,194

BUSINESS

No.	Project	Description of project	Services rendered/ to be rendered by us	Customer	Project owner	Commencement date (Note 1)	Expected completion date (Note 2)	Original contract sum (Note 3) (approx. RM'000)	Adjustment/ variation order received on/before the Latest Practicable Date (approx. RM'000)	Total contract sum as at the Latest Practicable Date (approx. RM'000)	Total revenue recognised before the Track Record Period (approx. RM'000)	Total revenue recognised for FY2023 for FY2024 for FY2025 (approx. RM'000) (approx. RM'000) (approx. RM'000)	Estimated revenue to be recognised after the Track Record Period (Note 5) (approx. RM'000)
5.	Bridge and road works for a major connecting road from Kota Tinggi to Mersing and the states along the east coast regions (Project JB32) (Note 7)	Construction and completion of overall 7.035 km single lane dual carriageway consisting of one girder bridge. The project involves upgrading the route in the road sections where accidents frequently occur and which are prone to flooding during heavy rainfall, thereby enhancing safety in the area.	Construction of the road connected to the girder bridge and one girder bridge and other ancillary works including demolition works, site clearing, earthworks, drainage, pavement works, road furniture, geotechnical works and traffic management. (Note 8)	Zimpac Enterprise Sdn. Bhd.	Government of Malaysia	July 2025	March 2028	111,167	-	111,167	-	-	111,167

Notes:

1. This refers to the commencement date as set out in the letter of award issued by our customers or the date of site possession by our Group for performance of works after receiving the letter of award.
2. The expected completion date refers to (i) the completion date as set out in the letter of award or (ii) the certificate of approval on delay and extension of time issued by or applied to our customers, whichever is later and is subject to change depending on the status and progress of the project and the terms of the contract.
3. The original contract sum refers to the contract sum stated in the letter of award, and does not reflect any adjustments made due to variation orders (if any) or adjustments in contract sum after the award of contract. For the contracts that commenced before the Track Record Period, part of the contract sum has been recognised as revenue in the financial years prior to the Track Record Period.
4. The total contract sum as at the Latest Practicable Date equals to the original contract sum after adjustments made due to variation orders (if any) for the relevant project as agreed between us and the customer after the award of contract and up to the Latest Practicable Date.
5. The estimated revenue to be recognised after the Track Record Period is based on our Directors' best estimation, and is subject to change depending on the status and progress of the project, potential adjustment to contract value (e.g. variation order) and the terms of the contract.
6. Figures may not add up due to rounding.

BUSINESS

7. Owing to the confidentiality undertaking under our contract with the customer and the customer’s refusal to grant consent for disclosure, we are unable to reveal the name and address of the project and have instead provided a description of its location and relevant details.
8. The level of design involvement varied across our ongoing projects. For Project JB27, the customer provided the full design and our Group undertook construction only, without any design input or value engineering. For Projects JB28 and JB29, the customers provided the design briefs, and our Group provided value engineering services to propose alternative design options, upon which the construction works were subsequently carried out. For Project JB31, the customer provided a design brief while our Group was responsible for the detailed design and construction. For Project JB32, the customer provided the design, and our Group is still assessing whether any value engineering could be undertaken. For details of value engineering undertaken by our Group, please refer to the paragraphs headed “Our services – I. Design and construction of girder bridges and construction of the connecting highway, roads and ancillary facilities” in this section.

Each of these ongoing projects involves stringent compliance with governmental and engineering standards. Given the technical complexity and capital requirements of these contracts, we have allocated substantial management and operational resources to ensure timely delivery and adherence to quality benchmarks.

Our Directors believe that successful execution of these ongoing projects will not only contribute significantly to our revenue in the near term but also further strengthen our credentials and competitiveness for future tender opportunities in Malaysia’s infrastructure engineering market.

The following table sets forth the movement in the number and value of projects which were completed or ongoing during the Track Record Period:

	FY2023		FY2024		6M2025	
	Number of Projects	Contract Value (RM'000) (approx.)	Number of projects	Contract Value (RM'000) (approx.)	Number of projects	Contract Value (RM'000) (approx.)
Opening number of projects/ Opening value of backlog as at the beginning of the relevant year/period	3	408,077	5	571,150	4	443,632
Add: new project(s) secured/newly secured contract value from new project(s)	3	238,989	–	–	– (Note)	– (Note)
Add: variation orders/work instructions	N/A	226	N/A	1,482	N/A	–
Less: (projects completed)/(revenue recognised)	(1)	(76,142)	(1)	(129,000)	–	(73,986)
Ending backlog as at the end of the relevant year/period	5	571,150	4	443,632	4	369,646

Note: In July 2025, we were awarded one new project with a contract sum of approximately RM111.2 million.

Our Directors confirm that (i) our Group did not have, and did not expect to have, any loss-making projects during the Track Record Period or as of the Latest Practicable Date, respectively; and (ii) our Group did not experience any material cost overruns or progress delays due to our fault in any of the projects undertaken by us during the Track Record Period and up to the Latest Practicable Date.

BUSINESS

CUSTOMERS

During the Track Record Period, our customers mainly comprise main contractors in transportation infrastructure engineering projects in Malaysia. The owners of these projects are the federal government or government-linked companies in Malaysia. These customers typically engage us as subcontractors to carry out specific portions of construction works, particularly bridge engineering works.

Major customers

During the Track Record Period, our major customers are primarily established main contractors undertaking transportation infrastructure engineering projects initiated by the federal government or government-linked companies in Malaysia.

Set out below is a breakdown of our revenue by our five largest customers in each of FY2023 and FY2024 and our four largest customers in 6M2025 and their respective background:

For FY2023

	Customer	Principal business activities of customer	Major services provided by our Group	Credit term (Note 8) days	Payment method	Commencement year of business relationship	Revenue generated from the customer RM'000 approximately	As a percentage of our total revenue %
1	Customer A ^(Note 1)	Development works, building construction works and water and sewerage design and construction works	Construction of bridge works and road works	30	Bank transfer	2022	39,204	51.1
2	Customer B ^(Note 2)	Asset management, consulting and project management and maintenance and repair works and toll management	Construction of bridge works and road works	45	Cheque	2021	12,940	16.9
3	Customer C ^(Note 3)	Construction works	Construction of earthworks and drainage works	30	Bank transfer	2023	12,771	16.6
4	Customer D ^(Note 4)	Property development and construction of buildings to erect and construct houses, building contractors, construction of motorways, roads and highways	Construction of bridge works and road works	30	Cheque	2023	7,878	10.3
5	BridgeX ^(Note 5)	All forms of construction in buildings, highways, tunnels, water dams, flood mitigation, water treatment plants, and related works such as renewable energy, electricity, and power generation	Construction of bridge works and road works and design and build of flood mitigation works	30	Cheque	2016	4,851	6.3
Total							77,644	101.2 ^(Note 7)

BUSINESS

For FY2024

	Customer	Principal business activities of customer	Major services provided by our Group	Credit term (Note 8) days	Payment method	Commencement year of business relationship	Revenue generated from the customer RM'000 approximately	As a percentage of our total revenue % approximately
1	Customer A ^(Note 1)	Development works, building construction works and water and sewerage design and construction works	Construction of bridge works and road works	30	Bank transfer	2022	65,363	49.1
2	Customer D ^(Note 4)	Property development and construction of buildings to erect and construct houses, building contractors, construction of motorways, roads and highways	Construction of bridge works and road works	30	Cheque	2023	33,699	25.3
3	Bridgex ^(Note 5)	All forms of construction in buildings, highways, tunnels, water dams, flood mitigation, water treatment plants, and related works such as renewable energy, electricity, and power generation	Construction of bridge works and road works and design and build of flood mitigation works	30	Cheque	2016	13,797	10.4
4	Customer C ^(Note 3)	Construction works	Construction of earthworks and drainage works	30	Bank transfer	2023	12,229	9.2
5	Customer E ^(Note 6)	Construction of roads and railway, sewerage and similar activities, construction of motorways, streets, roads and pedestrian ways	Construction of bridge works and road works	30	Cheque	2023	6,494	4.9
Total							<u>131,582</u>	<u>98.9</u>

BUSINESS

For 6M2025

	Customer	Principal business activities of customer	Major services provided by our Group	Credit term (Note 8) days	Payment method	Commencement year of business relationship	Revenue generated from the customer RM'000 approximately	As a percentage of our total revenue % approximately
1	Customer D ^(Note 4)	Property development and construction of buildings to erect and construct houses, building contractors, construction of motorways, roads and highways	Construction of bridge works and road works	30	Cheque	2023	46,173	62.4
2	Customer A ^(Note 1)	Development works, building construction works and water and sewerage design and construction works	Construction of bridge works and road works	30	Bank transfer	2022	24,219	32.8
3	Customer E ^(Note 6)	Construction of roads and railway, sewerage and similar activities, construction of motorways, streets, roads and pedestrian ways	Construction of bridge works and road works	30	Cheque	2023	2,756	3.7
4	Bridgex ^(Note 5)	All forms of construction in buildings, highways, tunnels, water dams, flood mitigation, water treatment plants, and related works such as renewable energy, electricity, and power generation	Construction of bridge works and road works and design and build of flood mitigation works	30	Cheque	2016	838	1.1
Total							<u>73,986</u>	<u>100.0</u>

Notes:

- (1) Customer A is a private company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, (i) Customer A's paid-up capital was approximately RM16.7 million as at the Latest Practicable Date; (ii) Customer A's annual turnover and profit after taxation for the financial year ended 30 September 2023 were approximately RM131.9 million and RM2.3 million, respectively; (iii) as at 30 June 2025, Customer A was not subject to any winding-up petition; (iv) examples of the notable projects of Customer A include Karak water supply projects and upgrading of a federal road from Pekan to Kampung Sungai Miang in Pahang; (v) as at the Latest Practicable Date, Customer A was owned by three individual shareholders who are indigenous Malaysians engaged in the transportation infrastructure engineering industry, and they had no past or present relationships (whether business, employment, family, trust, financing or otherwise) with our Group, our Directors, Controlling Shareholders, senior management or any of their respective associates.

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- (2) Customer B is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, (i) Customer B’s paid-up capital was RM10 million as at the Latest Practicable Date; (ii) Customer B’s annual turnover and loss after taxation for the financial year ended 31 December 2024 were approximately RM78.0 million and RM230.3 million, respectively; (iii) as at 30 June 2025, Customer B was not subject to any winding-up petition; (iv) examples of the notable projects of Customer B include projects related to SUKE and DASH highway; (v) as at the Latest Practicable Date, Customer B was ultimately owned by a trustee company wholly owned by the Ministry of Finance, Malaysia and a Malaysian government-linked investment foundation, and they had no past or present relationships (whether business, employment, family, trust, financing or otherwise) with our Group, our Directors, Controlling Shareholders, senior management or any of their respective associates.
- (3) Customer C is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, (i) Customer C’s paid-up capital was RM6.0 million as at the Latest Practicable Date; (ii) Customer C’s annual turnover and profit after taxation for the financial year ended 31 December 2023 were approximately RM94.3 million and RM15.8 million, respectively; (iii) as at 30 June 2025, Customer C was not subject to any winding-up petition; (iv) examples of the notable projects of Customer C include Selangor State Library and Kuala Selangor Stadium; (v) as at the Latest Practicable Date, Customer C was owned by two individual shareholders who are indigenous Malaysians engaged in the transportation infrastructure engineering industry, and they had no past or present relationships (whether business, employment, family, trust, financing or otherwise) with our Group, our Directors, Controlling Shareholders, senior management or any of their respective associates.
- (4) Customer D is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, (i) Customer D’s paid-up capital was RM3.0 million as at the Latest Practicable Date; (ii) Customer D’s annual turnover and profit after taxation for the financial year ended 31 December 2024 were approximately RM26.3 million and RM0.2 million, respectively; (iii) as at 30 June 2025, Customer D was not subject to any winding-up petition; (iv) examples of the notable projects of Customer D include upgrading of a state road from Batu Maung to Jalan Sultan Azlan Shah, Penang; (v) as at the Latest Practicable Date, Customer D was owned by two individual shareholders who are indigenous Malaysians engaged in the transportation infrastructure engineering industry, and they had no past or present relationships (whether business, employment, family, trust, financing or otherwise) with our Group, our Directors, Controlling Shareholders, senior management or any of their respective associates.
- (5) Bridgex is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, (i) Bridgex’s paid-up capital was RM1.5 million as at the Latest Practicable Date; (ii) Bridgex’s annual turnover and profit after taxation for the financial year ended 31 December 2024 were approximately RM21.3 million and RM0.2 million, respectively; (iii) as at 30 June 2025, Bridgex was not subject to any winding-up petition; (iv) examples of the notable projects of Bridgex include MRR2 (Middle Ring Road 2) repair works; (v) as at the Latest Practicable Date, Bridgex was owned by two individual shareholders, namely Ms. Nor Hidayah Binti Md Khairuddin Pang and Ms. Sarimah Binti Mohd Nasir, who are indigenous Malaysians engaged in the transportation infrastructure engineering industry and they had no past or present relationships (whether business, employment, family, trust, financing or otherwise) with our Group, our Directors, Controlling Shareholders, senior management or any of their respective associates, save for those disclosed in the sub-section headed “Relationship with Controlling Shareholders – The Controlling Shareholders’ previous interest in Bridgex”.
- (6) Customer E is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, (i) Customer E’s paid-up capital was RM3.0 million as at the Latest Practicable Date; (ii) Customer E’s annual turnover and profit after taxation could not be ascertained since the company is exempted from public disclosure of its financial information; (iii) as at 30 June 2025, Customer E was not subject to any winding-up petition; (iv) examples of the notable projects of Customer E include rehabilitation works for riverbank erosion at Sungai Langat in the vicinity of the TNB Transmission Tower, Mukim Dengkil, Sepang District; (v) as at the Latest Practicable Date, Customer E was owned by an individual shareholder who is an indigenous Malaysian engaged in the transportation infrastructure engineering industry, and the shareholder had no past or present relationships (whether business, employment, family, trust, financing or otherwise) with our Group, our Directors, Controlling Shareholders, senior management or any of their respective associates.

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- (7) The combined revenue from our five largest customers in FY2023 exceeded 100% of our total revenue for FY2023 due to a reversal of revenue of approximately RM2.1 million recognised prior to the Track Record Period. Such revenue mainly related to preliminary design works performed by our Group for a project awarded by a customer in 2021. Following the award and after several rounds of communications with the customer, our Group was given to understand that the customer had adopted and approved our initial design and hence, consistent with industry practice, our Group proceeded with certain preliminary works, including the engagement of subcontractors to carry out structural engineering consultancy and soil investigation works, which were intended to form the basis for the next stage of project execution. We commenced the works in 2021 and also incurred costs for other related items, such as site office and staff quarters rental and staff costs. These activities were undertaken while keeping the customer informed of the progress, and formed part of the preparatory phase for project implementation. The total costs incurred by us in connection with such activities amounted to approximately RM1.9 million. In view of the above, we recognised approximately RM2.0 million of revenue in 2021 based on the performance of the preliminary design works. However, in FY2023, our Group and the customer mutually agreed to terminate the contract in view of the change in work scope. Following the termination, our Group was no longer obligated to perform any further work on the project and none of the costs incurred by us was recovered. As the termination constituted a contract modification within the meaning of the relevant accounting standards, we reversed the relevant revenue of approximately RM2.0 million in FY2023. As a result of the above, our total revenue for FY2023 was lower than the revenue generated from our five largest customers in FY2023.

We acknowledge the importance of maintaining robust internal controls to ensure that revenue is recognised appropriately and in compliance with the relevant accounting standards. Our Group has implemented and will continue to strengthen the following internal control procedures and risk-mitigation measures to prevent the recurrence of revenue reversals similar to the isolated case described above: (i) prior to the commencement of any works, including preliminary or design-related activities, our project directors are required to review and confirm that a formally executed contract or other legally binding documentation is in place. No revenue may be recognised unless such contractual documentation has been reviewed and endorsed by the project directors; (ii) any request or instruction to proceed with works, particularly preliminary or design works, must be supported by written confirmation from the customer, such as a notice to proceed, formal approval letter, or equivalent document evidencing the customer’s acceptance of the relevant scope and payment obligation; (iii) revenue recognition assessments are subject to multi-level review. The finance department, in consultation with the project management team, reviews the timing and basis of revenue recognition. All project-based revenue recognition proposals are further reviewed by senior management before being reflected in the accounts; and (iv) we maintain comprehensive documentation of all customer communications, approvals and variations to contract terms. According to the CIC Report, the above procedures and measures are consistent with industry practice.

- (8) Credit term for our customers usually counts from the date of the certification by the customer of our completed works.
- (9) In 6M2025, our Group recorded revenue from a total of four customers.
- (10) Figures may not add up due to rounding.

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During the Track Record Period, Bridgex was held as to 35% by Datuk Tan from January 2023 to February 2024, and as to 5% and 30% by Datuk Tan and Mr. Andy Tan, respectively, from February 2024 until June 2024 when they disposed of all their shares in Bridgex. Please refer to the sub-section headed “Relationship with Controlling Shareholders – The Controlling Shareholders’ previous interest in Bridgex” for details. Save for this, none of our Directors, their close associates, or any Shareholders who or which, to the knowledge of our Directors, owned more than 5% of the issued Shares as at the Latest Practicable Date had any interest in any of the five largest customers of our Group in each of FY2023 and FY2024 and our four largest customers in 6M2025.

Customer concentration

The total revenue from our five largest customers in each of FY2023 and FY2024 and our four largest customers in 6M2025 represented approximately 101.2%, 98.9% and 100.0% of our total revenue for FY2023, FY2024 and 6M2025, respectively; and the revenue from our largest customer in each year/period during the Track Record Period represented approximately 51.1%, 49.1% and 62.4% of our total revenue, respectively for the corresponding year/period.

While it appears that a majority of our revenue is derived from a few customers during the Track Record Period, our Directors are of the view that the presence of a limited number of customers at any one time is both normal and expected within the transportation infrastructure engineering market in Malaysia. This should not be construed as reliance on any single customer, for the following reasons:

1. *Industry norm due to project size and duration:* Infrastructure projects, particularly those involving bridge engineering and flood mitigation works, are by nature large-scale, technically complex, and capital intensive. These projects typically require substantial upfront investment in manpower, equipment, and materials, and are often subject to multi-layered regulatory approvals and site-specific challenges. Consequently, they tend to span extended timelines, commonly between two to five years from commencement to completion. According to the CIC Report, given the capital-intensive and long-term nature of such projects, it is standard industry practice for contractors to focus on a limited number of concurrent engagements, each of which may contribute a material portion of annual revenue. Accordingly, the presence of a small number of customers at any given time is reflective of the project delivery cycle and resource allocation strategy typical in the infrastructure engineering sector, rather than indicative of an exceptional or heightened reliance on any single customer.
2. *High switching costs and our established track record:* In the context of large-scale infrastructure projects, main contractors and project owners typically favour continuity and reliability in engaging subcontractors. The onboarding of a new subcontractor midway through a project would involve significant time and cost, including vetting, integration, and alignment of work methods and safety procedures. Given our Group’s established track record, site-specific knowledge, and adherence to technical standards, our Directors believe that customers would not have much commercial or operational incentive to substitute our Group with an alternative subcontractor.

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3. *Enlarged scale of operation and expansion of customer portfolio:* In view of the expected growth in the market size of the transportation infrastructure engineering industry and the flood mitigation segment in Malaysia as driven by, among others, government policies according to the CIC Report, we intend to expand our scale of operation through actively seeking opportunities in undertaking more projects, from both our existing and potential new customers, on top of our present scale of operation and our current projects on hand. This will help expand our customer portfolio and reduce the contribution from any single customer. Please refer to the sub-section headed “Business strategies” in this section for details of our business strategies.

Based on the above, our Directors believe that the limited number of customers during the Track Record Period is consistent with prevailing industry norms and would not expose our Group to undue customer concentration or overreliance risk.

Principal terms of engagement

We generally do not enter into or maintain long-term framework agreements or exclusive arrangements with our customers. Instead, our engagement with our customers is typically project-based, awarded through a tender or quotation process. According to CIC, it is unusual for subcontractors to enter into long-term service agreements with project owners when undertaking large-scale transportation infrastructure engineering and flood mitigation projects as such projects are generally awarded through separate tenders and performed under project-specific agreements. Once selected, we enter into formal contracts with our customers, normally in the form of a letter of award, containing terms and conditions relating to the particulars of a project and the major terms and conditions. While the terms of our contracts with customers vary from project to project, the following table summarises the key and commonly adopted terms of these contracts:

Types and scope of work:	The contract identifies the types and scope of the work which we are engaged to perform. It is generally defined by the customer and typically includes detailed engineering drawings, construction methods, and technical standards for bridge structures and associated works.
Contract sum:	During the Track Record Period, our customers generally engaged us based on a fixed lump sum price under which we were generally required to carry out the specified works required by our customers of fixed quantity at an agreed lump sum price. We may also enter into contracts with customers on re-measurement basis, which will specify an estimated contract sum based on the agreed unit rates and the estimated quantities of work items. Our customers will measure the actual quantities of works executed on site and our Group will be paid based on the actual work done.

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Payment:	We generally submit a progress payment application to our customer on a monthly basis with reference to the amount of works completed. Upon receiving our application for progress payments, our customers will examine and certify our works done by issuing a payment certificate to us. The credit term granted by us to our customers is generally 30 to 45 days from the date of certification by our customers of our completed works. In one of the projects undertaken by us during the Track Record Period, prior to the commencement of the project, our customer which was the main contractor in a government project had made an advance payment to us. Generally, such advance payment will not exceed 25% of the contract sum, subject to a cap of RM10 million.
Commencement date and contract duration:	The period of a project typically commences according to the commencement date as stipulated in the letter of award. The contract duration varies depending on the project size, nature and type of work, complexity and technically. During the Track Record Period, the contracts entered by us were normally completed within one to five years.
Insurance:	In projects where we act as a subcontractor, the main contractor would normally take out all necessary insurances for themselves and their sub-contractors such as contractors' all risk insurance and employees' compensation insurance against damages, claims and compensation in respect of their employees and subcontractors and the persons who are employed by them to work at the sites. Our Group may sometimes be required to take out the aforesaid insurances.
Variation orders:	The contracts generally provide for variation orders, which are subject to mutual agreement between the parties on pricing and scope of work. As such, our customers may issue variation orders to revise the specifications and scope of works, resulting in adjustments to the original contract sum. A variation order may include (i) the revised scope of units and the corresponding bill of quantities; (ii) updated drawings or guidelines for the revised scope of work; and (iii) the instruction for the commencement of the revised scope of work.
Defects liability period:	We are generally subject to a defects liability period of up to 24 months after practical completion of a contract, during which we are responsible and required to rectify defects or deficiencies relating to works undertaken by us at our own cost.

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Certificate of making good defects:	The certificate of making good defects confirms that all identified defects during the defects liability period have been rectified to the satisfaction of our customers in accordance with the contract requirements.
Performance bonds or guarantee:	To safeguard the performance of our obligations under the contract, we may be required by our customers to procure a performance bond in favour of the project owner of a project, typically equivalent to 5% of the main contract value, in the form of a bank guarantee. In lieu of a performance bond, a customer may choose to deduct and retain an amount, usually equivalent to 5% of each progress payment as a form of performance guarantee. Subject to the terms of individual contracts, the performance bond or the retained amount by the customers as performance guarantee is generally released to us within 12 to 24 months after the expiry of the defects liability period.
Retention money:	Our customers are generally entitled to hold 10% of each progress payment as retention money, subject to a cap of 5% of the total contract sum. Depending on the contract terms, half of the retention money is generally released to us upon the practical completion of the project and the remaining half is generally released upon expiry of the defects liability period or upon issuance of the certificate of making good defects. Under industry practice, a customer may require our Group to provide both (i) performance bonds or guarantees and (ii) retention money in the same project, depending on the commercial negotiations for each project. Nevertheless, this did not occur in any of the projects undertaken by our Group during the Track Record Period, as after the negotiations between our Group and our customers, our customers required either (i) performance bonds or guarantees, or (ii) retention money, but not both for the same project.
Liquidated damages:	The amount of liquidated damages payable by our Group on a per day basis if we fail to complete the agreed scope of work within the specific contract period is generally set out in the contract.
Rights of termination by customers:	Our customer has the right to terminate our contract by giving advance notice, if we fail to execute the works in accordance with the terms of the contract as agreed.

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During the Track Record Period and up to the Latest Practicable Date, we did not experience any early termination of contracts nor any material delays in our projects which would result in liquidated damages being imposed on us.

Credit policy

Our Group generally submits monthly payment applications to our customers detailing the amount and value of our works done in the previous month, subject to a credit term of approximately 30 to 45 days from the date of certification by our customers in general.

We have in place internal policies to manage collection of trade receivables and unbilled revenue including: (i) monitoring and regularly updating the status and amount of funds received for each bill; (ii) compiling trade receivable ageing report on a monthly basis; (iii) reporting to head of contract in respect of bills that remain outstanding for over 90 days and to closely follow up with customers for settlement of the outstanding bills; and (iv) reporting to our executive Directors the reasons for bills that remain outstanding for over 180 days and issuing letter of demand and/or initiating legal action at management’s judgement.

SUPPLIERS

We maintain a list of approved suppliers of (i) construction materials (such as cement, ready-mixed concrete and steel bars); and (ii) machinery rental service providers.

These construction materials are procured either directly by our Group from our approved suppliers or, by our subcontractors, depending on the terms of the contracts between us and our subcontractors, which reflect the commercial and operational arrangements agreed for each project. If the subcontractors are responsible for procuring construction materials and arranging the rental of machinery and equipment, the associated procurement costs and rental expenses will be factored into the subcontracting fees payable to them.

During the Track Record Period, we did not have any material difficulty in sourcing or obtaining supplies in accordance with our needs for our business operation, and we did not experience any material difficulties or delays in performing our projects caused by shortage of construction materials (including other suppliers) and/or machinery rental services. Our Directors consider that the possibility of shortage or delay in the materials or rental services is low given the abundance of suppliers in the market and the nature of materials and rental services required by us.

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Criteria for selecting suppliers

As at the Latest Practicable Date, there were over 290 suppliers in our approved list, which provided flexibility to us in selecting the appropriate suppliers. We only engage suppliers who are included in our internal list of approved suppliers. Admission to this list is subject to a selection and evaluation process based on multiple criteria, including (i) quality of materials or rental services provided; (ii) timeliness and consistency of delivery; (iii) years of experience of the supplier; (iv) resources and capabilities; and (v) pricing competitiveness. Our approved list of suppliers is reviewed and updated periodically. During the Track Record Period, none of our suppliers was removed from our internal list due to poor quality of the materials supplied by them.

Prices for construction materials and machinery rental services are determined on a project-by-project basis based on quotations obtained from our approved suppliers and mutually agreed commercial terms. Our Directors consider various factors, including but not limited to the future price trend of the materials and rental services when preparing tender proposals and hence we could generally pass on any increase in costs to our customers. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any material fluctuations in the costs of materials and rental services that had a material impact on our business, financial condition or results of operations.

Principal terms of our purchase orders

During the Track Record Period, to maintain flexibility in supplier selection, we had not entered into any long-term supply agreement with any of our major suppliers. We generally placed purchase orders with our suppliers for procurement. A standard purchase order of our Group contains specifications and quantity of materials to be procured by us, their unit prices and the total transaction amount, payment term, place of delivery and delivery date.

Major suppliers

For FY2023, FY2024 and 6M2025, the total purchase by our Group from our suppliers amounted to approximately RM7.9 million, RM17.0 million and RM12.8 million, respectively, representing approximately 12.1%, 15.9% and 22.0% of our total cost of services for the corresponding years/period. For FY2023, FY2024 and 6M2025, purchase by our Group from our largest supplier in each year/period during the Track Record Period amounted to approximately RM2.1 million, RM4.2 million and RM5.2 million, respectively, representing approximately 3.2%, 3.9% and 9.0% of our total cost of services for the corresponding years/period, while the total purchase by our Group from our five largest suppliers in each year/period during the Track Record Period amounted to approximately RM3.1 million, RM10.9 million and RM9.9 million, respectively, representing approximately 4.7%, 10.1% and 17.0% of our total cost of services for the corresponding years/period. All of our major suppliers in each year/period during the Track Record Period were located in Malaysia.

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Set out below is a breakdown of our total purchase from our five largest suppliers in each year/period during the Track Record Period based on the ranking of their contribution to our total cost of services and their respective background information:

For FY2023

	Supplier	Principal business activities of the supplier	Type of purchases from the supplier	Credit term <i>days</i>	Payment method	Commencement year of business relationship	Approximate purchase from the supplier <i>RM'000 approximately</i>	Approximate percentage of our total cost of services <i>% approximately</i>
1	Yick Hoe Ferrous Steel Sdn Bhd <i>(Note 1)</i>	Trading of carbon steel products; provision of transportation services	Steel bars	60	Bank transfer or cheque	2015	2,090	3.2
2	Hi-Tech Mix Sdn Bhd <i>(Note 2)</i>	Production of ready-mixed concrete materials, bricks and cements; provision of transportation services	Ready-mixed concrete	60	Cheque	2020	553	0.8
3	Win Concrete Sdn Bhd <i>(Note 3)</i>	Trading of ready-mixed concrete; provision of transportation and cartage services	Concrete	30	Cheque	2023	226	0.3
4	Supplier A <i>(Note 4)</i>	Import of steel	Pre-stressed concrete strand	60	Cheque	2023	126	0.2
5	Supplier B <i>(Note 5)</i>	Engineering works and general construction	Steel mould fabricator	30	Cheque	2008	121	0.2
Total							3,116	4.7

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For FY2024

	Supplier	Principal business activities of the supplier	Type of purchases from the supplier	Credit term <i>days</i>	Payment method	Commencement year of business relationship	Approximate purchase from the supplier <i>RM'000 approximately</i>	Approximate percentage of our total cost of services <i>% approximately</i>
1	Yick Hoe Ferrous Steel Sdn Bhd <i>(Note 1)</i>	Trading of carbon steel products; provision of transportation services	Steel bars	60	Bank transfer or cheque	2015	4,232	3.9
2	Win Concrete Sdn Bhd <i>(Note 3)</i>	Trading of ready-mixed concrete; provision of transportation and cartage services	Concrete	30	Cheque	2023	2,771	2.6
3	Supplier C <i>(Note 6)</i>	Production and sale of concrete products	Spun piles	30	Cheque	2024	1,554	1.4
4	Posim Marketing Sdn Bhd <i>(Note 7)</i>	Trading and distribution of building materials and steel products	Rebars and steel bars	60	Cheque	2017	1,294	1.2
5	Hiap Teck Hardware Sdn Bhd <i>(Note 8)</i>	Import, export and dealing of steel products, hardwares and building materials	Rebars and steel bars	60	Cheque	2024	1,047	1.0
Total							10,898	10.1

BUSINESS

For 6M2025

	Supplier	Principal business activities of the supplier	Type of purchases from the supplier	Credit term days	Payment method	Commencement year of business relationship	Approximate purchase from the supplier RM'000 approximately	Approximate percentage of our total cost of services % approximately
1	Supplier C ^(Note 6)	Production and sale of concrete products	Spun piles	30	Cheque	2024	5,221	9.0
2	Yick Hoe Ferrous Steel Sdn Bhd ^(Note 1)	Trading of carbon steel products; provision of transportation services	Steel bars	60	Cheque	2015	1,604	2.8
3	Win Concrete Sdn Bhd ^(Note 3)	Trading of ready-mixed concrete; provision of transportation and cartage services	Concrete	30	Cheque	2023	1,442	2.5
4	Hiap Teck Hardware Sdn Bhd ^(Note 8)	Import, export and dealing of steel products, hardware and building materials	Rebars and steel bars	60	Cheque	2024	844	1.4
5	Chuan Seng Industries Sdn Bhd ^(Note 9)	Manufacturing and trading of concrete products	Concrete	30	Cheque	2024	786	1.3
Total							<u>9,897</u>	<u>17.0</u>

Notes:

- (1) Yick Hoe Ferrous Steel Sdn Bhd is a private limited company incorporated in Malaysia.
- (2) Hi-Tech Mix Sdn Bhd is a private limited company incorporated in Malaysia.
- (3) Win Concrete Sdn Bhd is a private limited company incorporated in Malaysia.
- (4) Supplier A is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, as at the Latest Practicable Date, Supplier A is a subsidiary of a company listed on the Shanghai Stock Exchange.
- (5) Supplier B is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, as at the Latest Practicable Date, Supplier B is owned by six individual shareholders.
- (6) Supplier C is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, as at the Latest Practicable Date, Supplier C is wholly owned by a company listed on the Main Market of Bursa Malaysia Securities Berhad.

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- (7) Posim Marketing Sdn Bhd is private limited company incorporated in Malaysia.
- (8) Hiap Teck Hardware Sdn Bhd is a private limited company incorporated in Malaysia.
- (9) Chuan Seng Industries Sdn Bhd is a private limited company incorporated in Malaysia.
- (10) Figures may not add up due to rounding.

None of our Directors, their close associates, or any Shareholders who or which, to the knowledge of our Directors, owned more than 5% of the issued Shares as at the Latest Practicable Date had any interest in any of the five largest suppliers of our Group in each year/period during the Track Record Period.

SUBCONTRACTORS

Given the large-scale and technical complexity of the projects we undertake, which require a high degree of precision, technical knowledge, engineering expertise and integrated capabilities in both design and construction, we prioritise primarily on project management and supervision, quality assurance and provision of holistic value engineering services to our customers. Hence, we usually engage subcontractors to perform labour-intensive works such as reinforced concrete structure works, beam casting works and road furniture works; and other works that require niche technical expertise, such as bored piling works, soil investigation works, environmental works, earthworks and geotechnical works where it would be cost prohibitive for us to maintain in-house capabilities. Upon the award of a project, we generally categorise the contracted works based on their nature and technical requirements, and engage suitable subcontractors, where necessary, to execute specific portions of the works in accordance with our technical specifications, project timelines, and quality standards.

We generally require our subcontractors to procure their own construction materials and machinery. However, we may directly purchase certain materials (such as reinforcement bars, ready-mix concrete or structural steels) and/or rent machinery (such as cranes, launching girders and excavators) for subcontractors where we determine that it would enhance overall cost efficiency. This was typically achieved by securing volume-based discounts through bulk purchasing or leveraging preferential pricing from our long-standing supplier relationship. This approach also enabled us to utilise spare supplier capacity to meet project demands. For FY2023, FY2024 and 6M2025, our Group provided certain materials and/or rented machinery and paid the expenses on behalf of our subcontractors for three, three and two projects, respectively. For details about this arrangement including the amount of procurement fees, please refer to the paragraphs headed “Contra-charge arrangement” in this section.

We maintain a list of approved subcontractors. As at the Latest Practicable Date, there were over 285 subcontractors in our approved list, which provided flexibility to us in selecting the appropriate subcontractors based on prices, availability and quality. All of our subcontractors during the Track Record Period were located in Malaysia.

BUSINESS

Though our contracts with customers do not prohibit delegation of works to subcontractors, we remain contractually liable for our subcontractors’ performance and quality of their subcontracted works. This includes responsibility for any defects, delays in project schedules, or breaches of applicable rules and regulations, etc.. According to the CIC Report, the nature and extent of our Group’s liability for our subcontractors’ performance and quality of work are consistent with industry practice. To ensure that performance standards are upheld, we maintain regular communications with our subcontractors and closely coordinate the works of different subcontractors throughout the course of project execution. Meetings with subcontractors are generally held two times a month to review work progress and coordinate upcoming activities. In addition, ad hoc meetings are conducted from time to time as needed to resolve special matters, such as re-evaluation of logistics or activities plan based on the latest site condition to avoid project delays. In this connection, our project director will, on an ongoing basis, assess the performance of our subcontractors in each project based on their (i) conformance to specification; (ii) responsiveness to immediate request; (iii) technical competence; and (iv) problem solving capabilities. Should any deficiencies in performance be identified, we promptly raise the matter with the relevant subcontractor and require rectification or improvement. Where necessary, we will reassess the subcontractor’s suitability for continued engagement in the project and evaluate whether they should remain on our list of approved subcontractors for future works. According to CIC, our Group’s approach to subcontractor management is consistent with industry practice. Although subcontracting is generally permitted under the contracts with customers, companies like our Group remain contractually responsible for the overall project outcomes, including quality of works, adherence to schedule and regulatory compliance. This contractual framework ensures that accountability is clearly defined and no gap arises in responsibility for project delivery. Furthermore, companies like our Group bear contractual obligations towards their subcontractors and exercise stringent oversight of their performance to safeguard overall project quality and timelines. Such effective subcontractor management helps minimise rework and mitigate associated risks, thereby protecting the contractor’s market reputation and enhancing its competitiveness in future tendering processes.

BUSINESS

Criteria for selecting subcontractors

We only engage subcontractors who are on our list of approved subcontractors. The admission of subcontractors to our internal list is subject to assessment of various factors including their costs, past experience, quality of works and services, financial strength, availability in manpower, reputation and environmental, health and safety performance. Our approved list of subcontractors is reviewed and updated periodically. During the Track Record Period, none of our subcontractors was removed from our internal list due to poor quality of services provided by them.

In general, we determine the amount of subcontracting fee based on (i) nature and complexity of works to be performed by the subcontractors; (ii) prevailing market conditions and market price; and (iii) whether construction materials or equipment are to be provided by the subcontractor. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material fluctuations in the costs of subcontracted services that had a material impact on our business, financial condition or results of operations.

Major subcontractors

For FY2023, FY2024 and 6M2025, we incurred subcontracting costs of approximately RM46.0 million, RM77.9 million and RM37.9 million, respectively, representing approximately 70.0%, 72.6% and 65.1% of our total cost of services, respectively, for the corresponding years/period. For FY2023, FY2024 and 6M2025, the subcontracting costs we paid to our largest subcontractor in each year/period during the Track Record Period amounted to approximately RM16.9 million, RM19.0 million and RM5.9 million, representing approximately 25.6%, 17.7% and 10.2% of our total cost of services for the corresponding years/period. For FY2023, FY2024 and 6M2025, the subcontracting costs we paid to our five largest subcontractors in each year/period during the Track Record Period amounted to approximately RM35.5 million, RM48.4 million and RM24.1 million, respectively, representing approximately 54.0%, 45.1% and 41.5% of our total cost of services for the corresponding years/period.

BUSINESS

Set out below is a breakdown of our Group’s total subcontracting costs by our five largest subcontractors in each year/period during the Track Record Period, ranked by their respective contributions to our total cost of services and their respective background information:

For FY2023

	Subcontractor	Principal business activities of the subcontractor	Type of services engaged by our Group	Credit term <i>days</i>	Payment method	Commencement year of business relationship	Approximate subcontracting costs charged for the year <i>RM'000 approximately</i>	Approximate percentage to our total cost of services <i>% approximately</i>
1	Eksplorasi Gemilang Sdn Bhd ^(Note 1)	Architectural and engineering activities and related technical consultancy, other service activities incidental to land transportation and construction of other engineering projects	Site clearance, demolition works, earthworks, drainage works, geotechnical works, environmental protection works and ancillary works	30	Cheque	2022	16,856	25.6
2	PSL Concrete Sdn Bhd ^(Note 2)	Building reinforced concrete and construction related works and supplying construction workers	Construction of temporary access	30–45	Cheque	2023	6,624	10.1
3	Subcontractor A ^(Note 3)	Provision of construction services and trading in hardware and building materials	Construction of rock excavation works and disposal works	30	Cheque	2023	4,426	6.7
4	CTSM Geotechnology Sdn Bhd ^(Note 4)	Structural engineering works and transportation and all other related activities	Bored piling works	45	Cheque	2017	4,081	6.2
5	Multi Pipeline Services Sdn Bhd ^(Note 5)	Engineering and general construction work, investment holding, and property investment	Relocation of water pipes	45	Cheque	2018	3,547	5.4
Total							<u>35,534</u>	<u>54.0</u>

BUSINESS

For FY2024

	Subcontractor	Principal business activities of the subcontractor	Type of services engaged by our Group	Credit term <i>days</i>	Payment method	Commencement year of business relationship	Approximate subcontracting costs charged for the year <i>RM'000 approximately</i>	Approximate percentage to our total cost of services <i>% approximately</i>
1	Eksplorasi Gemilang Sdn Bhd ^(Note 1)	Architectural and engineering activities and related technical consultancy, other service activities incidental to land transportation and construction of other engineering projects	Site clearance, demolition works, earthworks, drainage works, geotechnical works, environmental protection works and ancillary works	30	Cheque	2022	18,981	17.7
2	Top Bridge Solution Sdn Bhd ^(Note 6)	Construction of bridges, including those for elevated highways, and buildings and export and import of a variety of goods	Fabricate, supply and deliver of long span girder for bridge works	45	Cheque	2023	11,155	10.4
3	Ing Cheong Engineering Sdn Bhd ^(Note 7)	Piling and related engineering works within the construction trade	Design, supply, fabricate, install and dismantle of temporary steel staging	45	Cheque	2018	7,582	7.1
4	CTSM Geotechnology Sdn Bhd ^(Note 4)	Structural engineering works and transportation and all other related activities	Bored piling works	45	Cheque	2017	5,922	5.5
5	Subcontractor A ^(Note 3)	Provision of construction services and trading in hardware and building materials	Construction of rock excavation works and disposal works	30	Cheque	2023	4,736	4.4
Total							<u>48,376</u>	<u>45.1</u>

BUSINESS

For 6M2025

	Subcontractor	Principal business activities of the subcontractor	Type of services engaged by our Group	Credit term <i>days</i>	Payment method	Commencement year of business relationship	Approximate subcontracting costs charged for the year <i>RM'000 approximately</i>	Approximate percentage to our total cost of services <i>% approximately</i>
1	Top Bridge Solution Sdn Bhd ^(Note 6)	Construction of bridges, including those for elevated highways, and buildings and export and import of a variety of goods	Fabricate, supply and delivery of long span girder for bridge works	45	Cheque	2023	5,945	10.2
2	Hai Suar Huat Piling Sdn Bhd ^(Note 8)	Importer and dealer of piles and piling contractor	Supply and driving of precast reinforced concrete piles and prestressed concrete spun piles	45	Cheque	2014	5,039	8.7
3	Keat Seng Heavy Machinery Sdn Bhd ^(Note 9)	Import, export, repair and rental of machinery and trucks	Site clearance, demolition works, earthworks, drainage, geo-technical and environmental protection works	30	Cheque	2025	4,543	7.8
4	Ing Cheong Engineering Sdn Bhd ^(Note 7)	Piling and related engineering works within the construction trade	Design, supply, fabricate, install and dismantle of temporary steel staging works	45	Cheque	2018	4,383	7.5
5	Elegant Bridge Builders Sdn Bhd ^(Note 10)	Building and bridge construction works	Reinforced concrete structural works for bridges	45	Cheque	2024	4,223	7.3
Total							<u>24,133</u>	<u>41.5</u>

Notes:

- (1) Eksplorasi Gemilang Sdn Bhd is a private limited company incorporated in Malaysia.
- (2) PSL Concrete Sdn Bhd is a private limited company incorporated in Malaysia.
- (3) Subcontractor A is a private limited company incorporated in Malaysia. To the best knowledge and belief of our Directors after making all reasonable enquiries, as at the Latest Practicable Date, Subcontractor A is wholly owned by an individual.
- (4) CTSM Geotechnology Sdn Bhd is a private limited company incorporated in Malaysia.

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- (5) Multi Pipeline Services Sdn Bhd is a private limited company incorporated in Malaysia.
- (6) Top Bridge Solution Sdn Bhd is a private limited company incorporated in Malaysia.
- (7) Ing Cheong Engineering Sdn Bhd is a private limited company incorporated in Malaysia.
- (8) Hai Suar Huat Piling Sdn Bhd is a private limited company incorporated in Malaysia.
- (9) Keat Seng Heavy Machinery Sdn Bhd is a private limited company incorporated in Malaysia.
- (10) Elegant Bridge Builders Sdn Bhd is a private limited company incorporated in Malaysia.
- (11) Figures may not add up due to rounding.

None of our Directors, their close associates, or any Shareholders who or which, to the knowledge of our Directors, owned more than 5% of the issued Shares of our Company as at the Latest Practicable Date had any interest in any of the five largest subcontractors of our Group in each year/period during the Track Record Period.

Subcontracting process

In preparing tender or quotation submissions for a project, we generally conduct a comprehensive review of the project’s specifications, technical requirements and scope of work to assess the type and number of subcontractors we need to engage for carrying out the project. Depending on factors such as our in-house capabilities, available resources, technical expertise, estimated costs and expected timetable of the project, the number of subcontractors engaged by our Group will vary from project to project. During the tender preparation stage, we typically obtain preliminary quotations from shortlisted subcontractors to support our internal cost estimations. These indicative quotes help us formulate a competitive and realistic pricing proposal for submission to our customer.

Once we are awarded a project, we proceed to obtain formal quotations from our subcontractors and will subsequently enter a subcontracting contract with them upon being satisfied with their quotations.

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Principal terms of subcontracting engagement

We do not enter into any long-term contract with our subcontractors. Prior to the commencement of any subcontracting works, we enter into formal contracts (generally in the form of a letter of award or work order) with our subcontractors stipulating the general terms of engagement on a project basis. While the terms of our contracts with individual subcontractors may vary, the following table summarises the salient and commonly adopted terms:

Scope of work:	Though the scope of work subcontracted by our Group to our subcontractors can be broadly classified into (i) labour only; and (ii) labour and materials, the majority of our subcontracting arrangements fall under the latter category. For contracts involving labour and materials, our subcontractors are responsible for providing the necessary manpower, materials and tools, and the associated costs are factored into the subcontracting fee. In cases where we are requested to procure the construction materials, labour and/or machinery for the subcontractors’ use, the corresponding costs will be deducted from our payment to the subcontractors.
Project duration:	The contract’s commencement date and subcontracting period or expected completion date are specified in the subcontracting contract. Under normal circumstances, subcontractors are required to complete the project within the stipulated timeframe. Our Group also provides periodic updates on the latest project progress and requires subcontractors to adhere to the timelines and milestones set out in the progress reports shared with them.
Subcontracting fee:	Where our subcontractors are required to provide necessary materials and/or equip themselves with the necessary machinery, such costs are generally factored into the subcontracting fees. The fee payable by us to the subcontractor is usually represented in a provisional sum and the final sum would be subject to re-measurement and revaluation according to the bills of quantities included in the contract.
Subcontractor’s liability:	We are entitled to hold our subcontractors liable for any loss and damage suffered by our Group if their works are not performed in accordance with the requirements in the engagement.
Safety and compliance:	Subcontractors are required to carry out the works in accordance with all relevant safety, health and environmental laws, rules and regulations. In the event of any non-compliance, the relevant subcontractor shall compensate our Group for any expenses, penalties and other losses suffered from such non-compliance.

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Payment terms and retention monies:	In line with our contracts with customers, payments to subcontractors are generally by stages or on a monthly basis. Subcontractors are required to provide us with a progress payment application in stages or monthly payment application setting out the details of the completed works and we generally settle the payment application after it is certified and approved by us. We normally hold 10% of each monthly payment made to subcontractors as retention money. The accumulated retention money for each subcontracting agreement would not exceed 5% of the total sub-contract sum. Normally, half of the retention money withheld is released to subcontractors after practical completion of a project and the remaining half is normally released upon the issue of the certificate of making good defects or after expiry of the defects liability period. For some subcontractors, the retention money is fully released to them upon the issue of the certificate of making good defects or after expiry of the defects liability period.
Defects liability period:	In line with the contracts with our customers, we generally require a defects liability period of up to 24 months during which our subcontractors shall be responsible for rectifying works defects arising from works subcontracted to them at their own expenses.
Liquidated damages:	A clause on liquidated damages is generally included in our subcontracting contracts, entitling our Group to claim for damages for any delay from the subcontractors. The amount of liquidated damages is determined on a daily basis, with reference to the schedule of fixed rates stipulated in the subcontracting contract.
Sub-subcontracting:	Our subcontractors are generally prohibited to further subcontract the works subcontracted to them without our prior written consent.
Performance bond:	In line with the contracts with our customers, we may enter into similar arrangements with our subcontractors where we procure a performance bond from them as security for the due performance and observance of their obligations.

During the Track Record Period and up to the Latest Practicable Date, there was no material dispute between our Group and our customers with respect to the quality of work performed by us and our subcontractors. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material shortage or delay in the subcontracting services that we required, and we did not experience any material dispute with our subcontractor, and there had been no instances of breach of subcontracting agreements.

BUSINESS

CONTRA-CHARGE ARRANGEMENT

Contra-charge arrangement with our subcontractors

During the Track Record Period, there were instances where we provided certain materials and/or services to our subcontractors (such as provision of labour and rental of machinery) and pay the expenses on behalf of them. Such arrangements were implemented where our management determined that direct procurement by our Group would enhance overall cost efficiency. This was typically achieved either through volume-based discounts available via bulk purchasing or by leveraging preferential pricing terms arising from our long-standing relationships with selected suppliers. Such arrangement also allows the parties to leverage spare capacity or resources to meet demand. The cost of procurement of materials or services so provided and the associated administrative fees were subsequently offset against the amounts payable to the relevant subcontractors and duly reflected in the payment certificates issued to them in accordance with the terms of the respective subcontracting agreements. This offsetting arrangement is referred to as the “contra-charge arrangement” and the amounts involved are referred to as the “contra-charge”.

During the Track Record Period, we had contra-charge arrangements with some of our subcontractors. Such contra-charge consisted of the purchase cost of construction materials, rental cost of machinery and other expenses such as provision of labour, and the associated administrative fees. For FY2023, FY2024 and 6M2025, the amount under these contra-charge arrangements with our subcontractors was approximately RM22.2 million, RM13.7 million and RM5.0 million, respectively.

According to CIC, our Group’s adoption of contra-charge arrangements in certain projects is consistent with common industry practice in Malaysia’s civil engineering sector. Such arrangements are typically applied in circumstances where procuring materials or services on behalf of subcontractors enhances overall cost efficiency. This is often achieved by securing volume-based discounts through bulk purchasing or by benefiting from preferential pricing terms available through long-term supplier relationships, which are typically not available to individual subcontractors. In addition, contra-charge arrangements are adopted to optimise the use of internal surplus capacity or idle resources, such as labour and machinery, thereby allowing contractors to respond more effectively to urgent project needs and minimise the risk of delays. The related expenses are subsequently offset against payments due to the subcontractors in accordance with the terms of the relevant subcontracting agreements.

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Contra-charge arrangement with our customers

Similarly, our customers would directly procure certain materials and/or services for us and pay the expenses on our behalf. During the Track Record Period, we had contra-charge arrangements with some of our customers, under which they would deduct the costs for procurement of materials or services from their payments to us. Such contra-charge consisted of purchase cost of construction materials, rental cost of machinery and other expenses such as provision of labour. These contra-charge involved offsetting the cost of materials or services against the progress payments due from customers, thus, both cash inflows from the project work done and cash outflows from the procurement were reduced by the same amount. Therefore, the contra-charge arrangements did not have any material effect on our Group’s cashflow position during the Track Record Period.

For FY2023, FY2024 and 6M2025, the contra-charge under the contra-charge arrangements with our customers amounted to approximately RM6.4 million, RM0.8 million and RM0.2 million, respectively.

OVERLAPPING CUSTOMER AND SUBCONTRACTOR

Bridgex was one of our major customers and one of our subcontractors during the Track Record Period. This was primarily due to its role as the main contractor in the flood mitigation project along the Kenau River, Sungai Lembing Town, Kuantan, Pahang (Project JB31), for which we were engaged as a subcontractor. Bridgex was also our subcontractor in certain projects during the Track Record Period, i.e. (i) the project located at the SUKE Highway (Project JB25), (ii) the project involving bridge and road works spanning the Bernam River (Project JB28) and (iii) the project involving bridge and road works in a rural village located in the Kulim district of Kedah (Project JB29), providing services such as site clearance and traffic management and control. During the Track Record Period, the revenue derived from our services provided to Bridgex amounted to approximately RM4.9 million, RM13.8 million and RM0.8 million, respectively, representing approximately 6.3%, 10.4% and 1.1% of our total revenue for the respective years/period. The gross profit margin of Project JB31 awarded by Bridgex was approximately 27.1% for each of FY2023, FY2024 and 6M2025. The subcontracting fees we paid to Bridgex during the Track Record Period amounted to approximately RM1.5 million, RM3.1 million and RM1.2 million, respectively, representing approximately 2.3%, 2.9% and 2.1% of our total cost of services in the corresponding years/period.

Our Directors confirm, and the Sole Sponsor concurs, that our transactions with Bridgex, whether as our customer or subcontractor, were entered into in the ordinary and usual course of business of our Group, on normal commercial terms, fair and reasonable to our Group, and in line with market norm, based on the following analysis.

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The tables below set out a comparison in terms of the background, major terms of engagement, gross profit margin and the subcontracting fee arrangement of projects awarded by or to Bridgex and those awarded by or to other Independent Third Party customers or subcontractors, including (i) projects completed before the Track Record Period but revenue of which was recognised during the Track Record Period (namely, Projects JB15 and JB16); (ii) projects completed during the Track Record Period (namely, Projects JB25 and JB30); and (iii) projects that were ongoing as at the Latest Practicable Date (namely, Projects JB27, JB28, JB29, JB31 and JB32). These projects are presented for comparison against industry benchmarks, according to the CIC Report.

(i) Comparison in relation to projects awarded by Bridgex (as our customer) and by other customers

Project description	Project JB15	Projects awarded by Bridgex		Projects awarded by other customers	Industry Benchmarks
		Project JB16	Project JB31		
	Project located in the SUKE Highway	Project located in Damansara – Shah Alam Elevated Expressway	Flood mitigation works for the Kenau River, Sungai Lembing Town, Kuantan, Pahang	Project JB25 Project JB27 Project JB28 Project JB29 Project JB30 Project JB32	–
Nature of works	Construction of a section of the girder bridge and the ancillary works, covering a total distance of approximately 2.8 km	Design and construction of a section of the girder bridge and the ancillary works, covering a total distance of approximately 2.3 km	Design and construction of the flood mitigation structural forms including site clearance and demolition, geotechnical, structures, traffic management, environmental protection, routine maintenance, occupational safety and health and mechanical and electrical works	Design and/or construction of girder bridges, road works and/or ancillary infrastructure	–

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Project status	Projects awarded by Bridgex		Projects awarded by other customers	Industry Benchmarks
	Project JB15	Project JB16	Project JB31	
	Project completed in 2021 with revenue recognised during the Track Record Period	Project completed in 2021 with revenue recognised during the Track Record Period	Project was ongoing as at the Latest Practicable Date	–
Terms of engagement	The contracts entered into between our Group and Bridgex as customer contain terms that are comparable to those in our contracts with other Independent Third Party customers, including key commercial terms such as payment and credit terms, retention money provisions, defects liability period and/or liquidated damages. Our Directors confirmed that the terms agreed with Bridgex are no less favourable to our Group than the terms entered into with other Independent Third Party customers.		According to the CIC Report, the key commercial terms of our engagement with both Bridgex and other Independent Third Party customers reflect contractual clauses that are commonly adopted in transportation infrastructure engineering projects in Malaysia. The nature and extent of these terms are in line with the prevailing market practice for similar projects in the industry.	

In particular, the following is a comparison of the key commercial terms of our contracts with Bridgex against those with other Independent Third Party customers:

BUSINESS

	Projects awarded by Bridgex Project JB16	Projects awarded by other customers Project JB31	Projects awarded by other customers Industry Benchmarks
Payment and credit terms:	We shall submit monthly payment application. The period of honouring payment shall be 45 days from the date of certification and subject to the certification of the same and the certification period taken by the main contractor and the employer.	We shall submit monthly payment application. The period of honouring payment shall be 30 days from the date of certification and subject to the certification of the same and the certification period taken by the employer.	We shall submit monthly payment application. Generally, the period of honouring payment shall be 30 days from the date of certification subject to the certification of the same and the certification period taken by the employer.
Performance bond:	No performance bond requirement.	No performance bond requirement.	In some projects, there was no performance bond requirement, while in some projects we shall provide performance bond equivalent to 5% of the main contract value or the customer may choose to deduct and retain an amount equivalent to 5% of each progress payment as a form of performance guarantee.
Retention money:	Retention money of 10% shall be held on all interim progress payment, subject to a limit of 5% of the total contract value.	Retention money of 10% shall be held on all interim progress payment, subject to a limit of 5% of the total contract value.	Our customers are generally entitled to hold retention money of 10% from all interim progress payment, subject to a limit of 5% of the total contract value.

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	Project JB15	Projects awarded by Bridgex Project JB16	Project JB31	Projects awarded by other customers	Industry Benchmarks
Defects liability period:	The defects liability period shall be 24 months from the date of the certificate of practical completion of the main contract.	The defects liability period shall be 24 months from the date of the certificate of practical completion of the main contract.	The defects liability period shall be 24 months from the date of the certificate of practical completion of the main contract.	Generally, the defects liability period shall be 12 or 24 months from the date of the certificate of practical completion of the main contract.	
Liquidated damages:	Liquidated damages for non-completion of the subcontracted works by our Group shall be charged daily, based on the base lending rate plus 2% of the subcontracted sum.	Liquidated damages for non-completion of the subcontracted works by our Group shall be charged daily, based on the base lending rate plus 2% of the subcontracted sum.	Liquidated damages for delay in completing the subcontracted works by our Group shall be charged daily at a rate of approximately RM18,000 per calendar day.	Liquidated damages for non-completion or late completion of the subcontracted works by our Group shall be charged daily at a rate ranged from approximately RM6,000 per calendar day to approximately RM52,000 per working day.	
Gross profit margin (Note 2)	Overall project gross profit margin: 30.2%	Overall project gross profit margin: 25.6%	FY2023: 27.1% FY2024: 27.1% 6M2025: 27.1%	FY2023: an average of 26.0% FY2024: an average of 25.9% 6M2025: an average of 23.3%	According to the CIC Report, the gross profit margin of the projects undertaken by industry peers for comparable works ranged from 10% to 40%.

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(ii) Comparison in relation to projects awarded to Bridgex (as our subcontractor) and to other subcontractors

Project JB25		Projects awarded to Bridgex Project JB28		Project JB29	Projects awarded to other subcontractors (<i>Note 1</i>)	Industry Benchmarks
Project description	Project located in the SUKE Highway, involving Step-in works to assist in the completion of certain portions of the works of 0.66 km long	Bridge and road works of 2.8 km long, spanning the Bernam River connecting a district in Selangor to a district in Perak over the Air Tawar river	Bridge and road works in a rural village located in the Kulim district of Kedah	Project JB25 Project JB27 Project JB28 Project JB29 Project JB30 Project JB31	-	
	Project completed during the Track Record Period	Project was ongoing as at the Latest Practicable Date	Project was ongoing as at the Latest Practicable Date	Projects completed during the Track Record Period or were ongoing as at the Latest Practicable Date	-	
	Site cleaning, clearing and associated works	Traffic management and control	Traffic management and control	Demolition works, earthworks, drainage works, geotechnical works, bored piling works, etc.	-	

BUSINESS

	Project JB25	Projects awarded to Bridgex Project JB28	Project JB29	Projects awarded to other subcontractors <i>(Note 1)</i>	Industry Benchmarks
Terms of engagement	The contracts entered into between our Group and Bridgex as subcontractor contain terms that are comparable to those in our contracts with other Independent Third Party subcontractors, including key commercial terms such as payment and credit terms, quality assurance obligations (such as compliance with specified quality and performance standards), retention money provisions, indemnity clauses (in the event of the subcontractor's negligence, breach of duty or non-performance) and/or liquidated damages. Our Directors confirmed that the terms agreed with Bridgex are no less favourable to our Group than the terms entered into with other Independent Third Party subcontractors.				According to the CIC Report, the key commercial terms of our engagement with both Bridgex and other Independent Third Party subcontractors reflect contractual clauses that are commonly adopted in transportation infrastructure engineering projects in Malaysia. The nature and extent of these terms are in line with the prevailing market practice for similar projects in the industry.
Payment and credit terms:	Bridgex shall submit monthly payment application. The period of honouring payment shall be 60 days from the date of certification and subject to the certification of the same and the certification period taken by the main contractor and the employer.	Bridgex shall submit monthly payment application. The period of honouring payment shall be 45 days from the date of certification and subject to the certification of the same and the certification period taken by the main contractor and the employer.	Bridgex shall submit monthly payment application. The period of honouring payment shall be 45 days from the date of certification and subject to the certification of the same and the certification period taken by the main contractor and the employer.	Our subcontractors are generally required to submit monthly payment application. The period of honouring payment shall be 30 to 60 days from the date of certification and subject to the certification of the same and the certification period taken by the main contractor and the employer.	
Subcontracting fee	According to the CIC Report, in the civil engineering market, the subcontracting fee paid by our Group to Bridgex for works (such as site cleaning and clearing, traffic management and control and associated works) are consistent with prevailing market rates for comparable works of similar scale. This indicates that the pricing of our subcontracting arrangements with Bridgex is in line with established industry practice in Malaysia.				

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Notes:

1. Project JB32 is not included in the comparison in relation to projects awarded to our subcontractors since as at the Latest Practicable Date, our Group was undergoing subcontractor selection process for Project JB32 and had not yet awarded any subcontractor contract for the period.
2. The unit rates charged by our Group for Project JB15 and Project JB16, which were granted by Bridgex, are generally in alignment with the unit rates we charged under other projects granted by independent customers. However, unit rates may vary due to factors such as timing, site conditions, and the specific types of work involved.

For example, the unit rate for reinforcement steel bars in Project JB15 and Project JB16 was lower because these two projects commenced in 2016 when both raw material prices and labour costs were relatively competitive. Conversely, Project JB31, a flood mitigation project, had a higher unit rate for concrete due to the type of work involved and complex site conditions.

BUSINESS

MACHINERY

Own machinery

In light of the above, we mainly own common machinery which may be used in a wide range of projects and less specialised purposes. Our Group adopts the policy of depreciating property, plant and equipment on a straight-line basis, writing off the cost net of the expected residual value over their estimated useful lives. The principal annual depreciation rate for our machinery ranges from 15% to 20%, which corresponds to an expected useful life of five years. The following table sets out the quantity, purpose/function, expected physical life and average age of our major types of machinery as at 30 June 2025:

Type of machinery	Purpose/function	Number of units owned	Expected physical life (Note 1) (years)	Average age (years) (approximately)
Cement mixer	Mixing cement, sand and water to produce concrete	1	15–20	15
Mono stressing jack	Applying tension to steel strands or cables to strengthen concrete elements like beams and slabs	2	15–20	15
Power unit	Providing power to hydraulic jacks	2	15–20	15
Centre hole jack	Tensioning steel cables in bridges	2	15–20	15
Battery set	Providing power to hydraulic jacks	2	15–20	15
Calibration jack	Calibrating and testing hydraulic jacks	2	15–20	15
Hydraulic Jacks	Prestressing post-tensioned and prestressed beams	2	15–20	14
Wet mix concrete batching plant	Mixing large quantities of concrete	1	10–15	13
Twin shaft mixer	Blending concrete ingredients	1	10–15	13

BUSINESS

Type of machinery	Purpose/function	Number of units owned	Expected physical life (Note 1) (years)	Average age (years) (approximately)
Concrete batching system	Mixing and producing ready-to-use wet concrete	1	10–15	13
Single girder electrical overhead travelling crane	Lifting and transporting heavy materials	2	10–15	13
Gantry crane	Lifting and transporting heavy materials	4	15–20	10 (Note 2)
Wheel loader	Moving and loading materials onto dump trucks	1	15–20	13
Forklift	Transportation, loading and unloading of materials	1	15–20	12
Generator	Electricity generator using mechanical machine while consuming diesel	3	10–15	11 (Note 3)
Crane	Lifting and transporting heavy materials	3	15–20	8 (Note 4)
Air compressor	Increasing the pressure of gas for certain tasks required for high pressure equipment at site	1	10–15	9
Grout mixer	Mixing grout, a fluid mixture of cement and water, for filling gaps, sealing joints or reinforcing structures	1	10–15	8
Multi strand pulling jack	Tensioning multiple steel strands simultaneously	1	10–15	7

BUSINESS

Notes:

1. The expected physical life of our machinery refers to the estimated period over which the machinery is anticipated to remain physically operational and functional for its intended purpose.
2. As at 30 June 2025, our gantry cranes consisted of two aged approximately 13 years, one aged approximately eight years and one aged approximately seven years.
3. As at 30 June 2025, our generators consisted of two aged approximately 12 years and one aged nine years.
4. As at 30 June 2025, our cranes consisted of two aged approximately seven years and one aged ten years.

The following table sets out a breakdown of the value of our machinery by different age groups as at 30 June 2025:

	Number of units of machinery	Original cost of acquisition of machinery RM'000	Net book value of machinery RM'000
5 years to less than 10 years	8	1,151	–
10 years to less than 15 years	14	4,070	9
15 years and above	11	247	3
Total	33	5,468	12

In relation to our machinery that is already aged 15 years or above (totalling 11 units as at 30 June 2025), based on our Group’s internal maintenance records and technical assessments, the expected remaining useful life of such machinery, in practice, varies depending on its type, usage intensity and maintenance history. As most of our aging machinery are well-maintained, they are expected to remain operational for approximately five to ten more years, subject to periodic servicing and parts replacements. Our executive Directors consider that these aging machines do not have any material adverse impact on our operations for the following reasons: (i) most of our machinery is of common types used in a wide range of projects and is readily available for rental in the market, so that we can quickly supplement our fleet if needed; (ii) we regularly inspect our machinery including aging units to ensure it remains safe and fit for use, while planning for the phased replacement of older units; and (iii) the majority of our subcontractors are responsible for providing the necessary machinery and equipment, thereby reducing our Group’s reliance on in-house machinery, particularly for high-intensity or specialised works. In view of the above, our executive Directors believe that the presence of aging machinery in our Group’s fleet does not pose any material risk to our ability to deliver ongoing and future projects effectively.

BUSINESS

Maintenance

To ensure that we are able to work more efficiently with our machinery, we send our site machinery to third-party mechanics for inspection and maintenance from time to time. Our personnel generally carry out an inspection of each of our machinery before it is deployed for a project, and on-site maintenance procedures may also be carried out for minor repairs.

Rented plant and machinery

The plant and machinery rented by us primarily included machinery and equipment for our construction projects, such as skylifts and motor vehicles. For FY2023, FY2024 and 6M2025, our rental costs of plant and machinery incurred amounted to approximately RM2.2 million, RM1.6 million and RM1.0 million, respectively.

The following table sets out the quantity and purpose or function of our major types of machinery rented by us as at 30 June 2025:

Type of machinery	Purpose/function	Number of units rented by us
Backhoe	Digging and moving large amounts of earth, soil, rock and other materials	3
Compactor	Increasing the density and stability of soil or asphalt, which enhances the strength, durability, and load-bearing capacity of the foundation and pavement	4
Crane	Lifting and transporting heavy materials	9
Excavator	Digging and moving large amounts of earth, soil, rock and other materials	5
Lorry	Transportation of materials over land	2
Skylift	Lifting people to elevated heights	2
Trailer	Transportation of goods, materials or equipment	1

BUSINESS

We generally place orders with lessors using our standardised internal procurement forms for machinery rentals. The following table summarises the major lease terms:

Description of machinery:	Type, model and/or specification of the machinery
Rental fee:	The rental is charged based on a fixed monthly or daily rental fee.
Fuel:	Either our Group or the lessors is responsible for supplying diesel required for machinery operation.
Lease term:	Daily or monthly (i.e. all of which were less than one year during the Track Record Period and up to the Latest Practicable Date).
Payment terms:	Generally 30 days from invoice
Rental start date:	The rental period generally commences upon confirmation by our site staff, following the deployment of the machinery to the project site.
Replacement requirement:	The lessor shall provide a replacement machinery in the event of a breakdown.
Warranties:	The lessor warrants that the machinery is of merchantable quality, fit for intended use, free from defects in design, material and workmanship and complies with relevant specification and all legal requirements and regulations.
Remedy for Breach:	In the event of any breach of warranty, the lessor shall at our election either rectify the defect or replace the machinery, or provide a refund of the cost.
Termination:	We may terminate the lease without liability if the lessor fails to perform its obligations.

For subcontracted works, the responsibility for arranging, mobilising, and operating the necessary machinery and equipment typically lies with the subcontractors, as set out in their respective subcontracting agreements. Subcontractors are generally required to procure or rent the equipment needed to execute their scope of work and to bear all related costs, including rental charges, transportation, fuel, and maintenance and the associated costs will be factored into the subcontracting fees.

BUSINESS

Internal control on leased assets and aged machinery

Our Group maintains a robust internal control framework to govern its leased assets and manage risks associated with aged machinery, thereby safeguarding operational efficiency, project delivery, and resource utilization. Key procedures include:

Management of leased asset

- All equipment leasing and renewal decisions require formal management approval based on cost-benefit analysis and assessment of operational needs.
- All machinery leases are recorded in our central asset register, detailing key terms such as lease term, rental fees and renewal option. This register is regularly reconciled with accounting records.
- Our project management team actively monitors lessor performance against contractual obligations, focusing on key metrics such as equipment uptime, response times for repairs and the timely provision of replacement units, and enforces remedies, where applicable.

Management of aged machinery

- We maintain a master list of all machinery, documenting critical data such as serial number, year of manufacture and location of use. This register forms the foundation for all maintenance planning and lifecycle management.
- We inspect all machinery prior to project deployment to ensure it meets all required safety and performance standards, mitigating operational risk and ensuring reliability.
- We carry out preventive maintenance for our aged machinery. This includes regular inspections, servicing and parts replacement according to detailed checklists, which helps us manage equipment wear and reduce the likelihood of failures.
- All maintenance activities and findings are systematically recorded and reviewed to help guide our decisions regarding the repair, refurbishment or potential replacement of aged machinery.

QUALITY CONTROL

Our Directors consider service quality to be critical to the success of our Group’s business. Our quality control team is responsible for overseeing the quality control of our services supplies procured from suppliers and services rendered by subcontractors.

During the Track Record Period and up to the Latest Practicable date, we had not encountered any material issues or disputes concerning the quality of our services.

BUSINESS

Quality control on our services

We have been accredited with ISO 9001 since 2019. We have quality control measures in place for our site works. In particular, our engineers and QAQC supervisors supervise and monitor the construction works to ensure the workmanship complies with the specifications. We will submit the request for inspection to our customers and conduct the inspection of the quality of our works done together with our customers based on the inspection checklist. If necessary, we may arrange additional structural or load tests to be done by third-party laboratories.

Quality control on supplies procured from suppliers

During the Track Record Period, we had procured construction materials such as cement, ready-mixed concrete and steel bars from our suppliers for our projects. We generally first seek quotations from not less than three suppliers on our list of approved suppliers and compare their terms and offers. Before engaging any suppliers or placing orders with them for the first time, we will obtain and examine their business licence(s), requisite certifications and credit information and assess their background to our satisfaction. We may also conduct factory acceptance test, which consists of site visit to a supplier’s premises, inspection of manufacturing process and/or sampling and testing at laboratory. After ordering supplies from a supplier, the supplies procured will be sent to the project site directly and inspected at site by our on-site personnel to ensure their conformity with the agreed quantity and specifications set out in the purchase orders. After inspection, the supplies are covered by canvas to prevent rusting.

Quality control on services rendered by subcontractors

Our Group maintains a list of approved subcontractors which is subject to our review and update from time to time and we generally select subcontractors from our approved list. If we find it necessary to engage a new subcontractor which is not in our approved list, the new subcontractor is required to provide certain requisite documents (such as its business certificate and licences) to us for our review and approval. Our subcontractors are required to carry out services that meet relevant governmental and industrial standards in Malaysia and/or such other quality standards as agreed between our Group and our customers. As we are generally liable for the works performed by our subcontractors, in addition to relying on the contractual terms stipulated in our engagement with the subcontractors, we also carry out periodic supervision of all our subcontractors’ performance and compliance with the relevant laws, rules, regulations, as well as our internal standards of quality control, safety and environmental compliance. A number of team members and departments are involved in the supervision:

- (i) Project management team regularly meets with subcontractors to monitor their work progress and performance. Meetings with subcontractors are generally held two times a month to review work progress and coordinate upcoming activities. In addition, ad hoc meetings are conducted from time to time as needed to resolve special matters, such as re-evaluation of logistics or activities plan based on the latest site condition to avoid project delays;
- (ii) Our site personnel coordinate with foremen to perform on-site inspection and supervise site workers of our subcontractors; and
- (iii) Project management department reports regularly on the status of the projects to our executive Directors, who would in turn monitor the overall quality of work and progress performed by the subcontractors.

BUSINESS

SALES AND MARKETING

During the Track Record Period, our business opportunities arose mainly from (i) open tender invitations launched by our existing or potential customers which are publicly available on the internet; (ii) direct invitation for tenders by customers; or (iii) direct invitations for quotations by customers.

We maintain a good relationship with our customers to obtain market and industry information and to seek business opportunities. We also rely on word-of-mouth by providing quality and timely service in each of our projects to attract referral or for retaining our customers in future projects.

Our Directors believe that our past performance will continue to support our reputation, appeal to our customers and hence strengthen our standing in the industry.

INVENTORY CONTROL

We do not maintain any inventories during the Track Record Period and as at the Latest Practicable Date as our construction materials are purchased and consumed on a project-by-project basis.

SEASONALITY

Our Directors believe that the industry in which we operate does not exhibit any significant seasonality save for the impact from the raining seasons in Malaysia, typically from April to May and October to November, as outdoor transportation infrastructure engineering projects may be delayed due to unstable weather conditions.

EMPLOYEES

As at 31 December 2023, 31 December 2024 and 30 June 2025 and the Latest Practicable Date, we had a total of 86, 102, 127 and 152 full-time employees (including our executive Directors) who were directly employed by our Group in Malaysia. The following table sets out a breakdown of the number of our employees by function:

	Number as at the Latest Practicable Date
Directors and general management	10
Administration, accounting and finance	16
Project management and site operations	108
Safety, health and environmental compliance	10
Quantity surveying	8
Total	152

BUSINESS

Recruitment policies

We generally recruit our employees from the open market by posting job listings on employment websites. During the Track Record Period, we had not engaged any recruitment agent. Our Group values human resources and assesses the available human resources on a continuous basis to determine whether additional personnel are required to cope with our business operations and developments. Newly recruited employees are required to undergo a probation period after which they will become our full-time employees, provided that we are satisfied with their performance during the probation period.

During the Track Record Period, our Group had not experienced any significant difficulties in recruiting employees.

Employee’s remuneration and benefits

It is essential to our business development and growth to recruit and retain experienced and skilled labour. To achieve that, we offer competitive remuneration package to our employees, which includes basic salaries, allowances and discretionary bonuses. The basic salaries of our employees are generally determined by an employee’s seniority, position, qualification, working experience and performance. Discretionary bonuses may be paid on an annual basis, depending on the performance of individual staff and the financial performance of our Group in the preceding year. We assess our remuneration package annually to determine whether any adjustments should be made. During the Track Record Period, our employee benefit expenses (including directors’ remuneration) amounted to approximately RM12.5 million, RM14.9 million and RM8.6 million, respectively.

As part of our corporate governance mechanism, we also monitor organisation behaviours and work culture to maintain a healthy, friendly and productive working environment.

Training

Newly recruited employees are required to receive on board training and on-the-job coaching aiming to equip them with the right sets of skills to perform the relevant job duties and obligations. In order to ensure that our Group’s policies and standards, in particular relating to work safety, stay abreast of the latest industry practice and developments, we also offer work safety training and guidelines to our employees from time to time. This ensures employees fully understand and comply with our safety procedures and policies.

Labour dispute and labour unions

Our Directors confirm that our Group’s relationship with our employees is satisfactory. Our Directors believe that the management policies, working environment, career prospects and benefits extended to our employees have contributed to building and reinforcing good employee relations and loyalty. During the Track Record Period and up to the Latest Practicable Date, our Group had not experienced any significant labour disputes, and no labour union was established by our employees.

BUSINESS

LICENCES AND CERTIFICATES

We hold various licences and qualifications in respect of our operation. As confirmed by our Directors, during Track Record Period and up to the Latest Practicable Date, our Group had obtained all necessary licences and qualifications which are material to our business operations and such licences and qualifications remained valid as at the Latest Practicable Date. The following table summarises details of the licences and/or qualifications held by our Group as at the Latest Practicable Date:

Type of registration	Issuing Authority	Grantee	Date of issuance	Date of expiry	Major conditions imposed
Certificate of Registration of Contractor	CIDB	BBSB Holdings	29 November 2024	24 May 2027	1. This certificate is non-transferable;
Grade: G7					2. CIDB reserves the rights to review the registration grade of the registered contractor from time to time;
Category:					3. The contractor shall not participate in any tender or execute any construction works after the expiry of this certificate until it is renewed;
• B (Building Construction)					4. The contractor shall not undertake any construction projects which exceeds the value of construction works specified under the registration grade and shall not execute any type of construction work outside of its registered category(ies); and
• CE (Civil Engineering Construction)					5. The contractor shall submit information regarding any construction works or contract(s) within 14 days of the award or before the commencement of works, whichever is earlier.
• ME (Mechanical and Electrical)					
Specialisation: B01, B02, B04, B21, CE01, CE02, CE03, CE06, CE08, CE21, CE29, CE36, M15					

BUSINESS

Type of registration	Issuing Authority	Grantee	Date of issuance	Date of expiry	Major conditions imposed
Government Employment Certificate (SPKK)	CIDB	BBSB Holdings	29 November 2024	24 May 2027	1. This certificate shall not be used as acknowledgement for initiating or undertaking to execute construction work. This certificate shall be used to participate in government procurement or any work with government agencies only.
Grade: G7					2. This certificate must be submitted together with the certificate of registration as contractor during the tender for government procurement work or any work with government agencies.
Category:					3. The company/holder of the certificate shall not lend, lease, transfer, permit or cause the certificate to be used by someone who has not been named to use this certificate for the purpose of procuring government work.
• B (Building Construction)					4. This certificate must be renewed along with the certificate of registration as contractor issued by the CIDB.
• CE (Civil Engineering Construction)					5. Only officers of the company who are named in this certificate are authorised to sign the company contract documents and take tender document as well as attending to work site for voting, price calling and tender. The company shall not authorise any other officer for the aforesaid.
• ME (Mechanical and Electrical)					

BUSINESS

Type of registration	Issuing Authority	Grantee	Date of issuance	Date of expiry	Major conditions imposed
Operator's License Category: Carrier License 'C' (vehicles carrying the company's own goods in connection with any trade or business of the company)	Land Public Transport Agency	BBSB Holdings	27 May 2021	17 August 2026	1. The special conditions of this route/service permit must always be kept together with the relevant operator's license. 2. Any changes to the owned route/service permit must obtain written approval from Ministry of Transport Malaysia through a modification application and must be recorded in these special conditions. 3. The operator must ensure that the registered route/service operates safely, reliably, efficiently, responsibly, is easily accessible, well-planned, and adheres to the stipulated limits, hours, frequency, and designated service areas. 4. The loss of the special conditions for this route/service permit must be reported immediately to the nearest Ministry of Transport Malaysia office.

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Type of registration	Issuing Authority	Grantee	Date of issuance	Date of expiry	Major conditions imposed
Certificate of Company Registration with Ministry of Finance of Malaysia	Ministry of Finance of Malaysia	BBSB Holdings	19 March 2024	18 March 2027	1. The company must ensure that the registered sector in the certificate shall not overlap with the sectors approved for other companies which has the same shareholders, members of board of directors, management and staff or companies that are operating from the same premises. 2. A company that is newly registered is not allowed to make any changes to its shareholders or directors within a period of 6 months from the date of registration.

BUSINESS

CERTIFICATES AND RECOGNITIONS

We have received a number of certificates during our operating history in recognition of our performance and commitment and dedication in quality assurance. The table below sets out the major awards and certificates obtained by our Group:

Year of award	Description	Awarding organisation
2025 (valid until 7 September 2027)	Certificate of Achievement (rating of 4 Star)	SME Corporation Malaysia and CIDB
2024 (valid until 20 July 2026)	Certificate of Achievement (rating of 3 Star)	SME Corporation Malaysia and CIDB
2019 (valid until 17 February 2027)	Certificate of ISO 9001: 2015 Quality Management System	SIRIM QAS International
2019 (valid until 17 February 2027)	Certificate of ISO 9001: 2015 Quality Management System	IQNet Association (The International Certification Network)

RESEARCH AND DEVELOPMENT

During the Track Record Period and as at the Latest Practicable Date, we did not engage in any research and development activity.

LITIGATION AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, our Group had not been involved in any material claims, litigations and potential claims against our Group.

Our Directors, to the best of their knowledge, information and belief having made all reasonable enquiries, are not aware of any litigation proceedings (current, pending or threatened) against us which could have a material adverse effect on our financial condition or results of operations as at the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, we have been in compliance in all material respects with the applicable laws and regulations in Malaysia where we operate business and have obtained all necessary approvals, permits, licence and certificates that are material to our business operations from the relevant government authorities.

BUSINESS

ENVIRONMENTAL COMPLIANCE

Our Group is required to comply with the laws and regulations in relation to environmental protection in Malaysia, including the Environmental Quality Act 1974. For further details, please refer to the section headed “Regulatory Overview” in this document. Possible breach of the aforesaid environmental laws and regulations may lead to a penalty or fine by the relevant government authorities. Given our substantial experience in the industry and our established operation workflow which includes site visits by staff to determine possible environmental compliance issues, we have been able to comply with the relevant environmental laws and regulations.

During the Track Record Period and as at the Latest Practicable Date, to the best knowledge of the Directors, our Group was in compliance with applicable environmental laws and regulations in all material respects.

PROPERTIES

Owned properties

The following table summarises the information regarding the properties owned by us as at the Latest Practicable Date:

Address	Use of Property	Gross built-up area (sq.ft.) (approximately)	Notes
Lot No. E-2-7, Level 2, Jesselton View Condominium, Jalan Penempatan Hiltop, 88300 Kota Kinabalu, Sabah, Malaysia	Vacant	1,906	(1), (3), (4)
Lot No. E-3A-7, Level 3A, Jesselton View Condominium, Jalan Penempatan Hiltop, 88300 Kota Kinabalu, Sabah, Malaysia	Vacant	1,906	(1), (3), (4)
K-7F-7, Angkasa Apartment, Jalan Tuaran Bypass, Phase 2, Menggatal, 88400, Kota Kinabalu, Sabah, Malaysia	Rental property	871	(1), (3), (4)
No. 5, Jalan Tropika Melawati 2, Taman Tropika Melawati, 53100 Hulu Kelang, Selangor, Malaysia	Vacant	4,162	(2), (3), (4), (6)

BUSINESS

Notes:

1. These vacant properties are residential units. As at the Latest Practicable Date, they had been vacant for approximately six years. The vacant properties were transferred to our Group as payment-in-kind to offset long-outstanding receivables due from a customer in connection with a project undertaken by our Group which was completed in 2011. The relevant customer had delayed settlement of the balance of the contract sum (amounting to approximately RM2.9 million) for an extended period, and the amount remained outstanding despite repeated demands and follow-ups. After assessing the low likelihood of recovering the outstanding balance in cash and following negotiations, our Group accepted the transfer of these three properties (amounting to approximately RM2.9 million in aggregate value at the time of transfer, two of which were then under construction and subsequently completed) from the customer in 2019 to offset the outstanding receivables owed by the customer. The vacant properties are not required for our business operations and two of them have remained vacant while we have been in the process of identifying suitable purchasers or tenants. As at the Latest Practicable Date, we were continuing our efforts to identify potential purchasers or tenants for the vacant properties.
2. This vacant property is a residential unit. As at the Latest Practicable Date, it had been vacant for approximately four years. The vacant property was transferred to our Group as part of payment-in-kind to offset outstanding receivables due from a subcontractor in connection with Project JB15, which failed to complete its contracted works in accordance with the stipulated timetable, causing our Group to engage replacement subcontractors to complete the remaining scope. The total amount of compensation then due from the subcontractor for breach of contract amounted to approximately RM6.5 million. However, the subcontractor failed to make payment and, after negotiations, offered two properties (amounting to RM5.0 million in aggregate value at the time of transfer, which were then under construction and subsequently completed) (one of which had been disposed of by our Group as at the Latest Practicable Date) in 2021 to offset its outstanding liabilities, which our Group accepted after evaluating the recoverability of the amount involved. The remaining balance of approximately RM1.5 million was subsequently settled fully in cash by the subcontractor. The vacant property is not required for our business operations and has remained vacant while we have been in the process of identifying suitable purchaser or tenant. As at the Latest Practicable Date, we were continuing our efforts to identify potential purchaser or tenant for the vacant property.
3. For each of the above properties accepted by us as payment-in-kind, our Group conducted an assessment of their market value to ascertain the reasonableness of the agreed settlement values. The assessment was performed by the accounting personnel of our Group using a market comparison approach, including review of publicly available information on listings and developer prices of comparable properties in the vicinity. The settlement amounts were mutually agreed with the counterparties based on such assessment and prevailing market information. Having considered (i) the internal assessment of our Group which took into account listings and developer prices of comparable properties (in terms of size, floor or storey level and/or age, as applicable) in the respective areas (including Kota Kinabalu, Sabah and Kelang, Selangor, as the case may be); (ii) the low likelihood of recovering the outstanding amounts in cash if payment-in-kind were rejected; (iii) the uncertainty, cost, management attention, resource commitment and time involved in pursuing formal legal action; and (iv) the relative certainty and immediacy of recovery achievable through an asset transfer, our Directors are of the view that the prices of the properties accepted as payment-in-kind were reasonable and represented fair settlement values in the totality of the circumstances.
4. According to the CIC Report, it is not uncommon in the Malaysian construction industry for contractors to accept non-cash settlements, including transfers of property or other tangible assets, as payment-in-kind to recover long-overdue payments from customers or subcontractors. Such arrangements are generally adopted as a practical means of mitigating credit risk, particularly when the counterparties experience financial difficulties. Our Group's acceptance of the said properties is therefore considered consistent with prevailing industry practice and represents a commercially reasonable approach in the circumstances.
5. The aforementioned settlement-in-kind arrangements had not occurred during the Track Record Period. Our Group does not intend to accept properties or other assets as settlement-in-kind in the future, except under exceptional circumstances and only after exhausting all reasonable means of cash recovery. In relation to any such exceptional circumstances in the future where alternative settlement method for outstanding payment is proposed by a counterparty, we have formalised the following decision-making process and internal controls:
 - (i) *Triggering circumstances and preliminary assessment.* Alternative settlement methods will only be considered after all reasonable means of cash recovery have been exhausted, including repeated written demands, meetings with the counterparty, agreed repayment plans (if any), and issue of legal demand letters where appropriate. The finance department will first assess the age and recoverability of the outstanding receivable and prepare an internal memorandum setting out the justification, basis and necessity for considering any non-cash settlement.

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- (ii) *Independent valuation and due-diligence review.* Where a counterparty proposes settlement by way of properties or other assets, we will obtain at least one independent valuation to assess the fair value and marketability of the proposed asset. If necessary, we will also engage legal advisors to conduct due diligence, such as title and encumbrance checks.
- (iii) *Approval process.* Any acceptance of non-cash settlement must be approved sequentially by our chief executive officer and then our Board. Our Board will approve such arrangement only if commercially justified, in the best interests of our Group, and demonstrated to be more beneficial than pursuing litigation and prolonged recovery efforts.
- (iv) *Post-acceptance monitoring.* Upon acceptance, the finance department will closely monitor the asset for impairment, while the fixed asset personnel will be responsible for assessing marketability and identifying disposal opportunities.

Settlement-in-kind does not result in immediate cash inflow and therefore does not improve short-term operating cash flow. Instead, it converts trade receivables into non-current assets until realisation. Accordingly, our Group's policy going forward is to avoid such non-cash payment arrangements to the extent practicable, except in exceptional circumstances where cash recovery is unlikely and the proposed asset represents the most efficient method of recovery.

- 6. Pursuant to Rule 8.01A(1) of the GEM Listing Rules, an issuer must include valuations of and information on property interests that form part of its property activities (as defined in Rule 8.01(2) of the GEM Listing Rules) except for those with a carrying amount below 1% of its total assets. As at 30 June 2025, being the date to which the most recent audited consolidated statements of the financial position of our Group were made up to, the carrying amount of our property situated at No. 5, Jalan Tropika Melawati 2, Taman Tropika Melawati, 53100 Hulu Kelang, Selangor, Malaysia exceeded 1% of our total assets. Thus, a property valuation report in respect of such property is included in this document, the text of which is set out in Appendix III to this document. According to the Property Valuation Report, the valuation of this property was RM2.5 million as at 11 November 2025.
- 7. Save as disclosed above, our Directors confirm that as at 30 June 2025, (i) no single property interest that forms part of our Group's non-property activities had a carrying amount of 15% or more of its total assets as shown in its latest audited consolidated financial statements; and (ii) no property interest that forms part of our Group's property activities had a carrying amount of 1% or more of its total assets as shown in its latest audited consolidated financial statements. Accordingly, our Directors are of the view that Rules 8.01A and 8.01B of the GEM Listing Rules have been complied with.
- 8. As advised by our Malaysia Legal Advisers, based on review of title documents and/or confirmation from developers, there was no defective title in respect of the properties owned by our Group during the Track Record Period and as at the Latest Practicable Date.

BUSINESS

Leased properties

The following table summarises the information regarding the properties leased by us as at the Latest Practicable Date:

Address	Use of Property	Total gross built-up area (sq.ft.) (approximately)	Term of the tenancy
B-03-32, Block B, Merchant Square, No.1, Jalan Tropicana Selatan 1, Pju 3, 47410 Petaling Jaya, Selangor, Malaysia (<i>Note</i>)	Office	1,777	1 June 2025 to 31 May 2026
B-3A-32, Block B, Merchant Square, No.1, Jalan Tropicana Selatan 1, Pju 3, 47410 Petaling Jaya, Selangor, Malaysia (<i>Note</i>)	Office	1,164	15 October 2024 to 14 October 2026
No. 39-1, 39-3, 39-3A, Jalan Pju 6A/3, Kayu Ara Business Park, 47400 Petaling Jaya, Selangor, Malaysia (<i>Note</i>)	Storage	4,611	16 November 2024 to 15 November 2026
No. 48, Jalan Apollo U5/187, Bandar Pinggiran Subang 1, Bandar Pinggiran Subang, Seksyen U5, 40150 Shah Alam, Selangor, Malaysia (<i>Note</i>)	Storage	3,420	15 December 2024 to 14 December 2026
Lot 2578, Mukim Tanjung Dua Belas, Tempat Bukit Changgang, Daerah Kuala Langat, Selangor, Malaysia	Vacant (with a primary intention to be used for storage of machinery)	N/A (Land area: 210,445)	1 October 2025 to 30 September 2027
10K (Lot PT 5691), Taman Sri 10k Jerkoh 27300 Benta, Pahang Darul Makmur, Malaysia	Consultant site office	1,550	1 September 2023 to 31 August 2026
8K (Lot PT 5693) & 9K (Lot PT 5692), Taman Sri Jerkoh 27300 Benta, Pahang Darul Makmur, Malaysia	Consultant site office	2,600	1 September 2023 to 31 August 2026
Lot 2281, (GM 81), Temerson, Mukim Sega, Daerah Raub, Pahang Darul Makmur, Malaysia	Storage	196,020	1 May 2024 to 30 April 2026

BUSINESS

Address	Use of Property	Total gross built-up area (sq.ft.) (approximately)	Term of the tenancy
No. 7-G, 7-1 & 7-2 Jalan SBP 1, Taman SB Perdana, Sek 5, Pekan Sabak, 45200, Sabak Bernam, Selangor, Malaysia	Consultant site office	4,800	15 February 2023 to 14 February 2027
Dewan Orang Ramai, Sungai Air Tawar, 45100 Sungai Air Tawar, Selangor Darul Ehsan, Malaysia	Site office	5,978	1 April 2023 to 31 March 2027
Lot 1551, Kampung Badlishah 09800 Serdang Kedah, Malaysia	Staff rest area	1,460	5 October 2023 to 30 October 2026
Lot No. 9A, Tingkat 1, Jalan Padang, Serdang Avenue, 09800 Serdang, Bandar Baharu, Kedah Darul Aman, Malaysia	Site office meeting room	1,400	16 November 2025 to 15 November 2026

BUSINESS

Address	Use of Property	Total gross built-up area (sq.ft.) (approximately)	Term of the tenancy
Lot No.10A, Tingkat 1, Jalan Padang, Serdang Avenue, 09800 Serdang, Bandar Baharu, Kedah Darul Aman, Malaysia	Staff rest area	1,384	16 November 2025 to 15 November 2026
Lot No. 11A, Tingkat 1, Jalan Padang, Serdang Avenue, 09800 Serdang, Bandar Baharu, Kedah Darul Aman, Malaysia	Consultant site office	1,873	16 November 2025 to 15 November 2026
Lot No. 12A, Tingkat 1, Jalan Padang, Serdang Avenue, 09800 Serdang, Bandar Baharu, Kedah Darul Aman, Malaysia	Consultant site office	1,600	16 November 2025 to 15 November 2026
Lot 1221 A Kampung Seberang Kuala Kenau Sungai Lembing, 25200 Kuantan Pahang, Malaysia	Staff rest area	1,500	1 December 2025 to 30 November 2026
PTK 3/1/12415 (LAMS 92876), No. 11 Kg. Melayu, Sungai Lembing, 26200 Mukim Ulu Kuantan, Daerah Kuantan, Negeri Pahang Darul Makmur, Malaysia	Site office	1,819	1 February 2024 to 31 January 2027

Note: The landlords of these properties are companies wholly-owned by Datuk Tan and Datin Pan. Hence, the landlords are connected persons of our Company. Our Directors confirm that, save for these connected leases, all the other properties were leased from Independent Third Parties. For further details, please refer to the paragraphs headed “Relationship with Controlling Shareholders – Independence from our Controlling Shareholders – Operational independence”.

BUSINESS

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, our Group has registered a domain name and a trademark in Hong Kong. Please refer to the paragraphs headed “Statutory and General Information – B. Further information about the business of our Group – 2. Intellectual property rights of our Group” in Appendix V to this document for further details of our intellectual property rights.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any dispute or claim concerning any infringement of our intellectual property; and (ii) we had not received any infringement claims nor had we filed any infringement claims against any third parties.

INSURANCE

Our Group has insurance cover for our liabilities under employees’ compensation and personal injury claims which meets the statutory minimum insurance coverage. We consider such insurance coverage being generally sufficient for our liabilities under employees’ compensation claims and personal injuries actions.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, all our projects were covered and protected by the workmen’s compensation insurance and contractor’s all risks insurance provided by the respective main contractors of the projects. Such insurance policies covered and protected all tiers of employees working in the relevant construction sites, and the works performed by them in the relevant construction site.

During the Track Record Period, our Group also maintained insurance coverage against, among other matters, (i) our owned properties; and (ii) our motor vehicles.

According to the CIC Report, our Group’s insurance arrangements are consistent with industry practice. This practice requires that subcontractors must maintain insurance coverage for their employees that complies with the statutory requirements under the Social Security Organisation (SOCSO) scheme, which mandates employers to contribute to employee compensation and injury insurance schemes since June 2016. In project execution, the main contractor follows industry norms by ensuring that all workers on site, including its subcontracted personnel, are covered under workmen’s compensation insurance and all-risks insurance. In accordance with common practice in Malaysia, such insurance policies are typically arranged by the main contractor and provide site-wide coverage. Our executive Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had adhered to this insurance structure and practices.

For FY2023, FY2024 and 6M2025, our insurance expenses were approximately RM1.0 million, RM1.3 million and RM0.2 million, respectively. During the Track Record Period and up to the Latest Practicable Date, we had not made, and had not been the subject of, any material insurance claim.

BUSINESS

INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

We believe that effective risk management and internal control are critical to our success. We have established an internal control system to facilitate our effective management of our Group, which covers areas such as: (i) corporate governance; (ii) risk assessment; (iii) sales management; (iv) procurement management; (v) project management; (vi) human resources management; (vii) fixed asset management; (viii) treasury management; (ix) financial reporting management; (x) taxation management; (xi) health, safety and environmental control; and (xii) IT general control. Our Board is responsible for establishing our internal control system and reviewing its effectiveness. As our business continues to expand, we will review, refine and enhance our internal control system on an ongoing basis to respond to the evolving requirements of our business operations and to ensure due compliance with the applicable laws and regulations.

To strengthen our internal control and ensure future compliance with the applicable laws and regulations (including the GEM Listing Rules) after the [REDACTED], we have adopted the following additional internal control measures:

- (i) our Board will continuously monitor, evaluate and review our internal control system to ensure compliance with the applicable legal and regulatory requirements and will adjust, refine and enhance our internal control system as appropriate;
- (ii) our Board will include three independent non-executive Directors to ensure transparency in management and fairness in business decisions and operations. Our independent non-executive Directors will contribute to the enhancement of our corporate value by providing advice and insights based on their extensive experience and specialised knowledge;
- (iii) the Audit Committee comprising our independent non-executive Directors, will provide an independent view of the effectiveness of the financial reporting process, supervise and provide guidance on the internal control and risk management systems of our Group, and oversee the audit process, etc.; and
- (iv) we have appointed Lego Corporate Finance Limited as our compliance adviser with effect from the [REDACTED] to provide professional advice and guidance to our Group to ensure compliance with the GEM Listing Rules and the applicable laws and regulations.

Based on the above, our Directors are of the view that our Group has taken reasonable steps to establish an internal control system and procedures to enhance the control environment at both the working and management levels, and that the internal control measures are adequate and effective for our business operations.

BUSINESS

In addition, our risk management process starts with identifying the major risks associated with our corporate strategy, business operation, finance and assets and compliance with applicable laws and regulations. We assess our risks in terms of their likelihood and potential impacts, and then prioritise and pair each risk with a risk response plan. We provide training to our employees and encourage an all-embracing culture of risk management ensuring that all employees are aware of and responsible for managing risks. Each of our operating departments is responsible for identifying and analysing risks associated with its function under the supervision of our audit department, our management and ultimately our Directors. The Audit Committee will also be responsible for evaluating whether the relevant departments of our Group are able to carry out risk management works in accordance with our risk management procedures and the effects of their works.

Our Directors consider that during the ordinary course of our business, we are primarily exposed to (i) operational risks; (ii) credit risks; and (iii) market risks relating to the changes in macroeconomic environment.

The following set out the key risks for our business and how our Group intends to mitigate them:

Operational risks

For our business operations, we are primarily exposed to labour shortage risk, project delay risk and health and safety risk.

Labour shortage risk

Our Group leverages the good relationship with our labour and subcontractors to mitigate the risk of labour shortage and aging problem. We maintain an internal list of approved subcontractors which we review and update on a continuing basis and the subcontractors we worked with had been able to call for adequate labour for their works. Our execution team may follow up with our subcontractors from time to time to inquire about the deployment of labour, including the timing and number of workers required.

Project delay risk

Any delay in project (which may or may not be caused by us) would affect the timing of our Group’s cash inflows and outflows. Our Group from time to time communicates with our customers and our subcontractors, and are kept up-to-date regarding each site’s work progress. We plan the deployment of labour and other resources accordingly. Our management team also forecasts the works to be done in the forthcoming months to plan our liquidity and working capital use and report to our executive Directors to consider whether contingency plans are required.

BUSINESS

Health and safety risk

We have adopted a safety and health policy for our staff and, when required, workers of our Group, together with those of our subcontractors, attend safety training courses organised by us. We have in place an occupational health and safety management system order to promote a safe and healthy working environment.

Credit risks

We are exposed to risk of increase in bad debts if the credit granted is not timely collected by us. Our finance department is responsible for monitoring overdue payments closely and prepares aging reports showing the customers’ overdue amounts. We monitor and evaluate overdue payments on a case-by-case basis and consider appropriate follow-up actions such as actively communicating with customers. We also have an internal assessment system in place to assess the credit rating of our customers.

Market risks

We are exposed to general market risks related to changes in macroeconomic policy, market demand, competitive landscape and other market changes. Our Directors closely monitor works forecast by the government and the number of new projects approved so as to adjust our business strategies and assess our participation in the public or private sectors. Our executive Directors are responsible for identifying and assessing potential market risks and from time to time discussing with other operating departments to formulate policies and measures to mitigate these market risks.

OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

We recognise the importance of sustainable development for our long-term development. Our Board and senior management team identify and mitigate potential ESG risks on a continuing basis.

ESG governance

We have established an ESG governance framework led by our Board, laying the foundation for our ESG efforts and steadily advancing towards achieving our ESG goals. Our Board, as the highest responsible body for our ESG efforts, is responsible for reviewing our ESG strategies and related risks and receives reports from the senior management and responsible personnel. To ensure the effective progression of ESG works, we intend to establish an ESG Committee upon [REDACTED]. The members of the ESG Committee will be appointed by our Directors and will be mainly responsible for supporting our Board in: (i) implementing ESG-related policies and strategies; (ii) monitoring ESG issues; and (iii) working with different departments to implement ESG initiatives.

BUSINESS

Identification and evaluation of ESG risks

We promptly identify ESG-related risks and opportunities through regular assessments and internal reporting. Our Board is responsible for overseeing and identifying ESG-related risks and opportunities and supervising the implementation of ESG risk management measures. Our ESG Committee will assist the Board in conducting the identification and management of ESG-related risks, primarily including: (i) assessing the significance of ESG-related risks and proposing corresponding recommendations based on the assessment results; and (ii) collecting relevant ESG information to help identify ESG issues and risk matters.

The following table sets forth a summary of the ESG-related risks that we consider significant and potentially impactful on our business, strategy and financial position:

ESG-related risks	Impacts
Widespread diseases	Potential increase in absenteeism, and healthcare costs. This can also lead to a decline in employee morale and productivity.
Knowledge Management Risk	Ineffective knowledge sharing may hinder innovation and efficiency, leading to a loss of valuable insights and expertise within the organisation.
Labour Relations	Poor relationships with employees can lead to strikes, reduced morale and legal challenges, ultimately affecting business operations and reputation.
Regulatory Compliance Risk	Non-compliance with laws and regulations can result in fines, legal actions, and damage our reputation, as well as potential operational disruptions.

Measures to address ESG risks

To mitigate the potential impacts associated with ESG risks, we have implemented the following measures.

Consumption of resources

We consume fossil energy, electricity and water during the course of our business operation. To enhance resource efficiency, we have implemented the following measures.

- Fuel consumption.** We minimise the use of diesel-powered equipment where possible, and encourage the use of fuel-efficient vehicles and plan logistics efficiently to reduce transportation trips.

BUSINESS

- ***Electricity consumption.*** We manage our use of electricity with a view to reducing electricity consumption in our operation. For instance, (i) we set air conditioners to 24 to 26°C, using LED lighting, striving to minimise power loss and ensuring that lights are turned off in unoccupied areas to prevent the waste of electrical resources; (ii) heavy equipment operations are scheduled during off-peak hours where applicable; and (iii) the shared use of equipment is promoted instead of utilising redundant tools.
- ***Water consumption.*** To reduce water consumption, we continuously promote water conservation awareness through signage and staff briefings. We also conduct regular inspections for leaks or damaged hoses, the use of trigger nozzles on water taps to minimise wastage, and the reuse of water for general site cleaning where it is safe to do so. We continue to monitor usage trends and are exploring opportunities to establish measurable goals in future reporting periods as part of our broader sustainability strategy.

Emission

We closely monitor and strictly comply with the relevant laws and regulations related to emission requirements. We pay significant attention to the management of emissions such as air emissions, wastewater and solid waste, ensuring that all of our emission indicators meet local standards, effectively reducing the adverse environmental impact.

We formulated robust internal policies to strengthen the management of emissions, which stipulate the emission standards and treatment processes for various types of emissions.

- ***Waste gas.*** To manage waste gas emissions from construction and site activities, we conduct regular maintenance of machinery and equipment to minimise black smoke and harmful emissions, avoiding unnecessary engine idling on-site to reduce fuel consumption and air pollutants, and applying dust suppression methods, such as water spraying during earthworks and demolition activities. These measures help maintain cleaner air quality in and around our project sites while supporting our broader environmental sustainability goals.
- ***Wastewater.*** To manage wastewater emissions, we ensure that all discharge is treated through approved systems, prevent chemical and oil spills from entering drainage systems, and install silt traps at construction site discharge points.
- ***Non-hazardous and hazardous waste.*** For our non-hazardous waste, we promote effective segregation using color-coded bins, daily housekeeping, and regular monitoring to identify and address excessive waste generation. For hazardous waste, we enforce strict protocols including secure storage, proper labelling, inventory tracking, and disposal through licensed contractors, ensuring full compliance with environmental regulations.

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Climate change

Following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we identified and analysed the potential impact of climate change risks on our business. The primary climate change risks identified can be categorised into physical risks and transition risks.

Type of risk	Potential impact	Response measures
Acute physical risk	Extreme weather events may damage our facilities, leading to increased repair and maintenance costs and potentially disrupting marketing activities.	The following response measures apply to both acute risk and chronic risk: - We will implement an emergency plan for work safety incidents including those arising from environmental incidents. We have organised training activities to prepare for natural disasters. - We will conduct training sessions for employees on emergency response to enhance their ability to deal with emergencies and ensure the health and safety of employees.
Chronic physical risk	Climate change, including rising global temperatures and more frequent heatwaves, may lead to increased operating and human resource costs due to lost workdays and higher electricity consumption to maintain comfortable indoor conditions. Additionally, long-term shifts in climate patterns raise concerns about climate-related risks to our business, including potential increases in insurance premiums for sites located in disaster-prone areas.	

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Type of risk	Potential impact	Response measures
Transition risk	In line with the global commitment to limit warming to well below 2°C under the Paris Agreement and Malaysia’s Dual Carbon Goals, it is expected that regulations on climate disclosure and carbon emissions will become more stringent. As the industry moves toward low-carbon operations, failing to keep pace with market developments or neglecting climate considerations could negatively impact our Company’s reputation and competitiveness.	We closely monitor policies related to climate change and promptly assess their impact on our operation to implement improvement measures as soon as possible. Through regular internal training and carrying out carbon investigation activities, we consistently enhance our ability to statistically analyse carbon emissions and improve the level of climate information disclosure.

Occupational health and safety

We place strong emphasis on the health and safety of our employees. To strengthen our safety management and ensure safe operation, we have implemented or will implement the following safety measures to effectively prevent and control the occurrence of work safety accidents:

- ***Safety training.*** We offer work safety training and guidelines to our employees from time to time. This ensures employees fully understand and comply with our safety procedures and policies.
- ***Regular safety inspections.*** We conduct regular safety inspections, including checking the use of protection gear by workers in work sites and other inspections on potential work safety hazards.
- ***Occupational health checks.*** We will provide occupational health checks to our employees in need to promote their well-being and ensure a safe working environment. These health checks will be designed to identify potential health risks associated with their roles and to support their overall health.
- ***Occupational disease hazards detection.*** We will regularly monitor workplaces for occupational disease hazards and, if necessary, engage qualified occupational health service agencies to conduct occupational disease hazards tests.
- ***Report system:*** We require our employees to report any accidents or health hazards to their supervisor in a timely manner. The supervisor should then report the same to the senior management, who will then make record of the accidents and follow up on the condition of the injured employee.

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Advocating health and safety

Our Company is committed to maintaining a safe working environment for our employees and creating a safety culture. By building a sound Health, Safety, and Environment (“HSE”) management framework and Safety and Health Policy, we can gradually reduce the risk of occupational health on employees.

Under the HSE management framework and Safety and Health Policy, we ensure that our day-to-day operations are carried out in compliance with the applicable laws and regulations on occupational health and safety in Malaysia. This includes adherence to the Occupational Safety and Health Act (“OSHA”) 1994. These laws broaden the scope of workplace safety regulations to cover nearly all sectors, impose additional duties on employers and principals, and emphasise the importance of risk assessments and the appointment of safety coordinators. We also comply with related regulations such as the Factories and Machinery Act 1967, and the Workmen’s Compensation Act 1952, where applicable, to ensure comprehensive protection for all employees.

We are committed to maintaining a safe, healthy, and productive work environment for all employees. As part of this commitment, employees are expected to refrain from the consumption of alcoholic beverages during the normal workday or while performing any duties on behalf of our Company. Violations of this policy may result in disciplinary action in accordance with our procedures.

To ensure the safety of employees working in environments that pose physical risks, we provide personal protective equipment (“PPE”) as required. Employees are responsible for wearing and properly using the appropriate PPE and for maintaining it in good condition. Additionally, employees are eligible for reimbursement each calendar year for the purchase of safety boots used for work purposes.

We maintain a Smoke-Free Workplace Policy to promote a healthier and more comfortable environment for all staff and visitors. Smoking is prohibited in all indoor areas and designated non-smoking zones.

An Emergency Response Policy is in place to guide our actions during various types of emergencies, including fires, natural disasters, medical incidents, security threats, and hazardous material situations. We maintain a comprehensive emergency response plan that outlines procedures for each scenario. Effective communication channels, such as alarm systems, public address announcements, and digital platforms are established to ensure timely notification and clear instructions during emergencies. On-site first aid facilities and trained personnel are available to provide immediate medical assistance, and emergency medical services will be contacted when necessary. All emergencies, incidents, and near-misses must be promptly reported to designated personnel or authorities, and thorough documentation will be maintained for review and continuous improvement. Regular training sessions and evacuation drills are conducted to ensure employees are familiar with emergency procedures and can respond effectively. Awareness campaigns are also held to educate staff on potential hazards and preparedness measures.

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During the Track Record Period and up to the Latest Practicable Date, our Company was not aware of any material non-compliance with relevant laws and regulations relating to occupational health and safety that had a material impact on our Group relating to providing a safe working environment and protecting employees from occupational hazards.

Occupational accidents in Malaysia’s construction industry

The table below sets out the information currently available in relation to occupational accidents in Malaysia’s construction industry:

Category of occupational accidents	Number of reported occupational accidents	
	2022	2023
Death	72	88
Permanent disability	2	8
Non-permanent disability	4,250	5,283
Industry average reported accident rate ⁽¹⁾	3.7	4.2
Industry average reported fatality rate ⁽²⁾	6.2	6.9

Source: The Department of Occupational Safety and Health and the Ministry of Human Resources of Malaysia

- (1) The industry average reported accident rate represents the total number of permanent disability, non-permanent disability and fatal incidents reported to the Department of Occupational Safety and Health per 1,000 construction workers engaging in Malaysia’s construction industry.
- (2) The industry average reported fatality rate represents the number of fatal incidents reported to the Department of Occupational Safety and Health per 100,000 construction workers engaging in Malaysia’s construction industry.

Occupation accidents of our Group

We maintain an internal record of workplace accidents. During the Track Record Period, we recorded one employee accident. In May 2023, a driver employed by us encountered a traffic accident on his way to work and sustained minor injuries. He recovered and returned to work shortly after the accident and is still employed by us as at the Latest Practicable Date.

The aforementioned accidents was duly reported to the Social Security Organisation (SOCSO) under the Ministry of Human Resources of Malaysia. The accident was unrelated to our principal business operations. Our Group had not been penalised by any authorities, and there were no formal reports or complaints lodged against us regarding the incident. All necessary compensation related to the accident has been settled with the relevant employee.

Apart from the accident set out above, during the Track Record Period and up to the Latest Practicable Date, no other accident had happened to any employee of our Group in the course of our operations that should be reported to SOCSO or other authorities, nor had we received any material claim from our employees in relation to any personal or property damage.

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On the other hand, as advised by our Malaysia Legal Advisers, in Malaysia, the primary legal responsibility for employee welfare, compensation, and statutory protection lies with the direct employer. In the event of a workplace accident involving an employee of our Group’s subcontractor while performing work on our projects, the subcontractor would generally bear the primary responsibility, and the affected employee would typically seek compensation through SOCSO and/or the subcontractor’s insurance coverage. Our Group’s liability for our subcontracted personnel may arise in limited circumstances, such as in situations where the accident is attributable to our failure to ensure general site safety or to address known hazards. The main contractor, as overall site controller, may also be liable for accidents occurring at the project site, particularly where such accidents are attributable to shortcomings in site safety, supervision, or conditions for which the main contractor is responsible. For accidents involving our Group’s own employees, claims would ordinarily be pursued through SOCSO and/or our Group’s insurance coverage, though we may have legal recourse against the main contractor where the accident arises from the main contractor’s obligations in relation to site safety.

Anti-fraud, corruption, bribery and money laundering

We are committed to fostering a corporate culture of integrity and honesty. We strictly adhere to the applicable laws and regulations in relation to anti-fraud, corruption, bribery and money laundering in Malaysia. We have implemented a series of policies against fraud, corruption, bribery and money laundering. These policies provide clear guidelines for the prevention, reporting, investigation and penalisation of non-compliance.

To prevent fraudulent activities, we continuously improve our internal control measures, through the establishment of control mechanisms such as inspection and approval procedures. In addition, auditors regularly conduct inspections for irregular transactions, promptly identifying potential fraudulent situations.

We have also established multiple reporting channels to facilitate the reporting of actual or suspected fraud, bribery, corruption and money laundering by all employees and certain external parties with direct or indirect economic transactions with us. Reports can be made through emails and letters. Upon receiving reports, our senior management will promptly conduct reviews and investigations. If necessary, we will engage third-party professionals to assist in the investigation. We strictly protect the privacy and information of whistleblowers, ensuring their identity and information are not disclosed without their consent. Any breach of confidentiality or retaliation will result in dismissal or contract termination, and criminal offenses will be referred to enforcement authorities for action.

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Bribery and corruption on tendering

Our Directors and senior management team place top priority on the implementation, enforcement and continual improvement of our Anti-Bribery and Anti-Corruption Policy and related initiatives. These measures cover the prevention, detection and monitoring of bribery and corruption across all business activities and operations, and ensure that all employees and representatives act with honesty and professionalism in line with our corporate values. Our Anti-Bribery and Anti-Corruption Policy prohibits employees and representatives from (i) offering, promising, giving or agreeing to give anything of value, directly or indirectly, to secure a business or personal advantage; and (ii) requesting or accepting anything of value that may impair or influence their objectivity in performing job duties. In particular, we maintain strict safeguards against bribery and corruption in relation to our tendering and quotation activities, where risks are inherently higher. These safeguards include transparent tender or quotation submission or assessment, internal approval mechanism, declaration of independence and conflict of interest, and regular internal oversight.

During the Track Record Period and up to the Latest Practicable Date, neither our Group nor any of its Directors, officers or employees is, or has ever been, a party to any claim, litigation, investigation or proceedings against any of them in respect of bribery, corruption, kickbacks, fraud or other similar improper or unlawful conducts.

Social responsibility

We are committed to fulfilling our corporate social responsibilities and contributing to the welfare of society. Our charitable initiatives principally comprise external donations and sponsorships. During the Track Record Period, our Group made contributions to religious and humanitarian causes, sponsored activities related to education, sports and culture to aid the community in need and supported disaster preparedness efforts to enhance community resilience. Our Group is devoted to continuously uphold the principle of giving back to the society through different activities. We believe that actively fulfilling corporate social responsibility is the key to the success of our business.

BUSINESS

Environmental protection performance

To proactively respond to the goals of carbon peaking and carbon neutrality, we continue to pay attention to environmental protection and the development of ecological culture. We are committed to integrating sustainable development into our business operation and decision-making. We have quantified our environmental protection efforts and actively monitor our environmental impact. The following table sets forth our quantitative data on the environmental protection performance for FY2023 and FY2024:

Category		Unit	FY2023	FY2024
Air emission	nitrogen oxides	kg	96.08	162.16
	sulfur oxides	kg	2.76	5.20
	particulate matter	kg	7.07	11.94
	Carbon monoxide	kg	1.66	4.17
Greenhouse gas (GHG) emission	Scope 1 – Direct emission	tCO ₂ e	17,370.63	127,874.65
	Scope 2 – Indirect emission	tCO ₂ e	105.96	184.11
	Scope 3 – Other indirect emission	tCO ₂ e	2.12	6.36
	Total GHG emission (Scope 1 + Scope 2 + Scope 3)	tCO ₂ e	17,478.71	128,065.12
	Intensity of total GHG emission (Scope 1+ Scope 2+ Scope 3)	tCO ₂ e/employee	203.24	1,255.54
Waste	Intensity of hazardous waste	kg/employee	0.00(<i>Note</i>)	2.19
	Intensity of non-hazardous waste	kg/employee	0.02	0.05
Energy consumption	Intensity of total energy consumption	MWh/employee	3.88	17.73
Water consumption	Intensity of total water consumption	m ³ /employee	41.92	65.12

Note: The amount is less than 0.001.

BUSINESS

Assessing the ESG practices of suppliers and subcontractors

We emphasise the integration of ESG factors into supplier and subcontractor selection criteria. Preference will be given to suppliers and subcontractors that demonstrate a strong commitment to sustainable development, such as the implementation of their own sustainability policies. We will assess each potential supplier and subcontractor’s overall performance, including on areas such as labour rights, occupational health and safety, and environmental stewardship.

Employee management

We believe that employees are the cornerstone of our success and business sustainability. We comply with the applicable employment-related laws and regulations in Malaysia and are committed to upholding fair labour practices, including the prohibition of child labour, ensuring workplace safety, and providing statutory benefits such as minimum wage, leave entitlements, and social security contributions.

The information of our workforce and turnover rate by different categories are set out in the table below:

Workforce indicators		FY2023		FY2024		6M2025	
		<i>Approximate % of total</i>		<i>Approximate % of total</i>		<i>Approximate % of total</i>	
		<i>Number of employees</i>	<i>number of employees</i>	<i>Number of employees</i>	<i>number of employees</i>	<i>Number of employees</i>	<i>number of employees</i>
By gender	Male	60	69.8%	67	65.7%	85	66.9%
	Female	26	30.2%	35	34.3%	42	33.1%
By age group	Below 30 years old	16	18.6%	23	22.6%	41	32.3%
	30 to 50 years old	52	60.5%	60	58.8%	64	50.4%
	Over 50 years old	18	20.9%	19	18.6%	22	17.3%

For details of our policies regarding recruitment, remuneration and benefits and training, please refer to the sub-section headed “Employees” in this section.

Business ethics

We uphold the highest standards of business ethics, requiring all employees to demonstrate professionalism, integrity, and honesty in their conduct. We have in place an employee code of conduct which outlines employees’ obligations and provide clear guidelines to ensure compliance with ethical standards and employment terms. Compliance with the code of conduct is mandatory for all employees, regardless of employment status, and breaches may result in disciplinary action.

BUSINESS

THE COVID-19 PANDEMIC

On 30 January 2020, the World Health Organization declared the outbreak of COVID-19 a public health emergency of international concern, and later, on 11 March 2020, classified it as a global pandemic. In response, the Government of Malaysia introduced a series of public-health and social-distancing measures, including movement control orders, border restrictions and temporary lockdowns, which generally posed significant pressures on both the domestic and global economy, particularly in 2020 and 2021.

These measures were gradually eased and substantially lifted across Malaysia by April 2022, following the transition to the endemic phase. During the Track Record Period and up to the Latest Practicable Date, our Group did not experience any mandatory suspension of operations, temporary closure of offices or shutdown of project sites. Our transportation infrastructure engineering projects, including project execution and delivery schedules for our projects, continued largely as planned without material disruption.

Nonetheless, we continued to closely monitor operational risks relating to supply chain stability, workforce mobility and health-and-safety compliance. We implemented preventative measures such as hygiene protocols, personnel segregation and contingency planning to ensure continuity of operations and safeguard employee wellbeing.

Based on the above, our Directors are of the view that the COVID-19 pandemic did not have, and is not expected to have, any material adverse impact on our Group’s business operations, financial condition or results of operations during the Track Record Period and up to the Latest Practicable Date.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] or the exercise of any options which may be granted under the Share Option Scheme), Datuk Tan and Datin Pan will, through BBSB Overseas, collectively hold [REDACTED]% of our Company’s total issued share capital. Accordingly, Datuk Tan, Datin Pan and BBSB Overseas will constitute a group of Controlling Shareholders under the GEM Listing Rules upon the [REDACTED].

Datuk Tan is an executive Director. For further information about his background and experience, please refer to the section headed “Directors, Senior Management and Employees” of this document.

Save as disclosed above, no other person will, immediately following completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme), be directly or indirectly interested in 30% or more of our Shares then in issue nor have any direct or indirect equity interest representing 30% or more of the equity in any member of our Group.

THE CONTROLLING SHAREHOLDERS’ PREVIOUS INTEREST IN BRIDGEX

Apart from Datuk Tan’s interest in our Group, Datuk Tan, being one of our Controlling Shareholders and an executive Director, previously held, either individually or together with Datin Pan or Mr. Andy Tan, shareholding interest in Bridgex, which was one of our top five customers in each of FY2023 and FY2024 and one of our top four customers in 6M2025. Details of Datuk Tan and his associates’ previous interest in Bridgex are set out below.

Bridgex was incorporated as a limited liability company in Malaysia in April 1993 by Independent Third Parties. Bridgex was principally engaged in the provision of civil engineering services at the time.

In 1997, Datuk Tan subscribed for 30% shareholding interest in Bridgex. Between 1997 and 2005, Bridgex was held as to 30% by Datuk Tan and 70% by an Independent Third Party, respectively. During this period, Datuk Tan was one of the two directors of Bridgex.

In December 2005, Datuk Tan and Datin Pan collectively acquired the remaining 70% shareholding interest in Bridgex from the Independent Third Party, who expressed his decision to retire due to age consideration. Following this acquisition, Datuk Tan and Datin Pan became the only shareholders of Bridgex and remained so until March 2009.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

In March 2009, following two share transfers to two Independent Third Parties, namely Mr. Mohamad Askandar Bin Mat Noh and Mr. Runilyzan Binti Othman, Datuk Tan and Datin Pan’s collective shareholding interest in Bridgex was reduced to 40%. The consideration for the disposal of 60% shareholding interest in Bridgex was RM225,000 for each transfer, totalling RM450,000 (equivalent to the par value of RM1 per share), which was mutually agreed upon by the parties after considering Bridgex’s financial performance, which showed a negative net asset value and a loss after tax in 2008. Consequently, the parties considered the total consideration of RM0.45 million for the 60% shareholding interest in Bridgex to be reasonable. The transferees are both indigenous Malaysian businesspeople engaged in the transportation infrastructure engineering industry. To the best knowledge and belief of our Directors having made all reasonable enquiries, they have no other past or present relationship (whether family, employment, business, financing or otherwise) or business or funding arrangements with our Group, our Controlling Shareholders, Directors or senior management (including but not limited to Datuk Tan and Mr. Andy Tan), or any of their respective associates.

In March 2010, Datuk Tan and Datin Pan disposed of their remaining shareholding interest in Bridgex to Mr. Mohamad Askandar Bin Mat Noh, being one of the Independent Third Party transferees in the March 2009 transfers, at a total consideration of RM300,000 (equivalent to the par value of RM1 per share). The consideration for the transfer was determined with reference to Bridgex’s financial statements for 2009 (being the most recent available financial information at the time), which recorded a modest profit after tax and a small net assets position. Consequently, the total consideration of RM0.3 million for the 40% shareholding interest in Bridgex (equivalent to the par value of RM1 per share) was determined by taking into account Bridgex’s 2009 financial performance and the parties considered it reasonable. On the other hand, the staged disposals in 2009 and 2010 were primarily driven by Datuk Tan’s strategic decision to devote full attention and consolidate resources towards the business development of BBSB Holdings. Hence, the disposal of Datuk Tan and Datin Pan’s shareholding interest in Bridgex in 2010 represented their commercial decision to streamline their business interests. Prior to the disposals, both Bridgex and BBSB Holdings were wholly owned and controlled by Datuk Tan and Datin Pan. At that time, BBSB Holdings was in its critical stages of formation and growth. It obtained the CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical) in 2008, and commenced its first large-scale project at Eastern Dispersal Link (EDL) in Johor Bahru, Johor (Project JB03) in the same year. Recognising the need to build BBSB Holdings’ reputation and operational capabilities in Malaysia’s bridge engineering industry, Datuk Tan decided to divest his interests in Bridgex to fully focus on strengthening BBSB Holdings’ foundation, expanding its project portfolio, developing internal expertise and cultivating long-term relationships with key customers and contractors. Following completion of the disposals, neither Datuk Tan nor Datin Pan held any shareholding interest or directorship in Bridgex.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

As confirmed by Datuk Tan, from December 2005 until the disposal of his and Datin Pan’s entire shareholding interest in Bridgex in March 2010, both Bridgex and BBSB Holdings were principally engaged in the provision of transportation infrastructure engineering services as subcontractors. However, Bridgex’s operations were limited to specific parts of the bridge construction works, namely beams construction, precasting and prestressing works. In contrast, BBSB Holdings specialised in the design and construction of the entire girder bridge or any one or more of its sections and the construction of the connecting highways, roads and other ancillary facilities. This fundamental difference in business scope and positioning reinforced Datuk Tan’s intention to concentrate on developing BBSB Holdings as a fully integrated bridge engineering company. We believe that this decision laid the foundation for our Group’s future expansion.

In March 2014, the then shareholders of Bridgex, namely the two Independent Third Party transferees in the March 2009 transfers, invited Datuk Tan to rejoin Bridgex as a minority shareholder, holding a 40% shareholding interest and as a director.

Datuk Tan acquired 10% of the equity interest in Bridgex from Mr. Mohamad Askandar Bin Mat Noh at a consideration of RM75,000, and 30% of the equity interest in Bridgex from Mr. Runilyzan Binti Othman at a consideration of RM225,000 (equivalent to the par value of RM1 per share) in March 2014. The consideration for the 40% shareholding interest in Bridgex in March 2014 was determined based on both financial factors and strategic considerations. Bridgex’s financial statements for 2013 (being the most recent available financial information at that time) showed a modest profit after tax and a small net assets position. The consideration of RM0.3 million for the 40% shareholding interest in Bridgex (equivalent to the par value of RM1 per share) was therefore determined by the parties with regard to Bridgex’s 2013 financial performance and the parties considered it reasonable. By 2014, BBSB Holdings had established a stable operational foundation, having secured a number of significant projects and developed its internal capabilities. With BBSB Holdings’ operations running steadily, Datuk Tan was in a position to accept the invitation to rejoin Bridgex in a non-executive and advisory capacity. This arrangement was primarily intended to allow Bridgex to draw upon Datuk Tan’s professional engineering qualifications and extensive experience in Malaysia’s transportation infrastructure engineering sector, to enhance its technical profile and credibility in project tendering, particularly for government or government-linked projects that value demonstrated expertise under CIDB’s qualification framework. Hence, this strategic need for Datuk Tan’s expertise was also a key factor in the mutual agreement on the consideration. From Datuk Tan’s perspective, the 40% equity interest in Bridgex repurchased in March 2014 was held purely as a passive, portfolio investment, with Bridgex as his investee company.

In November 2014, Datuk Tan sold 5% of the equity interest in Bridgex to Mr. Mohamad Bin Husin, an Independent Third Party, who was an indigenous Malaysian businessman engaged in the transportation infrastructure engineering industry, reducing his shareholding interest in Bridgex to 35%.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

During a brief period between May 2016 and October 2016, Datuk Tan’s shareholding interest in Bridgex had been held temporarily through BBSB Holdings, which was then an associate of Datuk Tan. He adopted this indirect shareholding arrangement to better organise his various investments in the civil engineering market in Malaysia. Although Bridgex and BBSB Holdings operated independently with distinct specialisations, Datuk Tan restructured this arrangement in October 2016 in order to maintain a clear corporate separation by reinstating himself as a direct minority shareholder of Bridgex and avoid potential confusion within the industry.

In February 2024, Datuk Tan transferred his 30% shareholding interest in Bridgex to his son, Mr. Andy Tan. The transfer formed part of Datuk Tan’s family arrangement which was intended to give Mr. Andy Tan greater industry exposure and business network. Following such transfer, Datuk Tan had 5% equity interest in Bridgex and Mr. Andy Tan had 30% equity interest in Bridgex. The appointment of both Datuk Tan and Mr. Andy Tan as directors of Bridgex during this period was intended to be transitional in nature, with Datuk Tan expected to gradually step away from involvement in Bridgex.

In light of the above, from March 2014 to June 2024, Datuk Tan remained as a minority shareholder in Bridgex, either individually or through, or jointly with his associates, including BBSB Holdings and Mr. Andy Tan. Both Datuk Tan and Mr. Andy Tan did not have control over the board of directors of Bridgex.

In contemplation of the [REDACTED], it was recognised that both Bridgex and BBSB Holdings operated in the transportation infrastructure engineering market in Malaysia, albeit with distinct areas of specialisation and independent operations. To reinforce a clear corporate separation and eliminate any potential perception of competition or conflict of interest between the two entities, in June 2024, Datuk Tan and Mr. Andy Tan disposed of their entire shareholding interest in Bridgex to Ms. Nor Hidayah Binti Md Khairuddin Pang (“**Ms. Nor**”), an Independent Third Party who was an indigenous Malaysian businesswoman engaged in the transportation infrastructure engineering industry, at a total consideration of RM525,000 (i.e. RM1 per share). Although Bridgex recorded a modest profit after tax and a net liabilities position in 2023, the parties agreed that the consideration was reasonable because (i) the transfer of shares to Ms. Nor resulted in Bridgex becoming wholly owned by indigenous Malaysians, a status deemed advantageous for Bridgex when bidding for projects designated for indigenous contractors in Malaysia; and (ii) Bridgex was actively bidding for and undertaking projects at the time of the transfer, indicating strong forward-looking operational value.

To the best knowledge and belief of the Directors having made all reasonable enquiries, the purchaser has no other past or present relationship (whether family, employment, business, financing or otherwise) or business or funding arrangements with our Group, our Controlling Shareholders, Directors or senior management (including but not limited to Datuk Tan and Mr. Andy Tan), or any of their respective associates. Upon completion of the disposals, Datuk Tan and Mr. Andy Tan also resigned from their respective directorship in Bridgex. Since the completion of the disposals, Bridgex has become an Independent Third Party and as at the Latest Practicable Date, it was held by two Independent Third Parties who were indigenous Malaysians engaged in the transportation infrastructure engineering industry, namely Ms. Nor and Ms. Sarimah Binti Mohd Nasir.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

At the time of the aforesaid disposals, Datuk Tan and Mr. Andy Tan were minority shareholders and together only held 35% equity interest in Bridgex. They did not exercise control over the board of directors, management or operations of Bridgex. Bridgex and our Group have historically operated independently of one another. From the perspective of Datuk Tan and Mr. Andy Tan, their interests in Bridgex were held solely as a passive, portfolio investment. Accordingly, Datuk Tan and Mr. Andy Tan considered that a full divestment of their minority interests in Bridgex was the most effective way to eliminate any actual or perceived conflict of interest and to present a clear and streamlined group structure in preparation for the [REDACTED]. This ensured a definitive separation from Bridgex, particularly given that Bridgex and our Group operate within the same industry. This divestment also addressed any potential concerns regarding business competition that might otherwise arise.

Prior to the aforesaid disposals, although Bridgex held a Bumiputera Status Certificate (STB) and was eligible to tender for Malaysian government or government-linked projects, Datuk Tan and Mr. Andy Tan were only minority shareholders without any control over Bridgex, and the two companies have historically operated independently. Whether before or after Datuk Tan and Mr. Andy Tan divested their shareholdings in Bridgex, any collaboration between our Group and Bridgex has been conducted through project-based arrangements, such as in Project JB15, Project JB25 (details of which are set out in the section headed “Business – Our projects – Project-based collaboration arrangement with Bridgex”), and the collaboration agreement entered into in May 2024 for Potential Project 2 (details of which are set out in the sub-section headed “Future plans and [REDACTED] – [REDACTED]”). In other instances where our Group and Bridgex engaged each other (whether as a customer or a subcontractor) without such project-level collaboration arrangement or joint venture structure, the two companies also operated independently to engage each other on a standalone commercial basis and at their respective sole discretion. The divestment of interests in Bridgex by Datuk Tan and Mr. Andy Tan therefore has no impact on our Group’s ordinary commercial collaboration or subcontracting arrangements with Bridgex.

During the respective tenure of Datuk Tan and Mr. Andy Tan as directors of Bridgex, to the best of their knowledge, information and belief, and having made all reasonable enquiries, (including conducting litigation searches on Bridgex through an independent search agent and as reviewed by our Malaysia Legal Advisers), Bridgex had complied with all applicable laws and regulations in Malaysia in all material respects, and was not the subject of any material claims, liabilities, litigation or legal proceedings, whether actual or potential, during the Track Record Period up to the time of the disposals by Datuk Tan and Mr. Andy Tan in June 2024. The Directors considered that the disposals by Datuk Tan and Mr. Andy Tan of all their shareholding interest in Bridgex had no material adverse effect on the business or operations of BBSB Holdings. Over the years, BBSB Holdings had developed its own track record, market reputation and financial strength, enabling it to secure projects from main contractors that are Independent Third Parties.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Independence of BBSB Holdings from Bridgex

Despite the prior shareholding interests and directorships of Datuk Tan and Mr. Andy Tan in Bridgex, our Directors confirm, and the Sole Sponsor concurs, that Bridgex and BBSB Holdings had been operating independently of each other throughout the Track Record Period. The basis of such operational and management independence is set out below:

Management independence

From November 2014 to February 2024, Datuk Tan served as one of the three directors of Bridgex. His directorship was primarily to protect his minority shareholding interest in Bridgex, and he did not have any control over the board. From February 2024 to June 2024, following his partial transfer of shareholding interest in Bridgex to Mr. Andy Tan as part of his family arrangement, both Datuk Tan and Mr. Andy Tan served as two out of four directors of Bridgex, which was intended to be transitional in nature, with Datuk Tan expected to gradually step away from involvement in Bridgex. During this four-month transitional period, neither of them had exercised any control over the board of directors of Bridgex. Datuk Tan was one of the several authorised bank signatories, but did not have the sole authority over Bridgex’s banking operations. Save for Datuk Tan, Datin Pan and Mr. Andy Tan, no shareholder or director in Bridgex had been a shareholder or director of BBSB Holdings, and all other shareholders and directors of Bridgex during the Track Record Period were Independent Third Parties.

Difference in business focus, project roles and size

While both Bridgex and BBSB Holdings are engaged in transportation infrastructure engineering market in Malaysia, their business focus and project roles significantly differ. Bridgex holds a STB, which enables it to tender for Malaysian government or government-linked companies’ projects designated for indigenous contractors. Thus, Bridgex focused mainly on bidding for these projects as a main contractor. In contrast, BBSB Holdings specialised in the design and construction of the entire girder bridge or any one or more of its sections and the construction of the connecting highways, roads and other ancillary facilities. Prior to and during the Track Record Period, the two companies therefore had different strategic focuses and operate independently of each other.

BBSB Holdings mainly undertook government projects that were designated for indigenous contractors as a subcontractor or enter into project-based collaborations with companies that hold the STB.

Based on publicly available information, for FY2023 and FY2024, Bridgex recorded total turnover of approximately RM19.9 million and RM21.3 million, and profit after tax of approximately RM0.2 million and RM0.2 million, respectively.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Customers and subcontractors

Primarily attributable to the differences in business scope and project roles undertaken by Bridgex and our Group, the operations of the two companies can be further delineated by the major types of customers and subcontractors they typically engage. To the best of our knowledge and information:

- (i) **Customers:** Bridgex, in its capacity as a main contractor in bridge engineering projects and holds a STB, typically secures projects designated for indigenous contractors directly from project owners such as the Government of Malaysia or government-linked companies. In contrast, our Group has primarily operated as a subcontractor to main contractors, such as Bridgex in these projects.
- (ii) **Subcontractors:** As a main contractor, Bridgex typically subcontracts major work packages to subcontractors such as our Group, which are capable of undertaking the comprehensive design and construction of an entire girder bridge or any one or more of its sections. These subcontracted scopes often comprise integrated works with structural, geotechnical and civil components. In executing such integrated bridge engineering packages, our Group may in turn engage downstream subcontractors to perform labour-intensive works and other works that require niche technical expertise. This contrasts with Bridgex’s role as a project-level main contractor.

No reliance by BBSB Holdings on Bridgex

During the Track Record Period and up to the Latest Practicable Date, our Group had undertaken seven projects with a total contract sum of approximately RM781.7 million. Of these, only one project in relation to flood mitigation works in Kenau River, Sungai Lembing Town, Kuantan, Pahang, Malaysia (Project JB 31), with a contract sum of approximately RM96.0 million, was awarded to us by Bridgex. For further details, please refer to the paragraphs headed “Business – Our Projects – Ongoing projects as at the Latest Practicable Date” in this document. During the Track Record Period, revenue generated from Bridgex accounted for approximately 6.3%, 10.4% and 1.1% of our total revenue, whereas the total costs of services incurred to Bridgex accounted for approximately 2.3%, 2.9% and 2.1% of our total costs of services, respectively.

Arm’s length transactions

Prior to the Track Record Period, Bridgex as a main contractor engaged our Group as a subcontractor in two notable transportation infrastructure engineering projects in August 2016, both completed in 2021, one with a total contract sum of approximately RM260.7 million and the other with a total contract sum of approximately RM276.8 million. These two contracts were awarded to our Group following Bridgex’s internal subcontractor selection process and were priced in accordance with the prevailing market price. During the Track Record Period, our Group also recognised revenue from these two projects, which were related to post-completion adjustments and certification of work done finalised due to variation orders in FY2023 and FY2024.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

In bidding for government projects where Bridgex acted as either a main contractor or a subcontractor, BBSB Holdings was subject to Bridgex’s stringent subcontractor selection process on the same basis as other market participants. Neither Datuk Tan nor his associates had participated in Bridgex’s decision-making or evaluation process if BBSB Holdings was one of the bidders for the subcontracted works.

Separately, BBSB Holdings also subcontracted minor works such as site clearance and traffic management and control to Bridgex in Project JB25, Project JB28 and Project JB29 during the Track Record Period. For further details about these projects, please refer to the paragraphs headed “Business – Our projects – Project-based collaboration arrangement with Bridgex” and “Business – Our projects – Ongoing projects as at the Latest Practicable Date” in this document.

Our Directors confirm that all transactions and the potential bridge engineering project in East Malaysia between our Group and Bridgex during the Track Record Period and up to the Latest Practicable Date were/will be conducted in the ordinary and usual course of business, on normal commercial terms that were/will be fair and reasonable, and in line with industry practice, and in the interest of our Company and our Shareholders as a whole. Please refer to the sub-section headed “Business – Overlapping customer and subcontractor” in this document for a comparative analysis of the key terms of our transactions with Bridgex and those with Independent Third Parties. The Sole Sponsor is of the view that all transactions between our Group and Bridgex during the Track Record Period were conducted in the respective ordinary and usual course of business of each of our Group and Bridgex, on normal commercial terms, and are fair and reasonable so far as our Group is concerned.

Immediately before disposals of all the shareholding interest in Bridgex by Datuk Tan and Mr. Andy Tan in June 2024 as mentioned above in this section, Bridgex was considered as a connected person of our Company under Chapter 20 of the GEM Listing Rules. Following their disposals of their entire shareholding interest in Bridgex and up to the Latest Practicable Date, Bridgex has become an Independent Third Party.

Financial independence

Throughout the Track Record Period, BBSB Holdings and Bridgex maintained separate financial management and accounting systems, and made financial decisions independently based on their respective business needs. The two companies operated independently from a financial perspective. While Datuk Tan had personally extended a loan to Bridgex at an interest of 6% per annum, with the principal plus accrued interest amounting to approximately RM14.0 million as at the Latest Practicable Date, such support was provided in his personal capacity and did not affect the financial independence of the two companies. During the Track Record Period, Datuk Tan had provided personal guarantees to two banks for Bridgex, which have been released as at the Latest Practicable Date. As at the Latest Practicable Date, there was no arrangement involving the provision of any guarantee, security, or other form of financial assistance between our Group and Bridgex.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Separate office, administration and workforce

Throughout the Track Record Period, BBSB Holdings and Bridgex maintained separate offices, administrative teams, and operational workforce. There was no sharing of office, personnel, internal system or other operative or administrative resources between Bridgex and BBSB Holdings during the Track Record Period. Datuk Tan’s controlled company is the landlord of Bridgex’s office.

As at the Latest Practicable Date, our Group had a total of 151 full-time employees, whereas Bridgex had more than 18 full-time employees. The larger operational workforce of our Group also reflects the different business focus and project roles between us and Bridgex, as mentioned above. In particular, Bridgex primarily acts as a main contractor, which generally requires fewer in-house personnel, while our Group, in undertaking subcontracting works, requires a larger operational workforce.

Taking into account the above, our Directors consider there is a clear delineation between the businesses of our Group and Bridgex. While Bridgex and our Group both operate in the transportation infrastructure engineering market in Malaysia, their business scope and project roles are distinct. The two companies maintain separate and independent management teams, operational structures, administrative and financial systems, and personnel throughout the Track Record Period. Our Group and Bridgex have operated, and will continue to operate, independently of each other. Hence, Bridgex was not injected into our Group, as (i) the businesses of Bridgex and our Group are clearly delineated in all material aspects; (ii) Bridgex’s business strategy and positioning are not aligned with those of our Group and our Group’s long-term development directions; (iii) excluding Bridgex ensures a clearer, more streamlined and transparent group structure for the [REDACTED]; and (iv) our Controlling Shareholders and their respective associates (including Mr. Andy Tan) do not have control over the board of directors, management and operation of Bridgex. In addition, as Bridgex is a private company in Malaysia, any purported transfer of its shares from one shareholder to a third party requires board approval. Given that the board of Bridgex has always been controlled by its Bumiputera shareholders, and that Datuk Tan and Mr. Andy Tan had no control over that board, to the best knowledge of Datuk Tan, it is highly unlikely that the board of directors of Bridgex would approve a share transfer resulting in a [REDACTED] company in Hong Kong becoming one of its shareholders in place of Malaysian individuals.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Our Directors are satisfied that our Group can function, operate and carry on our business independently from and does not place undue reliance on our Controlling Shareholders based on the following reasons:

Management independence

Our Company has a Board and members of senior management that function independently from our Controlling Shareholders and their respective associates. Our Board comprises three executive Directors and three independent non-executive Directors. Our senior management consists of three members. Notwithstanding that Datuk Tan, our Controlling Shareholder, is an executive Director, our Directors believe that our Directors and members of our senior management are able to manage our business independently from our Controlling Shareholders on the basis of the following reasons:

- (a) with three independent non-executive Directors out of a total of six Directors on our Board, which meets the minimum requirement under the GEM Listing Rules, there will be a sufficiently robust and independent voice within our Board to counter-balance any situation involving a conflict of interest and to protect the interests of our independent Shareholders;
- (b) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit and in the best interest of our Company and our Shareholders as a whole and does not allow any conflict between his/her duties as a Director and his/her personal interests;
- (c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions, and shall not be counted in forming the quorum;
- (d) all our senior management members are independent from our Controlling Shareholders. They have served our Group for a sufficient length of time during which they have demonstrated their capability of discharging their duties independently from our Controlling Shareholders;
- (e) our executive Directors, supported by our experienced full-time senior management team, oversee the day-to-day operation of our Group and are responsible for the management of our Group’s business;
- (f) a number of corporate governance measures are in place to avoid any potential conflict of interests between our Company and our Controlling Shareholders, and to safeguard the interests of our independent Shareholders. Please refer to the sub-section headed “Corporate governance measures” in this section below for further details.

Based on the above, our Directors are of the view that our Board is capable of managing our Group’s business independently from our Controlling Shareholders after the [REDACTED].

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Operational independence

Our Group has established our own organisational structure comprising of individual departments, each with specific areas of responsibilities. Our Group has not shared our operational resources and general administration resources with our Controlling Shareholders and/or their respective close associates. Our Group has also established a set of internal controls to facilitate the effective operation of our business.

During the Track Record Period, our Group conducted certain transactions with our Controlling Shareholders which constituted one-off connected transactions under Chapter 20 of the GEM Listing Rules. Datuk Tan and Datin Pan, through their controlled companies (as lessor), leased a total of four properties to BBSB Holdings (as lessee) which were used as our offices and storage. In accordance with IFRS 16, the leases are classified as acquisitions of right-of-use assets and therefore constituted one-off connected transactions under the GEM Listing Rules. Such transactions are entered into in the ordinary and usual course of business of our Group and our Directors confirm that the terms of such transactions are determined at arm’s length negotiations and are no less favorable to our Group than terms offered by Independent Third Parties. Since such leased properties are easily replaceable, our Directors believe that such transactions between our Group and our Controlling Shareholders do not indicate any undue reliance by our Group on our Controlling Shareholders and are beneficial to our Group and our Shareholders as a whole.

In light of the above, our Directors are of the view that our Group is capable of operating its business independently from our Controlling Shareholders after the [REDACTED].

Financial independence

Our Group has its own financial management and accounting systems and functions and makes financial decisions according to our own business needs. Our Group has the ability to operate independently from our Controlling Shareholders from a financial perspective.

During the Track Record Period, our Controlling Shareholders had provided personal guarantees for obtaining bank and hire purchase facilities used by our Group. As at the Latest Practicable Date, our Group had obtained consent letters from some of the relevant banks and financial institutions to release certain personal guarantees provided by our Controlling Shareholders by substituting them with our corporate guarantee upon the [REDACTED]. However, we are still awaiting such consent to release from one bank, and the outstanding amount of such facilities amounted to approximately RM0.7 million as at the Latest Practicable Date. In the event that we are unable to obtain such consent prior to the [REDACTED], we will fully settle the relevant outstanding amount using our Group’s internal resources such that the guarantees provided by our Controlling Shareholders will be released accordingly. Our Directors will ensure that all guarantees provided by our Controlling Shareholders will be released upon the [REDACTED].

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Save as disclosed above, our Directors confirmed that, as at the Latest Practicable Date, none of our Controlling Shareholders or their respective close associates had provided any loan, guarantee or pledge to our Group. Our Directors are also of the view that our Group is not financially dependent on our Controlling Shareholders or their respective close associates in our Group’s business operations and our Group is able to generate cash from our operations and to obtain external financing on market terms and conditions for our business operations as and when required without reliance on our Controlling Shareholders after the [REDACTED].

Having considered the above factors, our Directors consider that our Group is able to maintain financial independence from the Controlling Shareholders and their respective close associates after the [REDACTED].

CORPORATE GOVERNANCE MEASURES

Our Company will further adopt the following measures to manage the conflict of interests arising from the possible competing business of our Controlling Shareholders and to safeguard the interests of our independent Shareholders:

- (a) we have appointed Lego Corporate Finance Limited as our compliance adviser, which will provide advice and guidance to us with respect to compliance with the applicable laws and the GEM Listing Rules, including but not limited to various requirements relating to Directors’ duties and internal controls;
- (b) where a Shareholders’ meeting is held for a proposed transaction in which the Controlling Shareholders have a material interest, the Controlling Shareholders shall abstain from voting on the resolutions and shall not be counted in the quorum for the voting;
- (c) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions, and shall not be counted in forming the quorum;
- (d) the management structure of our Group includes an audit committee, a remuneration committee, and a nomination committee, the terms of reference of each of which will require them to be alert to prospective conflict of interests and to formulate their proposals accordingly;
- (e) any transaction between (or proposed to be made between) our Group and the connected persons will be subject to the requirements under Chapter 20 of the GEM Listing Rules, including, where applicable, the announcement, reporting, annual review, circular (including independent financial advice) and independent Shareholders’ approval requirements and those conditions imposed by the Stock Exchange for the granting of waiver from strict compliance with relevant requirements under the GEM Listing Rules; and
- (f) pursuant to the Corporate Governance Code, our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from external parties in appropriate circumstances at our costs.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

RULE 11.04 OF THE GEM LISTING RULES

Each of our Controlling Shareholders and our Directors, including our independent non-executive Directors have confirmed that as at the Latest Practicable Date, he/she/it does not have and none of his/her/its respective close associates has any business or interest apart from our Group’s business which competes or may compete with our Group’s business and would require disclosure under Rule 11.04 of the GEM Listing Rules.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

DIRECTORS

Our Board consists of six Directors, comprising three executive Directors and three independent non-executive Directors. Our Board is responsible for and has general powers for the management and conduct of our business. Our senior management is responsible for the day-to-day management of our business. The following table sets out certain information concerning our Directors:

Name	Age	Position	Date of Appointment as Director	Date of joining our Group	Role and Responsibilities	Relationships amongst Directors and senior management
Executive Directors						
Datuk Tan	65	Executive Director, chairman of our Board and chief executive officer	30 May 2025	22 October 2004	Responsible for overall business strategic direction, planning and execution of our Group and serving as a member of the Remuneration Committee and the Nomination Committee	Father of Mr. Andy Tan and Ms. Tan Xin Yi
Mr. Andy Tan	31	Executive Director	30 May 2025	1 June 2021	Responsible for overseeing and improving the efficiency of our Group’s day-to-day operations and serving as a member of the Nomination Committee	Son of Datuk Tan and brother of Ms. Tan Xin Yi
Ms. Tan Xin Yi	29	Executive Director	30 May 2025	13 December 2021	Responsible for overseeing all aspects of human resources within our Group, including recruitment, administration, training, compensation, benefits and employee relations and serving as a member of the Remuneration Committee	Daughter of Datuk Tan and sister of Mr. Andy Tan

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name	Age	Position	Date of Appointment as Director	Date of joining our Group	Role and Responsibilities	Relationships amongst Directors and senior management
Independent non-executive Directors						
Mr. Lee Tuan Meng	65	Independent non-executive Director	16 December 2025	16 December 2025	Responsible for providing independent advice to our Board, advising on corporate accounting and financial matters and serving as the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee	None
Mr. Ooi Kim Chai	68	Independent non-executive Director	16 December 2025	16 December 2025	Responsible for providing independent advice to our Board, advising on corporate governance and financial matters and serving as the chairman of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee	None
Ms. Norkamaliah Binti Hashim	53	Independent non-executive Director	16 December 2025	16 December 2025	Responsible for providing independent advice to our Board, advising on strategic fit, financial viability and associated risks to support informed decision-making and serving as a member of the Audit Committee, Nomination Committee and Remuneration Committee	None

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Executive Directors

Datuk Tan, aged 65, was appointed as our Director on 30 May 2025 and was redesignated as our executive Director, chairman of the Board and chief executive officer on 17 June 2025. Datuk Tan is primarily responsible for overall business strategic direction, planning and execution of our Group. He is also a member of the Remuneration Committee and the Nomination Committee.

Datuk Tan has more than 36 years of experience in the transportation infrastructure engineering industry. Before acquiring the majority interest in our Group, Datuk Tan had worked in various positions in the transportation infrastructure engineering sector. From May 1989 to April 1994, he joined T. Y. Lin International working in the Taipei Medium Capacity Transit System (MCTs) Fixed Facilities Detailed Design Project Team, primarily responsible for the design work of the viaduct structure and vehicle depot structures. From June 1994 to May 1995, he worked as a permanent works engineer in the Joint Venture B+B/EASTERN primarily responsible for overseeing the production of concrete pour drawings and resteel drawings, etc. From May 1995 to June 1997, Datuk Tan served as the manager in Pati Sdn. Bhd., a company principally engaged in civil engineering works and buildings construction. Datuk Tan was also a director of Bridgex for various periods from July 1997 until June 2024, where he was mainly responsible for providing technical advice to Bridgex in relation to site works. In 2004, Datuk Tan acquired the majority shareholding interest in BBSB Holdings, our operating subsidiary in Malaysia and he is currently a director of BBSB Holdings.

Datuk Tan obtained a degree of Bachelor of Science in Civil Engineering from National Cheng Kung University, Taiwan in June 1983 and a degree of Master of Engineering from Asian Institute of Technology in April 1986. He has also been elected as a member of The Institution of Engineers, Malaysia in July 1994. He was elected as a member of The Institution of Engineers, Australia and a member of the College of Civil Engineers, Australia in August 1995. He was registered as a professional engineer of the Board of Engineers Malaysia in March 1996 and is a professional engineer with practising certificate in the branch of civil engineering of the Board of Engineers Malaysia since March 2016. Datuk Tan has been awarded the status of Associate ASEAN Engineer by ASEAN Engineering Register in December 2012. In August 2022, he was elected as a chartered professional engineer of The Institution of Engineers Australia. He has also been conferred Darjah Pangkuan Seri Melaka (D.P.S.M) which carries the title “Datuk” since October 2022.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Datuk Tan was a director of the following entities which were incorporated or registered in Malaysia before their dissolution:

Name of entity	Nature of business	Date of dissolution	Means of dissolution	Reasons for dissolution
Bridgex BBSB Holdings JV Sdn. Bhd.	Construction of other engineering projects	29 November 2017	Dissolved by Registrar (Note)	Such company was no longer carrying on business or in operation prior to its application of dissolution
Bridgex Precast Sdn. Bhd.	Dormant	25 January 2019	Dissolved by Registrar (Note)	Such company was no longer carrying on business or in operation prior to its application of dissolution

Note: Pursuant to section 308 of the Companies Act 1965 or section 551 of the Companies Act 2016, where the Registrar has reasonable cause to believe that a company is not carrying on business, or in operation, the Registrar may strike the name off the register after the expiration of a specified period.

Datuk Tan confirmed that there was no wrongful act on his part leading to the dissolution of the entities above, which were solvent immediately prior to the dissolution and he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of these entities.

Datuk Tan is the father of Mr. Andy Tan and Ms. Tan Xin Yi, our executive Directors.

Mr. Andy Tan, aged 31, was appointed as our Director on 30 May 2025 and was redesignated as our executive Director on 17 June 2025. Mr. Andy Tan is primarily responsible for overseeing and improving the efficiency of our Group's day-to-day operations. He is also a member of the Nomination Committee.

Mr. Andy Tan has more than seven years of experience in the transportation infrastructure engineering industry. From December 2017 to February 2018, he worked as a junior engineer at BBSB Holdings. From March 2019 to April 2021, he worked as an engineer at T.Y. Lin International Sdn. Bhd., a company principally engaged in the provision of civil and structural engineering consultancy services. He re-joined our Group as an engineer in June 2021 and has been promoted as a senior engineer in May 2024 and an operation manager in January 2025. He was also a director of Bridgex from February 2024 to June 2024, where he was mainly responsible for providing technical advice to Bridgex.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Andy Tan obtained a degree of Bachelor of Environments and a degree of Master of Engineering in the University of Melbourne, Australia in December 2016 and December 2018, respectively. Mr. Andy Tan was admitted as a graduate of The Institution of Engineers, Malaysia in January 2024 and was registered as a graduate engineer of the Board of Engineers Malaysia in the branch of civil engineering since July 2019.

Mr. Andy Tan is the son of Datuk Tan and the brother of Ms. Tan Xin Yi, our executive Directors.

Ms. Tan Xin Yi, aged 29, was appointed as our Director on 30 May 2025 and was redesignated as our executive Director on 17 June 2025. Ms. Tan is primarily responsible for overseeing all aspects of human resources within our Group, including recruitment, administration, training, compensation, benefits and employee relations. She is also a member of the Remuneration Committee.

Ms. Tan has more than four years of experience in the field of human resources management. She joined our Group in December 2021 as a human resources executive, where she was primarily responsible for recruitment, employee record management, benefits administration and compliance with company policies and Malaysia labour laws. She has been promoted as a human resources manager of our Group since January 2025, mainly responsible for recruitment, onboarding, employee relations, training and development.

Ms. Tan obtained an advance diploma of Hospitality from William Angliss Institute, Australia in July 2016 and a degree of Bachelor of Business Administration in International Hotel Management with Hospitality Entrepreneurs from Les Roches Global Hospitality Education, Switzerland in January 2020.

Ms. Tan is the daughter of Datuk Tan and the sister of Mr. Andy Tan, our executive Directors.

Independent non-executive Directors

Mr. Lee Tuan Meng, aged 65, was appointed as our independent non-executive Director on 16 December 2025. He is the chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. He is primarily responsible for providing independent advice to the Board, advising on corporate accounting and financial matters.

Mr. Lee has more than 23 years of experience in accounting, taxation, treasury, auditing, operational strategy and project management. From October 2002 to September 2017, he worked as a general manager at UMW Toyota Motor Sdn. Bhd., a motor vehicle manufacturer, where he was primarily responsible for developing corporate strategies. From September 2017 to February 2021, he was employed by IOI Global Services Sdn. Bhd. as the group chief financial officer of IOI Corporation Berhad (stock code: 1961), a company listed on the Main Market of Bursa Malaysia Securities Berhad, where he was mainly responsible for accounting, finance and risk management. In January 2022, he re-joined UMW Toyota Motor Sdn. Bhd. and has been serving as a general manager for its corporate planning division. He has also been appointed as an independent non-executive director of Focus Point Holdings Berhad (stock code: 0157), a company listed on the Main Market of Bursa Malaysia Securities Berhad, since January 2022.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Lee has been a registered accountant of the Malaysian Institute of Accountants since July 1992. He has been a Certified Public Accountant of The Malaysian Institute of Certified Public Accountants (formerly known as the Malaysian Association of Certified Public Accountants) since September 1990.

Mr. Ooi Kim Chai, aged 68, was appointed as our independent non-executive Director on 16 December 2025. He is the chairman of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee. He is primarily responsible for providing independent advice to the Board, advising on corporate governance and financial matters.

Mr. Ooi has more than 30 years of experience in insurance and financial services. From October 1995 to March 1998, he worked as a general manager at the Guangzhou branch of American International Assurance Company Limited, a leading insurance company, where he was primarily responsible for overseeing the daily operation and development of the insurance business of the Guangzhou Branch, a company principally engaged in underwriting of life insurance business. From May 1998 to December 2000, he worked as a chief operating officer at Hong Leong Assurance Berhad, a company principally engaged in underwriting of life insurance business. From January 2002 to May 2005, he worked as a general manager at Generali China Life Insurance Co. Ltd., a company principally engaged in the provision of life, health and other insurance products. From June 2005 to August 2007, he worked as a chief operating officer for South East Asia at Generali Asia. From September 2007 to March 2010, he worked as a managing director at Future Generali India, a private general insurance company. From April 2010 to February 2012, he worked as a chief innovation officer at Generali Asia, where he was primarily responsible for promoting and sharing of innovation methodology, mindset and projects within the organisation in Asia and Europe, and the managing director at Future Generali India, where he was primarily responsible for leading the establishment of the company and managing its business operations. From March 2012 to February 2017, he served as a director at Generali Financial Asia Limited, a company principally engaged in the distribution of financial products. Since November 2018, he has worked as general manager of Guangzhou Hongtai Century New Energy Co., Ltd.* (廣州鴻泰世紀新能源有限公司), a company principally engaged in new energy research and experimental development. He founded Guangzhou Hongtai Century Management Consulting Co., Ltd.* (廣州鴻泰世紀管理諮詢有限公司), a company principally engaged in the provision of management consultation services to businesses, and has worked as a general manager since December 2021.

Mr. Ooi graduated from National Cheng Kung University, Taiwan in June 1983 with a degree of Bachelor of Science in Civil Engineering. In July 1986, he obtained a diploma in Business Studies from The Institute of Commercial Management, a professional body for commercial and business development staff in the United Kingdom. He obtained a doctoral degree in Political Economics from Wuhan University, PRC in December 2003 and a post-doctoral degree in Applied Economics from Chinese Academy of Social Sciences, PRC in November 2009.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Ooi was a director of the following company which was incorporated or registered in Malaysia before its dissolution:

Name of company	Nature of business	Date of dissolution	Means of dissolution	Reasons for dissolution
Prima Gold Enterprise Sdn. Bhd.	Property development	17 May 2023	Dissolved by Registrar (<i>Note</i>)	Such company was no longer carrying on business or in operation prior to its application of dissolution

Note: Pursuant to section 551 of the Companies Act 2016, where the Registrar has reasonable cause to believe that a company is not carrying on business, or in operation, the Registrar may strike the name off the Registrar after the expiration of a specified period.

Mr. Ooi confirmed that there was no wrongful act on his part leading to the dissolution of the above company which was solvent immediately prior to the dissolution and he is not aware of any actual or potential claim that has been or will be made against him as a result of the dissolution of the company.

Ms. Norkamaliah Binti Hashim, aged 53, was appointed as our independent non-executive Director on 16 December 2025. She is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. She is primarily responsible for providing independent advice to our Board, advising on strategic fit, financial viability, and associated risks to support informed decision-making.

Ms. Hashim has more than nine years of experience in property valuation and corporate governance. Since June 2016, she has worked as a senior valuation executive at Transasia Property Consultancy Sdn. Bhd. a consultancy firm providing related services in property valuation, real estate agency and property management. She has also been a director of Jetour Automobile Malaysia Sdn. Bhd., a company engaged in sale of motor vehicles, since April 2024. She had been an independent non-executive director of Pasukhas Group Berhad (stock code: 0177), a company listed on ACE Market of Bursa Malaysia Securities Berhad, from July 2017 to September 2020.

Ms. Hashim obtained a diploma in Estate Management from Institute Teknologi Mara Malaysia in March 1997 and a degree of Bachelor of Estate Management from Universiti Teknologi Mara, Malaysia in November 2007.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Ms. Hashim was a director of the following companies which were incorporated or registered in Malaysia before their dissolution:

Name of company	Nature of business	Date of dissolution	Means of dissolution	Reasons for dissolution
Amieprint Design Sdn. Bhd.	(i) Providing tailoring services and designing of clothes, fashion apparel and accessories, (ii) buying and selling fashion designer clothes, apparel and accessories and (iii) investment company	16 June 2017	Dissolved by Registrar (Note)	Such company was no longer carrying on business or in operation prior to its application of dissolution
Dualsail (M) Sdn. Bhd.	General merchants and general contractors	8 May 2008	Dissolved by Registrar (Note)	Such company was no longer carrying on business or in operation prior to its application of dissolution
Garisan Atur (M) Sdn. Bhd.	Trading	8 May 2008	Dissolved by Registrar (Note)	Such company was no longer carrying on business or in operation prior to its application of dissolution
Kasakraf Sdn. Bhd.	Dormant	13 March 2008	Dissolved by Registrar (Note)	Such company was no longer carrying on business or in operation prior to its application of dissolution

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Name of company	Nature of business	Date of dissolution	Means of dissolution	Reasons for dissolution
Konsep Nusantara Sdn. Bhd.	Construction, road works and electrical	15 February 2019	Dissolved by Registrar (Note)	Such company was no longer carrying on business or in operation prior to its application of dissolution

Note: Pursuant to section 308 of the Companies Act 1965 or section 551 of the Companies Act 2016, where the Registrar has reasonable cause to believe that a company is not carrying on business, or in operation, the Registrar may strike the name off the registrar after the expiration of a specified period.

Ms. Hashim confirmed that there was no wrongful act on her part leading to the dissolution of the companies above, which were solvent immediately prior to the dissolution and she is not aware of any actual or potential claim that has been or will be made against her as a result of the dissolution of these companies.

Disclosure of Relationships as Required under Rule 17.50(2) of the GEM Listing Rules

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or Substantial Shareholders of our Company as at the Latest Practicable Date; (iii) did not hold any other directorships in public companies of which the securities are listed on any securities market in Hong Kong and/or overseas in the three years immediately prior to the Latest Practicable Date; and (iv) did not have any interests in any business apart from business of our Group which competes or is likely to compete, either directly or indirectly, with business of our Group. As at the Latest Practicable Date, save as disclosed in the section headed “Substantial Shareholders” and the sub-section headed “Statutory and General Information – C. Further information about Directors, management and staff” in Appendix V to this document, each of our Directors did not have any interest in our Shares within the meaning of Part XV of the SFO.

Please refer to Appendix V to this document for further information about our Directors, including details of the interests of our Directors in the Shares and underlying shares of our Company (within the meaning of Part XV of the SFO) and particular of their service contracts/letters of appointment and remunerations. Except as disclosed in this document, each of our Directors has confirmed that there is no other matter relating to his/her appointment as a Director that needs to be brought to the attention of our Shareholders and there is no information which is required to be disclosed pursuant to Rule 17.50(2) of the GEM Listing Rules.

Each of our Directors has confirmed that he/she has obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law on 18 June 2025, as regards the requirements under the GEM Listing Rules that are applicable to him/her as a Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Each of our Directors has confirmed he/she understood his/her obligations as a director of a [REDACTED] issuer.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

SENIOR MANAGEMENT

The following table sets out certain information concerning our senior management:

Name	Age	Position	Date of joining our Group	Role and Responsibilities	Relationships amongst Directors and senior management
Mr. Liew Chen Keong	53	Head of Contract	1 June 2010	Overseeing and leading the operation of contract department of our Group	None
Mr. Goh Chong Yong	44	Project Director	1 July 2007	Overseeing projects from planning to delivery	None
Mr. Lee Soon Pok	46	Project Director	1 July 2007	Overseeing and leading the operation of project department and managing projects	None
Ms. Tan Li Shin	37	Head of finance department and accountant	7 December 2020	Overseeing and leading the accounting and financial reporting functions of our Group	None

Mr. Liew Chen Keong, aged 53, is the head of contract department of our Group and is primarily responsible for overseeing and leading the operation of contract department of our Group.

Mr. Liew has more than 23 years of experience in the construction industry. From August 2002 to December 2004, he worked as a senior contracts administrator at HSS Engineering Sdn. Bhd., a company principally engaged in the provision of engineering and project management services, where he was primarily responsible for contract administration and quality control. From January 2007 to May 2010, he worked as an assistant contracts manager at Realis Sdn. Bhd., a company principally engaged in road and building construction, where he was primarily responsible for contract administration and quality control. He joined our Group in June 2010 as a contract manager and has been promoted as the head of contract since January 2021.

Mr. Liew obtained a diploma of Quantity Surveying from Institut Teknologi Pertama, Malaysia in December 1994 and a master degree of Business Administration (via distance learning) from The University of Derby, United Kingdom in December 2013.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Mr. Goh Chong Yong, aged 44, is the project director of our Group and is primarily responsible for overseeing projects from planning to delivery.

Mr. Goh has more than 19 years of experience in the construction industry. From March 2006 to June 2007, he worked as a project engineer at Bridgex Sdn. Bhd., where he was primarily responsible for liaising with consultants and customer representatives for daily site activities. He joined our Group in July 2007 as a project engineer and successively worked as a senior project engineer from March 2011 to August 2015, an assistant project manager from August 2015 to December 2016, a project manager from January 2017 to December 2020 and a project director since January 2021.

Mr. Goh obtained a diploma and an advanced diploma in Technology (Building) from Kolej Tunku Abdul Rahman, Malaysia in May 2002 and March 2004, respectively. He obtained a degree of Bachelor of Science in Building Construction Management from Sheffield Hallam University, United Kingdom in September 2004.

Mr. Lee Soon Pok, aged 46, is the project director of our Group and is primarily responsible for overseeing and leading the operation of project department and managing projects.

Mr. Lee has more than 20 years of experience in the construction industry. From July 2005 to June 2007, he worked as an engineer at Bridgex Sdn. Bhd., where he was mainly responsible for coordinating with consultants and subcontractors to resolve technical matters. He joined our Group in July 2007 as a project engineer and successively worked as a senior engineer from July 2011 to March 2013, an assistant construction manager from April 2013 to December 2015, an assistant project manager from January 2016 to August 2017, a project manager from August 2017 to December 2020 and a project director since January 2021.

Mr. Lee obtained a degree of Bachelor of Science in Engineering from National Taiwan University, Taiwan in June 2003.

Ms. Tan Li Shin, aged 37, is the head of finance department and accountant of our Group. She is primarily responsible for overseeing and leading our Group’s accounting and financial reporting functions.

Ms. Tan has more than 13 years of experience in the accounting field. From August 2012 to August 2014, she worked as a senior audit assistant at Kreston John & Gan, where she was mainly responsible for performing audit engagements, tax compliance matters and other advisory works related to internal control on accounting system. From October 2014 to March 2016, she served as an accounts executive at Prominent Xtreme Sdn Bhd and was mainly responsible for financial reporting, tax and compliance matters. From April 2016 to November 2020, she joined Sin Heap Lee Development Sdn Bhd as a finance executive, mainly responsible for financial reporting, annual projection and financial analysis, tax and compliance matters. After that, Ms. Tan joined our Group in December 2020 as an accountant and now heads our finance department.

Ms. Tan obtained a Bachelor of Accountancy (Honours) degree from Universiti Putra Malaysia in 2012. She is a Chartered Accountant (Malaysia) and a member of the Malaysian Institute of Accountants.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Save as disclosed above, as at the Latest Practicable Date, none of our senior management had any directorships in any listed company over the past three years and none of our senior management had any relationship with any Director, senior management, substantial Shareholders or Controlling Shareholders.

COMPANY SECRETARY

Ms. Lee Mei Yi (李美儀) was appointed as our company secretary on 17 June 2025. Ms. Lee is an executive director of company secretarial services of Tricor Services Limited, a global professional services provider specialising in integrated business, and corporate and investor services. Ms. Lee has over 28 years of experience in the corporate secretarial and governance service field. She has been providing professional corporate secretarial and compliance services to companies listed on the Stock Exchange as well as multinational, private and offshore companies. Currently, she serves as the company secretary or joint company secretary for several companies listed on the Stock Exchange.

Ms. Lee obtained a bachelor’s degree with honors in accountancy from City University of Hong Kong (香港城市大學) in Hong Kong in November 1992. She is a Chartered Secretary and a Chartered Governance Professional, and obtained fellowship in October 2012 of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

COMPLIANCE ADVISER

Our Company has appointed Lego Corporate Finance Limited as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules and the compliance adviser will advise us in the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction under the GEM Listing Rules, is contemplated, including share issues, sales or transfer of treasury shares and share repurchases;
- (iii) where we propose to use the [REDACTED] of the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate (if any) or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry to us regarding unusual movements in the [REDACTED] or [REDACTED] of our [REDACTED] or other matters in accordance with Rule 17.11 of the GEM Listing Rules.

The term of the appointment shall commence on the [REDACTED] and end on the date which we distribute our annual report of our financial results for the first full financial year commencing after the [REDACTED].

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

BOARD COMMITTEES

Audit Committee

We have established an Audit Committee on 16 December 2025 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and code provision D.3.3 of the Corporate Governance Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of our Group. The Audit Committee comprises three members, namely Mr. Lee Tuan Meng, Mr. Ooi Kim Chai and Ms. Norkamaliah Binti Hashim, all being our independent non-executive Directors. The Audit Committee is chaired by Mr. Lee Tuan Meng.

Remuneration Committee

We have established a Remuneration Committee on 16 December 2025 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision E.1.2 of the Corporate Governance Code. The primary duties of the Remuneration Committee are, amongst other things, to make recommendations to our Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management and on our Group’s policy and structure for all remuneration of our Directors and senior management. The Remuneration Committee comprises five members, namely Mr. Ooi Kim Chai, Ms. Norkamaliah Binti Hashim, Mr. Lee Tuan Meng, Datuk Tan and Ms. Tan Xin Yi. The Remuneration Committee is chaired by Mr. Ooi Kim Chai.

Nomination Committee

We have established a Nomination Committee on 16 December 2025 with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and code provision B.3.1 of the Corporate Governance Code. The Nomination Committee is mainly responsible for making recommendations to our Board on appointment of Directors and succession planning for our Directors. The Nomination Committee comprises five members, namely Mr. Ooi Kim Chai, Mr. Lee Tuan Meng, Ms. Norkamaliah Binti Hashim, Datuk Tan and Mr. Andy Tan. The Nomination Committee is chaired by Mr. Ooi Kim Chai.

CORPORATE GOVERNANCE

Our Directors recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of our Group for achieving effective accountability. Our Company has adopted the code provisions stated in the Corporate Governance Code as set forth in Appendix C1 to the GEM Listing Rules.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Datuk Tan is the chairman of our Board and the chief executive officer of our Company. Considering that Datuk Tan has been operating and managing our Group since 2004, our Board believes that it is in the best interests of our Group to have Datuk Tan holding both roles for effective management and business development. Therefore, our Directors consider that the deviation from code provision C.2.1 of the Corporate Governance Code is appropriate in such circumstance.

Our Company is committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

Our Directors are aware of that upon [REDACTED], we are expected to comply with such code provision. Any such deviation shall however be carefully considered, and the reasons for such deviation shall be given in the interim report and the annual report in respect of the relevant period. We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders as a whole and will comply with the code provisions set out in the Corporate Governance Code after the [REDACTED].

BOARD DIVERSITY POLICY

We have adopted the Board Diversity Policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to our business growth. Pursuant to the Board Diversity Policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, industry experience, ethnicity and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our Board comprises six members, including three executive Directors and three independent non-executive Directors. Our Directors have a balanced mix of experiences, including insurance and financial services, accounting and property valuation. Furthermore, the ages of our Directors range from 29 years old to 67 years old. We will take steps to promote gender diversity at all levels of our Company, including but without limitation at the Board and senior management levels. While we recognise that gender diversity at the Board level can be improved given its current composition of a majority of male Directors, we will continue to apply the principle of appointments based on merits with reference to our Board Diversity Policy as a whole.

Upon [REDACTED], two out of six of our Directors are female. Under the objectives of the Board Diversity Policy, we will give preference to female candidates on the succession planning of Directors. As female representation in senior roles throughout the industry and the pool of qualified females keeps growing, we expect to have more female members who would be qualified to sit on our Board in the future.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

We are also committed to adopting a similar approach to promote diversity of the management (including but not limited to the senior management) of our Company to enhance the effectiveness of our corporate governance.

Our Nomination Committee is responsible for ensuring the diversity of our Board. After the [REDACTED], our Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness and we will disclose the implementation of the Board Diversity Policy in our corporate governance report on an annual basis.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amounts of remuneration (including fees, salaries, allowances and benefits in kind, discretionary bonus and contributions to defined contribution plan) which were paid to our Directors for each of FY2023, FY2024 and 6M2025 were approximately RM758,000, RM991,000 and RM668,000, respectively.

Further details of the remuneration of our Directors are set out in the sub-section headed “Statutory and General Information – C. Further information about Directors, management and staff” in Appendix V to this document.

The five individuals whose emoluments were the highest in our Group include one, one and one Director for FY2023, FY2024 and 6M2025, respectively. The aggregate remuneration including salaries, allowances and benefits in kind, discretionary bonus, contributions to defined contribution plan and other employee benefits paid to our Group’s five highest paid individuals (excluding our Directors) for FY2023, FY2024 and 6M2025 were as follows:

	FY2023	FY2024	6M2025
	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>
Salaries, allowances and benefits in kind	1,009	1,115	605
Discretionary bonus	79	84	86
Contributions to defined contribution plan	92	95	52
Other employee benefits	55	112	135
	<u>1,235</u>	<u>1,406</u>	<u>878</u>

During the Track Record Period, no emolument was paid by our Group to any of the Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining our Group or as compensation for loss of office. None of our Directors has waived any emoluments during the Track Record Period.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Except as disclosed above, no other payments of remuneration have been made, or are payable, in respect of the Track Record Period, by our Group to or on behalf of any of the Directors. For additional information on Directors’ remuneration during the Track Record Period as well as information on the highest paid individuals, please refer to Note 11 in the Accountants’ Report set out in Appendix I to this document.

An aggregate sum of approximately HK\$2.2 million is expected to be paid to our Directors (including the independent non-executive Directors) as Directors’ fees and other emoluments by our Group for the year ending 31 December 2025 under the arrangements in force at the date of this document excluding discretionary bonus.

REMUNERATION POLICY

The Director’s fee for each of our Directors is subject to the Board’s review from time to time in its discretion after taking into account the recommendation of our Remuneration Committee. The remuneration package of each of our Directors is determined by reference to market terms, experiences, duties and responsibilities of that Director within our Group. Our Directors are entitled to statutory benefits as required by law from time to time such as pension.

Prior to the [REDACTED], the remuneration policy of our Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprises salary, contribution to pension schemes and discretionary bonuses relating to the profit of the relevant company. Upon and after the [REDACTED], the remuneration package of our Directors and the senior management will, in addition to the above factors, be linked to the return to the Shareholders. The Remuneration Committee will review annually the remuneration of all our Directors to ensure that it is attractive enough to attract and retain a competent team of executive members.

STAFF RELATIONS

Our Group recognises the importance of a good relationship with the employees. The remuneration payable to the employees includes basic salaries, allowances, commission, pension and bonus. The ability to recruit and retain experienced and skilled labour is crucial to the growth and development of our Group. In addition to providing the staff the opportunities to receive regular on-the-job trainings, our Group strives to create a harmonious and caring working environment for its staff.

Our Group has not experienced any significant problems with its employees save as those arising from ordinary course of business or disruption to the operations due to labour disputes, nor has our Group experienced any difficulties in the recruitment and retention of staff.

Please refer to the sub-section headed “Business – Employees” below to this document, for further detail relating to the number of staff, staff benefits and training policy of our Group.

DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 5.02D of the GEM Listing Rules on 18 June 2025, and (ii) understands his or her obligations as a director of a [REDACTED] issuer under the GEM Listing Rules.

Each of the independent non-executive Directors has confirmed (i) his or her independence as regards each of the factors referred to in Rules 5.09(1) to (8) of the GEM Listing Rules, (ii) he or she has no past or present financial or other interest in the business of our Company or its subsidiaries or any connection with any core connected person of our Company under the GEM Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his or her independence at the time of his/her appointments.

DIRECTORS’ COMPETING INTERESTS

As of the Latest Practicable Date, none of our Directors and their respective close associates are interested in any business which competes or is likely to compete, whether directly or indirectly, with the business of our Group which would require disclosure under Rule 11.04 of the GEM Listing Rules.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately after completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme), each of the following persons/entities have an interest or short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name	Capacity/Nature of interest	As at the Latest Practicable Date		Immediately after completion of the Capitalisation Issue and the [REDACTED]	
		Number of Shares (Note 1)	Approximate percentage of interests in our Company	Number of Shares (Note 1)	Approximate percentage of interests in our Company
BBSB Overseas (Note 2)	Beneficial owner	1 Share (L)	100%	[REDACTED] Shares (L)	[REDACTED]%
Datuk Tan (Note 2)	Interest in a controlled corporation	1 Share (L)	100%	[REDACTED] Shares (L)	[REDACTED]%
Datin Pan (Note 3)	Interest of spouse	1 Share (L)	100%	[REDACTED] Shares (L)	[REDACTED]%

Notes:

1. The letter “L” demonstrates long position.
2. BBSB Overseas is a company incorporated in the BVI and is owned as to 70% by Datuk Tan and as to 30% by Datin Pan, respectively. By virtue of the SFO, Datuk Tan is deemed to be interested in the Shares in which BBSB Overseas is interested.
3. Datin Pan is the spouse of Datuk Tan. By virtue of the SFO, Datin Pan is deemed to be interested in all the Shares held by Datuk Tan.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme), have an interest or short position in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

SHARE CAPITAL

SHARE CAPITAL

The following is a description of the share capital of the Company in issue and to be issued as fully paid or credited as fully paid immediately following the Capitalisation Issue and the [REDACTED], without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme:

Authorised share capital		HK\$
<u>1,000,000,000</u>	Shares of HK\$0.01 each	<u>10,000,000</u>
Issued and to be issued, fully paid or credited as fully paid		
1	Share in issue immediately prior to the [REDACTED]	0.01
[REDACTED]	Shares to be issued under the Capitalisation Issue	[REDACTED]
<u>[REDACTED]</u>	Shares to be issued under the [REDACTED]	<u>[REDACTED]</u>
<u>[REDACTED]</u>	Total	<u>[REDACTED]</u>

ASSUMPTIONS

The above table assumes that the Capitalisation Issue and the [REDACTED] become unconditional and the issue of Shares pursuant thereto is made as described herein. It takes no account of Shares which may be allotted and issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme or any Shares which may be allotted and issued or repurchased by our Company pursuant to the general mandates for the allotment and issue or repurchase of Shares granted to our Directors as referred to below or otherwise.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, at the time of the [REDACTED] and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of the total issued share capital of our Company (excluding treasury shares) in the hands of the [REDACTED] (as defined in the GEM Listing Rules).

RANKING

The [REDACTED] will be ordinary shares of our Company and will rank *pari passu* in all respects with all the Shares in issue or to be issued as mentioned in this document and will qualify for all dividends and other distributions declared, paid or made on the Shares in respect of a record date which falls after the [REDACTED] (except for the entitlement under the Capitalisation Issue).

SHARE CAPITAL

SHARE OPTION SCHEME

We have conditionally adopted the Share Option Scheme on 16 December 2025. The principal terms of the Share Option Scheme are summarised in the sub-section headed “Statutory and General Information – D. Share Option Scheme” in Appendix V to this document. As at the Latest Practicable Date, no option has been granted under the Share Option Scheme.

CAPITALISATION ISSUE

Pursuant to the written resolutions of our sole Shareholder passed on 16 December 2025 and subject to the conditions set out therein, our Directors were authorised to allot and issue a total of [REDACTED] Shares credited as fully paid at par to the Shareholders whose names appear on the register of members of our Company at the close of business on [REDACTED] in proportion to their respective shareholdings (save that no Shareholder shall be entitled to be allotted or issued any fraction of a Share) by way of capitalisation of the sum of HK\$[REDACTED] standing to the credit of the share premium account of our Company. The Shares so allotted and issued shall rank *pari passu* in all respects with the existing issued Shares (other than the right to participate in the Capitalisation Issue). For further details, please see the paragraphs headed “Statutory and General Information – A. Further information about our Company – 3. Written resolutions of our sole Shareholder” in Appendix V to this document.

GENERAL MANDATE TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general and unconditional mandate to allot, issue and deal with Shares with a total number not exceeding:

- (i) 20% of the total number of Shares in issue (excluding treasury shares) immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account of any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme); and
- (ii) the total number of Shares repurchased by our Company (if any) pursuant to the general mandate to repurchase Shares as described below.

Our Directors may, in addition to the Shares which they are authorised to issue under the mandate, allot, issue and [REDACTED] the Shares pursuant to a rights issue, exercise of subscription rights attaching to any warrants of our Company, scrip dividends or similar arrangements or the exercise of subscription rights attaching to share options under any Share scheme or similar arrangement for the time being adopted.

SHARE CAPITAL

This mandate shall remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws; or
- (iii) the passing of an ordinary resolution of our Shareholders in a general meeting revoking, varying or renewing such mandate.

For further details of the general mandate to allot and issue Shares, please refer to the paragraphs headed “Statutory and General Information – A. Further information about our Company – 3. Written resolutions of our sole Shareholder” in Appendix V to this document.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general and unconditional mandate to exercise all the powers of our Company to repurchase Shares on the Stock Exchange with a total number of not more than 10% of the total number of Shares in issue (excluding treasury shares) immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account of any Shares which may be allotted and issued by our Company pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme).

This mandate relates only to repurchases made on the Stock Exchange or on any other stock exchange on which the Shares are [REDACTED] (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with all applicable laws and the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraphs headed “Statutory and General Information – A. Further information about our Company – 6. Repurchase by our Company of its own securities” in Appendix V to this document.

This mandate shall remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or
- (iii) the passing of an ordinary resolution of our Shareholders in a general meeting revoking, varying or renewing such mandate.

For further details of the general mandate for the repurchase of Shares, please refer to the paragraphs headed “Statutory and General Information – A. Further information about our Company – 3. Written resolutions of our sole Shareholder” in Appendix V to this document.

SHARE CAPITAL

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

The circumstances under which general meeting is required are provided in the Articles of Association. For details, please refer to Appendix IV to this document.

FINANCIAL INFORMATION

You should read this section in conjunction with our combined financial statements, including the notes thereto, as set out in the Accountants’ Report in Appendix I to this document. The combined financial statements have been prepared in accordance with IFRSs.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. These statements are based on assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but not limited to, those discussed elsewhere in this document, particularly in “Risk Factors” and “Forward-looking Statements”.

The following discussion and analysis also contain certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

OVERVIEW

We are a civil engineering contractor in Malaysia with over 16 years of experience, specialising in providing bridge engineering services as a subcontractor for large-scale transportation infrastructure engineering projects. Our bridge engineering services primarily involve the design and construction of the entire girder bridge or any one or more of its sections with various structural configurations and span across roads and rivers together with the construction of connecting highways, roads and ancillary facilities related to the bridge. The projects we undertake are predominantly initiated or owned by the government or government-linked companies in Malaysia. During the Track Record Period, our Group was a subcontractor in all of the projects we undertook. For an overview of our business, please refer to the section headed “Business” of this document.

For FY2023, FY2024, 6M2024 and 6M2025, we recorded revenue of approximately RM76.8 million, RM133.0 million, RM69.8 million and RM74.0 million, respectively. Our Group recorded net loss of approximately RM14.5 million for FY2023, net profit of approximately RM26.2 million, RM12.1 million and RM3.2 million for FY2024, 6M2024 and 6M2025, respectively.

BASIS OF PRESENTATION

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 30 May 2025. In anticipation of the [REDACTED], we underwent the Reorganisation, after which our Company has become the holding company of the subsidiaries now comprising our Group. The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined cash flow statements are prepared as if the current group structure has been in existence throughout the Track Record Period. The combined statements of financial position as at 31 December 2023 and 2024 and 30 June 2025 present the assets and liabilities of the companies now comprising our Group, as if the current group structure has been in existence at those dates. No adjustment has been made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

FINANCIAL INFORMATION

Our Company has not been involved in any other business prior to the Reorganisation. The Reorganisation is merely a reorganisation of the [REDACTED] business and does not result in any changes in business substance, nor in any management or controlling shareholders of the [REDACTED] business, before and after the Reorganisation. Accordingly, the financial information of the companies now comprising our Group is presented using the carrying value of the [REDACTED] business for all periods present. Intercompany transactions, balances and unrealised gains/losses on transactions between group companies are eliminated on combination.

Details regarding the basis of presentation and preparation of our combined financial information for the Track Record Period are set out in note 2 to the Accountants’ Report in Appendix I to this document.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our results of operations and financial condition have been, and will continue to be, affected by a number of factors, including those set forth in the section headed “Risk Factors” of this document and the following factors, some of which may not be within our control.

The availability of transportation infrastructure engineering projects in Malaysia

We have relied heavily and will continue to focus on the provision of bridge engineering services for transportation infrastructure engineering projects in Malaysia, most of which are owned or initiated by the government or government-linked companies in Malaysia. These projects are finite in number and may be reduced if the government in Malaysia reduces its expenditure on infrastructure developments.

The nature, extent, timing and availability of transportation infrastructure engineering projects in Malaysia is generally determined, according to the CIC Report, by the interplay of a variety of factors including, but not limited to, the government’s policies for enhancing the nation’s transportation infrastructure development, Malaysia’s urbanisation process which would affect the demand for bridges connecting cities and suburban areas, Malaysia’s topographical characteristics, the tourism sector’s infrastructure needs and the advancement of bridge engineering techniques, etc. If there is any adverse change in any of these factors, the number of available transportation infrastructure engineering projects in Malaysia may reduce and our business, financial conditions and results of operations may be materially and adversely affected.

FINANCIAL INFORMATION

The competitive tendering or quotation process to secure contracts

During the Track Record Period and up to the Latest Practicable Date, our revenue was mainly derived from contracts awarded through competitive tendering or quotation process, which are not recurring in nature. There is no assurance that (i) we will continue to be invited to participate in or be made aware of the tendering or quotation opportunities for new projects; (ii) the terms and conditions of the new contracts will be comparable to those of the existing contracts; and (iii) our tenders or quotations would be selected by our customers in the future. Our ability to maintain competitiveness in the tendering or quotation process depends on a variety of factors, including the quality of our management, technical capabilities, financial strength, industry reputation, compliance with applicable regulations, and the commercial terms we offer. Failure to maintain our competitiveness in any of these areas, or failure to meet the qualification requirements imposed by our customers, may result in the loss of future business opportunities.

If we are unable to secure new projects through tenders or quotations, or if the number and value of such projects decline significantly, our business operations, revenue generation, and overall financial performance could be materially and adversely affected.

The accuracy in estimating our project costs and progress

Our projects are awarded to us through a competitive tendering or quotation process, under which we generally commit to fixed and pre-determined fees for the duration of the contract. In preparing a tender or quotation, we estimate the project costs based on numerous factors, mainly including (i) the anticipated quantity, type and costs of labour, construction materials and machinery required in the potential project; (ii) the estimated subcontracting costs and whether such costs include the provision of construction materials and machinery and equipment; (iii) the technical and structural complexity of the works involved and the expected project duration; (iv) historical fees we received for similar projects; and (v) the prevailing market conditions. There is no assurance that our tenders or quotations would not contain any mistake or error, which may be due to inaccurate estimation or our inadvertence or oversight of important terms or errors in calculating our project costs. If we submit a tender or quotation based on an incorrect cost estimate, we may nonetheless be contractually bound to perform the works at the agreed price, potentially resulting in a substantial loss.

In addition, even if our estimates are prepared with due care, unforeseen factors such as delays in project progress, changes in scope, subcontractors’ non-performance or underperformance, or cost inflation in labour, construction materials or equipment may result in actual costs exceeding our projections. For instance, if the actual progress of a project is slower than anticipated, or if there is any delay or extension in the project schedule of our customers or by other contractors in the same project, we may have to engage subcontractors and/or lease the required machinery for the extended period, hence incurring higher subcontracting costs or machinery rental costs than estimated. Any significant inaccurate estimation in the time and costs involved in a project may give rise to delays in the completion of works and/or cost overruns, which in turn may materially and adversely affect our financial conditions, profitability and liquidity.

FINANCIAL INFORMATION

The potential mismatch in the cash inflow from customers and cash outflow to suppliers and subcontractors

Our transportation infrastructure engineering projects and flood mitigation works commissioned by the government or government-linked companies in Malaysia are typically capital-intensive. At the initial stage of these projects, we often incur significant net cash outflows to cover project upfront costs, such as subcontracting fees, direct procurement costs and administrative costs. Under standard contract terms, our customers generally make monthly progress payments to us only after certification of work done. In addition, they are generally entitled to hold retention monies from their progress payments to us. Depending on the contract terms, half of these retention monies are generally released to us after practical completion of a project and the remaining half is normally released to us after the expiry of the defects liability period or upon receiving the certificate of making good defects.

Owing to the timing of these payments and the capital outlay required, there may be a significant mismatch between our cash inflows and outflows. This risk is heightened when we are engaged in multiple large-scale projects concurrently, particularly during the early stages when expenditure is the highest. If a substantial portion of our cash is tied up in retention monies or we experience delays in certification and receipt of payments or we are unable to recover our contract assets, our working capital position and liquidity may be materially and adversely affected.

The collectability of our contract assets and trade receivables

We are exposed to credit risk in connection with the recoverability of our contract assets and trade receivables. A contract asset represents our Group’s right to receive payments from customers in exchange for our works performed and are transferred to our customers but where such right has not yet become unconditional. Contract assets typically arise when our Group has performed our works under the relevant contracts but the works have yet to be certified by the quantity surveyors or other representatives appointed by our customers and/or our Group’s right to payment is still conditional on factors other than passage of time. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when our Group’s right to payment becomes unconditional other than passage of time.

There is no assurance that we will be able to bill and collect all or any part of the contract assets for our services completed according to the payment terms of the contracts.

Furthermore, delays in certification, payment disputes, or any financial difficulties of our customers could result in prolonged collection periods or even default. If we are unable to collect a substantial portion of our trade receivables in accordance with the payment terms or at all, our cash flows, working capital position and overall financial position will be materially and adversely affected.

FINANCIAL INFORMATION

SENSITIVITY ANALYSIS

For FY2023, our Group recorded a net loss of approximately RM14.5 million. For FY2024 and 6M2025, our net profit amounted to approximately RM26.2 million and RM3.2 million, respectively.

Fluctuation in our cost of services

Our key cost of services mainly consisted of subcontracting costs, labour costs and costs of construction materials and supplies. For FY2023, FY2024 and 6M2025, the aggregate subcontracting costs, labour costs and costs of construction materials and supplies represented approximately 91.5%, 95.9% and 96.9% of our total cost of services respectively.

Fluctuation in any of the subcontracting costs, labour costs and costs of construction materials and supplies will directly affect our profit during the implementation of our construction works. The following sensitivity analysis illustrates the impact of hypothetical fluctuations of subcontracting costs, labour costs and costs of construction materials and supplies (being the major components of our cost of services) on our profit before taxation during the Track Record Period. The hypothetical fluctuation rates for subcontracting costs and labour costs are set at 10% and 20%, which correspond to the approximate minimum and maximum percentage changes in the average daily wages of workers with skilled and semi-skilled trades critical to bridge construction in Malaysia from 2020 to 2024 as stated in the CIC Report (see paragraphs headed “Industry Overview – Overview of Malaysia’s bridge engineering industry – Cost analysis of the bridge engineering industry in Malaysia” in this document) and are therefore considered reasonable for the purpose of this sensitivity analysis. The hypothetical fluctuation rates for costs of construction materials and supplies are set at 5% and 10%, which correspond to the approximate minimum and maximum percentage changes in the average price of ready mixed concrete, cement and steel bars in Malaysia as stated in the CIC Report (see paragraphs headed “Industry Overview – Overview of Malaysia’s bridge engineering industry – Cost analysis of the bridge engineering industry in Malaysia” in this document).

Hypothetical fluctuation in subcontracting charges and labour costs

	(20)%	(10)%	10%	20%
Increase/(decrease) in profit before income tax				
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
FY2023	10,889	5,445	(5,445)	(10,889)
FY2024	17,482	8,741	(8,741)	(17,482)
6M2025	8,702	4,351	(4,351)	(8,702)

Hypothetical fluctuation in costs of construction materials

	(10)%	(5)%	5%	10%
Increase/(decrease) in profit before income tax				
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
FY2023	571	286	(286)	(571)
FY2024	1,549	775	(775)	(1,549)
6M2025	1,288	644	(644)	(1,288)

FINANCIAL INFORMATION

MATERIAL ACCOUNTING POLICIES

The financial information has been prepared in accordance with accounting policies which conform to the IFRSs. We have identified certain accounting policies that are significant to the preparation of our financial information and are important in understanding our financial condition and results of operations. The material accounting policies are set out in note 4 to the Accountants’ Report in Appendix I to this document. The principal accounting policies adopted are as follows:

Revenue recognition

Income is classified by our Group as revenue when it arises from the sales of good and the provision of services in the ordinary course of our Group’s business. Further details of our Group’s revenue recognition policies are as follows:

Revenue from construction contracts

Our Group’s construction contracts generally include promises to provide labour and materials, as well as a guarantee that the constructed asset is free from defects for a period of up to two years after completion (“**defect liability period**”) and our Group has determined that these contracts generally contain only a single performance obligation as there is significant integration of different promised goods or services underlying a construction contract. Our Group acts as a principal in these transactions as our Group is primarily responsible for fulfilling the promise to provide the services, the third party suppliers (including subcontractors) do not have a contractual relationship with the customer and our Group has discretion in establishing the prices and selecting the suppliers (including subcontractors).

Revenue is recognised as and when control of the asset is transferred to our customer and it is probable that our Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to our customer. Our Group has assessed that these construction contracts qualify for over time revenue recognition as the assets to be constructed have no alternative use for our Group, and our Group generally has enforceable rights to payment for performance completed to date. The stage of completion is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs of each contract. Transaction price in a contract is based on the price specified in the contract, net of penalties and sales and service taxes. Penalties represent a form of variable consideration and accumulated experience is used to estimate and provide for the penalties, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. At the end of each reporting period, our Group updates this estimates to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, a provision is recognised in accordance with note 4.13 to the Accountants’ Report in Appendix I to this document.

Our Group normally receives progress payment from customers on a monthly basis with reference to the value of works performed and our Group takes advantage of the practical expedient in IFRS 15.63 and does not adjust the consideration for any effects of a significant financing component as the period between when our Group receives consideration and transferring control of goods or service is one year or less.

FINANCIAL INFORMATION

Our Group requires certain customers to provide advance payment not exceeding 25% of total contract sum, subject to a cap of RM10 million. The deposit received by our Group before the project commences will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount received. If the value of the work performed exceeds payments received from a customer, a contract asset is recognised. Contract assets are transferred to trade receivables when the rights to consideration become unconditional. Our Group typically transfers its contract assets to trade receivables when progress certificate or invoice is issued. At each reporting date, contract asset is assessed for impairment on the same basis as trade receivable.

Our Group also agrees 10% of each progress payment as retention money, subject to a cap of 5% of the total contract sum, half of the retention money is generally released to us upon the practical completion of the project and the remaining half is generally released after the expiry of the defect liability period or upon receiving the certificate of making good defects. Retention receivables are initially classified as contract assets and is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the services performed comply with agreed upon specifications and such assurance cannot be purchased separately. Retentions receivable is intended to protect the customer from our Group’s failing to adequately complete its obligations under the contract, rather than for the provision of finance. Our Group accounts for this in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and had not accounted for as separate performance obligations and hence no consideration is allocated to them.

Contracts are subject to modifications due to changes in contract specifications and requirements. Modifications may be arisen from (i) variation orders, which involve additions, cancellations, modifications, or other changes to the initially agreed scope of work; and (ii) contract claims. When there is a change in the scope and/or change in price of a contract, or whenever our Group is entitled under the contract terms and there is legal basis for those claims, such modification is accounted for as if it were part of the existing contract. The modification on the contract sum and on our Group’s measures of progress towards the satisfaction of the performance obligation is recognised as an adjustment to revenue as at the date of the contract modification. Under the circumstances that our Group has incurred costs amounts in excess of the contract price for errors in specifications and designs or delays caused by customers, and our Directors are of the view that our Group is entitled under the contract terms and there is legal basis for those claims, such contracts claims are treated as contract modifications and respective adjustments are made to our revenue. Our Group recognises revenue from projects or variation orders pending the relevant customers’ acceptance or issue of payment certificates, which are recorded as unbilled revenue under contract asset. The modifications regarding contract claims require significant judgments of certain factors including, but not limited to, dispute resolution developments and outcomes, anticipated negotiation results, and the cost of resolving such matters.

For further details regarding our accounting policy relating to revenue recognition, please refer to “Revenue and other income” in note 4.6 to the Accountants’ Report in Appendix I to this document.

FINANCIAL INFORMATION

Financial instruments

(i) *Financial assets*

A financial asset (unless it is a trade receivables without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. Trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and their gross carrying amount is reduced by impairment losses.

(ii) *Impairment loss on financial assets*

Our Group recognises loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract and the cash flows that our Group expects to receive, discounted at the original effective interest rate. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Our Group measures loss allowances at an amount equal to 12 months ECLs, except when their credit risk has increased significantly since initial recognition, in which case, are measured at lifetime ECLs. Specifically, loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, our Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on our Group’s historical experience and informed credit assessment, that includes forward-looking information. Our Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

FINANCIAL INFORMATION

At each reporting date, our Group also assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by our Group on terms that our Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Our Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to our Group in full, without recourse by our Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which our Group is exposed to credit risk.

The gross carrying amount of a financial asset is written off when our Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when our Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

For further details regarding our accounting policy relating to financial instruments, please refer to “Financial instruments” in note 4.3 to the Accountants’ Report in Appendix I to this document.

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of our Group’s accounting policies, which are described in note 4 to the Accountants’ Report in Appendix I to this document, our Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Please refer to note 5 to the Accountants’ Report in Appendix I to this document for details.

SUMMARY OF RESULTS OF OPERATIONS

The following table sets forth a summary of financial information for the year/periods indicated regarding the financial results of our operations, which have been extracted from, and should be read in conjunction with, the Accountants’ Report as set out in Appendix I to this document.

	FY2023 <i>RM’000</i>	FY2024 <i>RM’000</i>	6M2024 <i>RM’000</i> (Unaudited)	6M2025 <i>RM’000</i>
Revenue	76,757	133,002	69,786	73,986
Cost of services	(65,767)	(107,338)	(59,192)	(58,180)
Gross profit	10,990	25,664	10,594	15,806
Other income and gains/(losses), net	1,822	2,362	1,492	1,310
Other operating expenses	(9,418)	(11,614)	(6,321)	(6,166)
(Provision for)/reversal of impairment losses under expected credit loss model, net	(15,870)	17,284	8,918	(83)
[REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	(622)	(423)	(296)	(109)
(Loss)/profit before income tax	(13,098)	33,273	14,387	5,943
Income tax expense	(1,362)	(7,084)	(2,275)	(2,742)
(Loss)/profit and total comprehensive income for the year/period attributable to owners of the Company	(14,460)	26,189	12,112	3,201

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DESCRIPTION OF SELECTED ITEMS OF OUR COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

During the Track Record Period, all our revenue was derived from provision of bridge engineering services for transportation infrastructure engineering projects and provision of other civil engineering services for a flood mitigation project, all of which were initiated or owned by the federal government or government-linked companies in Malaysia. For FY2023, FY2024, 6M2024 and 6M2025, our Group recorded revenue of approximately RM76.8 million, RM133.0 million, RM69.8 million and RM74.0 million, respectively.

As the duration of our projects (from the date of engagement to the date of completion) typically ranges from one to five years, our revenue generated during the Track Record Period was mainly derived from ongoing projects. Given the long-term nature of our projects, the fluctuation in our revenue is mainly due to the result of combined effect of the different progress of the different mix of the ongoing projects during the Track Record Period.

The following table sets forth a breakdown of our revenue by the type of civil engineering works undertaken by our Group for the years/periods indicated:

	FY2023		FY2024		6M2024		6M2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	(Unaudited)							
Bridge engineering works								
(Note)	74,594	97.2	123,208	92.6	64,263	92.1	73,148	98.9
Flood mitigation works	2,163	2.8	9,794	7.4	5,523	7.9	838	1.1
Total	76,757	100.0	133,002	100.0	69,786	100.0	73,986	100.0

Note: A typical bridge engineering project undertaken by our Group generally comprises both design and construction of the entire girder bridge or any one or more of its sections and/or the construction of the connecting highways, roads and other ancillary facilities such as drainage, sewerage, lightings and signages.

We undertake construction projects as subcontractors and all our revenue derived from subcontractor's works during the Track Record Period. During the Track Record Period, we had completed two notable projects related to (i) the SUKE Highway, a major urban expressway running from Sri Petaling to Ulu Kelang, Malaysia, and (ii) a major federal highway project in Peninsula Malaysia, designed to improve north-south connectivity and involving two states, namely Pahang and Kelantan. As at the Latest Practicable Date, we had five ongoing projects, which consist of four bridge engineering projects and one flood mitigation project, with an aggregate contract sum of approximately RM723.5 million.

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Please refer to the sub-section headed “Business – Our projects” in this document regarding the details of the completed and ongoing projects of our Group.

Our revenue increased from approximately RM76.8 million for FY2023 to approximately RM133.0 million for FY2024, which represented an increase of approximately 73.2%. Such increase was primarily attributable to the increase in revenue recognised from our projects, in particular, Project JB27 and Project JB28 which commenced in July and December 2022, respectively, which was partially offset by the decrease in revenue recognised from Project JB25 which was completed in August 2023, during the year.

Our revenue increased from approximately RM69.8 million for 6M2024 to approximately RM74.0 million for 6M2025, which represented an increase of approximately 6.0%. Such increase was primarily attributable to the increase in revenue recognised from Project JB28, which was partially offset by the decrease in revenue recognised from (i) Project JB30, which was completed in June 2024; (ii) Project JB27, mainly attributable to the unexpected progress delay; and (iii) Project JB31, which commenced in November 2023, during the period.

The following table summarises the revenue recognised for FY2023, FY2024, 6M2024 and 6M2025 from our projects which were (i) completed during the Track Record Period; (ii) ongoing during the Track Record Period and up to 30 June 2025; and (iii) completed before 1 January 2023:

Projects completed before the Track Record Period

	FY2023	FY2024	6M2024	6M2025
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Project JB03	(23)	–	–	–
Project JB15	2,691	4,002	–	–
Project JB16	(4)	–	–	–
Project JB22	(2,049)	–	–	–

Projects completed during the Track Record Period

	FY2023	FY2024	6M2024	6M2025
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Project JB25	12,940	1,421	–	–
Project JB30	12,771	12,229	12,229	–

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Projects which were ongoing during the Track Record Period and up to 30 June 2025

	FY2023	FY2024	6M2024	6M2025
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Project JB27	39,204	65,363	33,626	24,219
Project JB28	7,878	33,699	16,255	46,173
Project JB29	1,186	6,494	2,153	2,756
Project JB31	2,163	9,794	5,523	838

For FY2023, FY2024 and 6M2025, our Group recognised revenue pending customers' certification of approximately RM28.7 million, RM30.4 million and RM59.9 million, respectively, under the input method in accordance with IFRS 15. As at the Latest Practicable Date, approximately 100.0%, 98.5% and 73.4% of such revenue have been subsequently certified by customers. The remaining revenue pending customers' certification for FY2024 and 6M2025, which were derived from Project JB27, Project JB28 and/or Project JB31, are expected to be certified by customers within the similar timeframe based on customers' historical certification records, being within approximately one to three months.

Project JB27 commenced in July 2022 and is expected to be completed in April 2027. Our Group's recognised revenue from such project increased from approximately RM39.2 million for FY2023 to approximately RM65.4 million for FY2024, representing an increase by approximately 66.8%. Our Group's recognised revenue from such project decreased from approximately RM33.6 million for 6M2024 to approximately RM24.2 million for 6M2025, representing a decrease by approximately 28.0%. Such changes were in line with the project's progress and our Group's work done certified by our customer. While the revenue recognised from such project for FY2024 increased moderately after the initial stage, the decrease in revenue recognised from such project for 6M2025 as compared to 6M2024 was mainly attributable to the unexpected slowdown in project progress due to the unanticipated hard soil layers encountered during the course of earthwork in 6M2025. The removal of such hard layers is in progress and is expected to complete in the first quarter of 2026. No material delay in the overall progress of project has been resulted.

Project JB28 commenced in December 2022 and is expected to be completed in June 2027. Our Group's recognised revenue from such project increased from approximately RM7.9 million for FY2023 to approximately RM33.7 million for FY2024, representing a significant increase by approximately 326.6%. Our Group's recognised revenue from such project increased from approximately RM16.3 million for 6M2024 to approximately RM46.2 million for 6M2025, representing an increase by approximately 183.4%. Such increases were in line with the project's progress and our Group's work done certified by our customer.

Project JB25 commenced in September 2021 and was completed in August 2023, which involved step-in works to accelerate the completion of the unfinished works and the contract sum has been revised from time to time subject to the then amount left and portion assigned by the customer to us during the course of the project. Our Group's revenue recognised from the project decreased from approximately RM12.9 million for FY2023 to approximately RM1.4 million for FY2024, representing a decrease by approximately 89.1%. Such decrease was mainly attributable to the fact that the project was completed in August 2023, resulting in a decrease in work instructions received from, and therefore our work done certified by our customer during FY2024.

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Project JB31 commenced in November 2023 and is expected to be completed in April 2027. Our Group’s recognised revenue from such project increased from approximately RM2.2 million for FY2023 to approximately RM9.8 million for FY2024, representing a significant increase by approximately 345.5%, which was in line with the project’s progress and our Group’s work done certified by our customer. For 6M2025, our Group recognised revenue of approximately RM0.8 million from such project, which represented a decrease of approximately 85.5% from approximately RM5.5 million for 6M2024. As additional time is required by the customer and project owner and their respective quantity surveyors to evaluate certain construction design recommendations proposed by our Group to improve the cost-effectiveness and efficiency of the project, and relatively less work done performed by our Group, a decrease in revenue has been resulted during 6M2025.

For FY2023 and FY2024, our Group recognised revenue from Project JB15, which were completed in 2021, with an aggregate contract sum of approximately RM537.5 million. Revenue recognised for these two projects were related to post-completion adjustments and certification of work done finalised due to variation orders in FY2023 and FY2024, which amounted to approximately RM2.7 million and RM4.0 million, respectively. Based on the negotiation between our Group and Bridgex, the letter of award of Project JB15 were entered into on a re-measurement basis, pursuant to which an estimated contract sum was determined based on the agreed unit rates and the estimated quantities of work items. Under this arrangement, Bridgex would measure the actual quantities of works executed on site and our Group would be paid based on the actual work done. The revenue recognised in FY2023 and FY2024 in relation to Project JB15 comprised (i) works completed prior to the project’s practical completion in 2021, for which the final contract sum remained subject to post-completion adjustments arising from re-measurement of quantities of our Group’s work done; and (ii) additional works performed pursuant to variation orders issued by Bridgex after the project’s practical completion in 2021, which were mainly attributable to additional works in relation to the underground utilities relocation activities. These post-completion adjustments and variation orders were progressively finalised as our Group’s claims were certified by Bridgex after the practical completion of the project, as part of the ongoing process of closing the final accounts. Revenue recognition could occur may therefore take place prior to the issuance of such final accounts. According to CIC, (i) in the Malaysian civil engineering industry, it is not uncommon for additional revenue to arise from post-completion adjustments resulting from re-measurement of quantities and variation orders. Under Clause 11.1 of the Pertubuhan Akitek Malaysia (PAM) 2006 Form of Contract (a widely adopted industry-standard contract form in Malaysia’s civil engineering industry), such adjustments and variations may involve alterations or modifications to the design, quality or quantity of works, covering additions or substitutions of works, changes in standard of materials, removal of executed works or materials, and adjustments relating to working hours, site access, working space, or sequence of execution; (ii) the period for resolving such post-completion adjustments and variation orders is generally within one and a half to three years, and may extend up to five years after project completion with exceptionally complex terrain conditions or design alterations; and (iii) the timing for issuing final account statements varies with the closing of final accounts and issuance of final statements occasionally delayed for four to five years after completion.

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Our Group recorded reversal of revenue of approximately RM2.1 million during FY2023, which was primarily attributable to the reversal of revenue of approximately RM2.0 million for Project JB22. Such revenue mainly relates to preliminary design works performed by our Group for the project awarded by a customer in 2021. However, in FY2023, our Group and the customer mutually agreed to terminate the contract due to a change in the scope of work. As the termination constituted a contract modification under IFRS 15, our Group has reversed the relevant revenue in FY2023. For further detail, please refer to the paragraphs headed “Business – Customers – Major customers”.

Cost of services

Our cost of services primarily consisted of subcontracting costs, costs of construction materials and supplies and labour costs, which amounted to approximately RM65.8 million, RM107.3 million, RM59.2 million and RM58.2 million for FY2023, FY2024, 6M2024 and 6M2025, respectively. The following table sets forth a breakdown of our cost of services during for the years/periods indicated:

	FY2023		FY2024		6M2024		6M2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	(Unaudited)							
Subcontracting costs	46,006	70.0	77,900	72.6	47,576	80.4	37,877	65.1
Costs of construction								
materials and supplies	5,712	8.7	15,491	14.4	5,036	8.5	12,881	22.1
Labour costs	8,441	12.8	9,508	8.9	5,290	8.9	5,633	9.7
Rental costs of plant and								
machinery	2,234	3.4	1,593	1.5	658	1.2	1,102	1.9
Others (<i>Note</i>)	3,374	5.1	2,846	2.6	632	1.0	687	1.2
Total	65,767	100.0	107,338	100.0	59,192	100.0	58,180	100.0

Note: Others represent miscellaneous items include, among others, general and administrative expenses, depreciation cost of right-of-use assets, costs of consumables used in construction sites, and other unallocated expenses that are not related to a specific project, which individually represented less than 1.0% of the total cost of services for the respective year/period.

Our subcontracting costs represents the fees paid and payable to our subcontractors. We generally engage subcontractors on a project-by-project basis to perform labour-intensive works such as reinforced concrete structure works, beam casting works and road furniture works; and other works that require niche technical expertise, such as bored piling works, soil investigation works, environmental works, earthworks and geotechnical works where it would be cost prohibitive for us to maintain in-house capabilities. Our subcontracting costs, being the largest component of our cost of services, accounted for approximately 70.0%, 72.6%, 80.4% and 65.1% of our total cost of services, respectively, for FY2023, FY2024, 6M2024 and 6M2025. Please refer to the sub-section headed “Business – Subcontractors” in this document for further details on the subcontractors of our Group.

Our costs of construction materials and supplies represent the costs incurred on our purchase of construction materials and supplies from our suppliers.

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Our labour costs represent the salaries and benefits to our workers and staff who are directly involved in the construction works of our projects.

Our rental costs of plant and machinery represent the rental expenses incurred in relation to our rented machinery and equipment for our construction projects, such as sky lifts and motor vehicles.

Our cost of services increased from approximately RM65.8 million for FY2023 to approximately RM107.3 million for FY2024, representing an increase of approximately 63.1%. Such increase in our cost of services was mainly attributable to the increase in revenue leading to the increase in subcontracting costs, costs of construction materials and supplies and labour costs incurred in our ongoing projects during FY2024.

Our cost of services slightly decreased from approximately RM59.2 million for 6M2024 to approximately RM58.2 million for 6M2025, representing a decrease of approximately 1.7%. Such decrease in our cost of services was mainly attributable to the combined effects of (i) the increase in costs of construction materials and suppliers as incurred in our ongoing projects; and (ii) the decrease in subcontracting costs, which was mainly attributable to (i) the fact that no subcontracting costs were incurred for Project JB30 during 6M2025, which was completed in June 2024; and (ii) the decrease in subcontracting costs incurred for Project JB27, as our Group’s work has been slowed down due to the unanticipated hard soil layers encountered during 6M2025.

Gross profit and gross profit margin

For FY2023, FY2024, 6M2024 and 6M2025, our Group recorded gross profit of approximately RM11.0 million, RM25.7 million, RM10.6 million and RM15.8 million, representing gross profit margin of approximately 14.3%, 19.3%, 15.2% and 21.4%, respectively.

The following table sets forth a breakdown of our gross profit and gross profit margin by the type of civil engineering works undertaken by our Group for the years/periods indicated.

	FY2023		FY2024		6M2024		6M2025	
	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin	Gross profit	Gross margin
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bridge engineering works								
(Note)	10,404	13.9	23,012	18.7	8,920	13.9	15,579	21.3
Flood mitigation works	586	27.1	2,652	27.1	1,674	30.3	227	27.1
Total	10,990	14.3	25,664	19.3	10,594	15.2	15,806	21.4

Note: A typical bridge engineering project undertaken by our Group generally comprises both design and construction of the entire girder bridge or any one or more of its sections and/or the construction of the connecting highways, roads and other ancillary facilities such as drainage, sewerage, lightings and signages.

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During the Track Record Period, most of our gross profit was generated from the bridge engineering works. Our Group recorded gross profit derived from our bridge engineering works of approximately RM10.4 million, RM23.0 million, RM8.9 million and RM15.6 million, representing gross profit margin of approximately 13.9%, 18.7%, 13.9% and 21.3% during FY2023, FY2024, 6M2024 and 6M2025, respectively. For our flood mitigation works, our gross profit amounted to approximately RM0.6 million, RM2.7 million, RM1.7 million and RM0.2 million, representing gross profit margin of approximately 27.1%, 27.1%, 30.3% and 27.1% during FY2023, FY2024, 6M2024 and 6M2025, respectively.

Our Group’s gross profit margin varied from project to project during the Track Record Period, primarily attributable to numerous factors, including, (i) our pricing strategies, where our Group will assess the pricing of the project and the anticipated profitability of each project on a case-by-case basis; (ii) the scale, complexity and technical specifications of the project; (iii) the expected duration of the project; (iv) the progress of the project based on the required schedule of completion during the Track Record Period; (v) our estimated cost and the actual cost incurred for the project during the Track Record Period; (vi) the amount of rectification works performed during the defects liability period; (vii) other unexpected conditions at the works site; (viii) the variation orders; and (ix) the cost control measures of our Group.

In light of the above, the historical gross profit margin of our Group during the Track Record Period may not be indicative of our gross profit margin that may be achieved in the future. It is the aim of our Group to optimise its operational and financial resources to pursue the best-possible profitability for each of our projects.

Our gross profit increased by approximately 133.6% from approximately RM11.0 million for FY2023 to approximately RM25.7 million for FY2024, mainly attributable to the combined effects of (i) the increase in gross profit recorded from Project JB27, Project JB28, Project JB29 and Project JB31 during the year which commenced in second half of 2022 and in 2023; and (ii) the decrease in gross profit recorded from Project JB25 and Project JB30, which were completed in August 2023 and June 2024, respectively. Our gross profit increased by approximately 49.1% from approximately RM10.6 million for 6M2024 to approximately RM15.8 million for 6M2025, mainly attributable to the combined effects of (i) the increase in gross profit recorded from Project JB28 during the period; and (ii) the decrease in gross profit recorded from Project JB27 and Project JB31 during the period, primarily due to the reasons as explained in the paragraph headed “Revenue” in this section.

Our overall gross profit margin (i) increased from approximately 14.3% for FY2023 to approximately 19.3% for FY2024; and (ii) increased from approximately 15.2% for 6M2024 to approximately 21.4% for 6M2025, mainly attributable to the increase in gross profit derived from ongoing projects with relatively higher gross profit margins, mainly due to higher gross profit margin of Project JB28 and Project JB29, in which we were involved in the design process and provided our value engineering solutions to our customers to improve the efficiency and cost-effectiveness of the projects. While performing a preliminary value engineering assessment with existing internal technical personnel will incur only minimal additional costs for the Group, the optimisation suggestions derived from the assessment will enable the Group to submit a more competitive bid to customers and also enhance the project's profit margin.

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During the Track Record Period, the gross profit margin for flood mitigation works (Project JB31) was higher than that of bridge engineering works, because flood mitigation project covers both design and construction process; whereas the scope of bridge engineering works covers either (i) design and construction process (such as Project JB28 and Project JB29); or (ii) only construction process (such as Project JB27), which generally generate lower margins.

Other income and gains/losses, net

Our other income and gains/(losses), net mainly consisted of other services income, interest income from short-term deposit, interest income on other receivable and (loss)/gain on change in fair value of life insurance policy. During FY2023, FY2024, 6M2024 and 6M2025, our other income and gains/(losses), net amounted to approximately RM1.8 million, RM2.4 million, RM1.5 million and RM1.3 million, respectively.

The table below sets forth a breakdown of our other income and gains/(losses), net for the years/periods indicated:

	FY2023	FY2024	6M2024	6M2025
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
			(Unaudited)	
Other income				
Interest income on other receivables	630	–	–	–
Interest income from short-term deposits	393	380	228	89
Other services income	994	1,577	834	1,036
Others	128	353	326	15
Sub-total	2,145	2,310	1,388	1,140
Other (losses)/gains, net				
Gain on disposal of investment properties	–	–	–	50
Gain on disposals of property, plant and equipment	136	28	28	160
Reversal of impairment losses on investment properties	15	–	–	–
Change in fair value of life insurance policy	(474)	24	76	(40)
Sub-total	(323)	52	104	170
Total	1,822	2,362	1,492	1,310

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Our other income and gains/(losses), net increased from approximately RM1.8 million for FY2023 to approximately RM2.4 million for FY2024, mainly attributable to the combined effects of (i) the increase in other services income of approximately RM0.6 million, mainly attributable to the increase in administrative charges recognised from our subcontractors for the procurement of materials on behalf of the subcontractors and the provision of labour and rental of machinery to the subcontractors; and (ii) the absence of loss on fair value of life insurance policy of approximately RM0.5 million, which were partially offset by the absence of interest income on other receivable of approximately RM0.6 million during the year, which mainly represented the accretion of interest recognised from our non-current other receivables. Our other income and gains/(losses), net remained relatively stable at approximately RM1.5 million for 6M2024 and approximately RM1.3 million for 6M2025.

Other operating expenses

Our other operating expenses mainly comprised staff costs and other miscellaneous operating expenses. The table below sets forth a breakdown of our other operating expenses for the years/periods indicated:

	FY2023		FY2024		6M2024		6M2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
	(Unaudited)							
Staff cost	3,348	35.5	4,478	38.6	2,582	40.8	2,481	40.2
Professional fees	716	7.6	1,051	9.0	383	6.0	460	7.5
Depreciation	887	9.4	1,004	8.6	481	7.6	582	9.4
Directors' remuneration	758	8.0	991	8.5	545	8.7	668	10.8
Vehicle expenses	593	6.3	805	6.9	504	8.0	623	10.1
Repair and maintenance	435	4.6	380	3.3	93	1.5	75	1.2
Office supplies	363	3.9	356	3.1	82	1.3	96	1.6
Others	2,318	24.7	2,549	22.0	1,651	26.1	1,181	19.2
Total	9,418	100.0	11,614	100.0	6,321	100.0	6,166	100.0

Note: Others represent miscellaneous items include, among others, bank charges, entertainment and utilities expenses, which individually represented approximately 5.0% or less of the total other operating expenses for the respective year/period.

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Our staff costs represent the salaries, bonus and benefits to our staff who engaged in the administrative function of our Group, including general management personnel.

Our directors’ remuneration represents Directors’ salaries and other benefits, discretionary bonus and retirement benefit scheme contributions.

Our professional fee mainly includes fees to legal advisers, auditors and other professional advisers.

Our depreciation expenses represent the depreciation of the property, plant and equipment, right-of-use assets and investment properties of our Group.

Our vehicle expenses represent the operating expenses in relation to the use of motor vehicles for administrative purpose.

Our repair and maintenance expenses represent the costs incurred to repair and maintain our motor vehicles and office.

Our offices suppliers represent the costs incurred for printing, stationery and office refreshment.

For FY2023, FY2024, 6M2024 and 6M2025, our other operating expenses amounted to approximately RM9.4 million, RM11.6 million, RM6.3 million and RM6.2 million, respectively, representing approximately 12.2%, 8.7%, 9.0% and 8.4% of our total revenue for the respective corresponding financial years/periods, respectively. Our other operating expenses increased by approximately 23.4% in FY2024 as compared to FY2023, mainly due to (i) the increase in staff cost of approximately RM1.0 million as a result of increase in number of employees to support our business growth; (ii) the increase in Directors’ remuneration of approximately RM0.2 million primarily attributable adjustments to the salaries and benefits of our Directors; and (iii) the increase in professional fees by approximately RM0.3 million mainly attributable to the increase in our legal and audit fees incurred during the year. Our other operating expenses remained relatively stable at approximately RM6.3 million for 6M2024 and approximately RM6.2 million for 6M2025 .

Provision for/reversal of impairment losses under expected credit loss model, net

Our Group recorded a net provision for impairment losses of approximately RM15.9 million for FY2023, and a net reversal of impairment losses of approximately RM17.3 million for FY2024. Our Group recorded a net reversal of impairment losses of approximately RM8.9 million for 6M2024, and a net provision for impairment losses of approximately RM0.1 million for 6M2025.

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The net provision for impairment losses for FY2023 was mainly attributable to the provision for impairment losses on our contract assets of approximately RM10.0 million and RM8.8 million, respectively, arisen from our Group’s claims of prolongation costs mainly as a result of the COVID-19 pandemic for Project JB15 and Project JB16 that were completed in 2021, the customer’s certification of which was affected by the events beyond our control, including the unexpected extension of projects that caused significant cost overruns, resulting long overdue contract assets. Taking into consideration that the prolongation claims primarily comprised the additional costs incurred (i.e. subcontracting costs, costs of construction materials and supplies, labour costs, etc.) due to the unexpected extension of projects, which were of the same nature as other costs incurred for the projects prior to the unexpected delay and fell under the contract terms and conditions of letters of award, our Directors are of the view that the prolongation claims are legitimately made, and thus our Group was legally entitled to receive such claims. As such, according to IFRS 15, such amounts of claims have been recognised as part of the projects’ revenue during 2021.

During the course of audit of our Group’s financial information for FY2023, our Directors understand that the same employer of Project JB15 and Project JB16 has yet to certify the prolongation claims of all contractors involved, including those of our Group. Notwithstanding that the projects’ employer is a government-linked entity, it is noted that several legal proceedings had been filed by other parties/contractors involved in the projects in FY2023 in relation to long overdue claims and payments. Moreover, by the time of the finalisation of the audit of the FY2023 financial statements of our Group, the final accounts certification of the two projects still remained outstanding. Based on the impairment assessments conducted by our Directors and the independent valuer appointed by our Group, it is considered that the likelihood of recovering such claims has become increasingly uncertain. As a result, provision for impairment losses on the relevant contract assets shall be made for FY2023 in accordance with IFRS 9.

In respect of the long lapse of time for customers to issue final accounts certification after the completion of projects, according to CIC, (i) in the Malaysian civil engineering industry, it is not uncommon for customers to issue statements of final account after a material interval following project completion. This timing reflects the need to observe an operational proving or defects-liability period to verify quality performance and confirm the works function as intended, as well as the time required to consolidate and reconcile measurement records; and (ii) the duration for issuing final account statements varies. In some cases, the closing of final accounts and the issuance of final statements have been delayed for four to five years after completion.

A reversal of impairment losses on our trade receivables of approximately RM16.7 million was made for FY2024, as a result of the settlement of a long-outstanding progress payment due from a major customer, Bridgex, during the year, for which the provision of impairment loss was made in 2022, as a result of the impairment assessment on the project, which upstream client of our customer (i.e. the project’s employer) was in significant financial difficulty at the material time and being filed a winding up petition. However, no trade receivables were collected as at the corresponding year end date. Such event constituted an indicator of impairment. The outstanding trade receivables of approximately RM16.7 million has been fully settled by Bridgex to our Group in FY2024. As a result, a reversal of impairment losses should be made for FY2024 in accordance with IFRS 9. Bridgex confirmed that the source of funding of the payment to our Group in FY2024 is independent from our Company and its connected persons.

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[REDACTED] expenses

Our [REDACTED] expenses comprised professional and other expenses in relation to the [REDACTED]. For FY2023, FY2024, 6M2024 and 6M2025, our [REDACTED] expenses amounted to [REDACTED], [REDACTED], [REDACTED] and approximately RM[REDACTED], respectively.

Finance costs

During the Track Record Period, our finance costs mainly comprised interest on bank borrowings and interest expenses on lease liabilities. Our finance costs remained at relatively low levels of approximately RM0.6 million, RM0.4 million, RM0.3 million and RM0.1 million, respectively, for FY2023, FY2024, 6M2024 and 6M2025. The slight decrease in our finance costs during the Track Record Period was mainly attributable to the combined effects of the decrease in interest on borrowings and the increase in interest expenses on lease liabilities during the year/period.

Income tax expense

With the operation of our Group based in Malaysia, our Group is subject to income tax in accordance with the relevant tax regulations of Malaysia. The Malaysia income tax is provided for at the statutory tax rate of 24.0% on the estimated assessable taxable profits for each of the reporting period.

Under the current laws of the Cayman Islands and the BVI, our Group is not subject to any income tax in the Cayman Islands and the BVI.

Income tax expense of our Group amounted to approximately RM1.4 million, RM7.1 million, RM2.3 million and RM2.7 million for FY2023, FY2024, 6M2024 and 6M2025, respectively. While the Group recognised loss before income tax for FY2023, the income tax expense of approximately RM1.4 million was attributable to the tax effect of (i) expense not deductible for tax purpose of approximately RM0.5 million; and (ii) deductible temporary difference not recognised of approximately RM4.8 million. The income tax expense of our Group for FY2023, FY2024, 6M2024 and 6M2025 corresponded to effective tax rates of approximately -10.4%, 21.3%, 15.8% and 46.1%, which is calculated based on the income tax expense divided by profit before tax for the respective year/period. The relatively higher effective tax rate for 6M2025 was primarily attributable to the [REDACTED] expenses incurred during the period that were not deductible for tax purpose of approximately RM1.2 million.

Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, our Group had fulfilled all of our income tax obligations and had no unresolved income tax issues or disputes with the relevant tax authorities.

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Net loss/profit and net loss/profit margins

As a result of the forgoing, our net loss of approximately RM14.5 million for FY2023 has been turned around to a net profit of approximately RM26.2 million for FY2024, primarily attributable to the increase in revenue and gross profit, and the net reversal of impairment losses recognised during the year. Our Group recorded a net loss margin of approximately 18.8% for FY2023 and a net profit margin of approximately 19.7% for FY2024. Our net profit decreased from approximately RM12.1 million for 6M2024 to approximately RM3.2 million for 6M2025, representing a decrease of approximately 73.6%. Our net profit margin decreased from approximately 17.4% for 6M2024 to approximately 4.3% for 6M2025. Such decrease was mainly attributable to the combined effects of (i) the absence of net reversal of impairment losses recognised for 6M2025; and (ii) the [REDACTED] expenses incurred for 6M2025, which were partially offset by the increase in our revenue and gross profit during the period.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, one of the principal sources of liquidity of our Group has been our cash generated from our operations, where we generated net cash inflow from our operating activities for each year during the Track Record Period. Our primary liquidity requirements are to finance our working capital, and fund our capital expenditures and growth of our operations.

As at 31 December 2023, 2024 and 30 June 2025, our Group had cash and bank balances of approximately RM22.7 million, RM23.2 million and RM17.6 million, respectively, which were primarily held in RM. As at 31 December 2023, we recorded negative cash and cash equivalents of approximately RM0.5 million, which was attributable to the deposits pledged to licensed banks as securities for bank facilities of approximately RM18.4 million and the bank overdrafts of approximately RM4.8 million. The placement of such deposit for the bank facilities was mainly a result of the additional amount of pledged deposits required for banking facilities. As at 31 December 2024, our cash and cash equivalents increased to approximately RM15.3 million, which was mainly attributable to the withdrawal of deposits with licensed banks of approximately RM10.6 million and the repayment of bank overdrafts of approximately RM4.8 million. As at 30 June 2025, our cash and cash equivalents decreased to approximately RM9.1 million, which was mainly attributable to the deposits pledged to licensed banks as securities for bank facilities of approximately RM8.5 million. Going forward, our Group expects to continue to generate cash inflow from our operations as one of our principal sources of liquidity, and we may use a portion of the [REDACTED] from the [REDACTED] to finance a portion of our liquidity requirements. Please refer to the section headed “Future Plans and [REDACTED]” in this document for details. Our Directors believe that, in the long term, our Group’s operations will be funded by internal resources and, if necessary, bank borrowings.

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The table below sets forth the combined statements of cash flows for the years/periods indicated:

	FY2023 <i>RM'000</i>	FY2024 <i>RM'000</i>	6M2024 <i>RM'000</i> (Unaudited)	6M2025 <i>RM'000</i>
Net cash generated from/(used in)				
operating activities	8,543	49,507	18,335	(3,480)
Net cash (used in)/generated from				
investing activities	(1,911)	10,331	(77)	(383)
Net cash used in financing				
activities	<u>(7,250)</u>	<u>(44,027)</u>	<u>(16,353)</u>	<u>(2,379)</u>
Net (decrease)/increase in cash				
and cash equivalents	(618)	15,811	1,905	(6,242)
Cash and cash equivalents at the				
beginning of the year/period	<u>135</u>	<u>(483)</u>	<u>(483)</u>	<u>15,328</u>
Cash and cash equivalents at the				
end of the year/period	<u><u>(483)</u></u>	<u><u>15,328</u></u>	<u><u>1,422</u></u>	<u><u>9,086</u></u>
Represented by:				
Cash at bank and on hand	4,312	15,328	1,422	9,086
Deposits with licensed banks	<u>18,394</u>	<u>7,824</u>	<u>18,319</u>	<u>8,507</u>
Total cash and bank balances	22,706	23,152	19,741	17,593
Less:				
– Bank overdrafts	(4,795)	–	–	–
– Deposit pledged to licensed				
banks	<u>(18,394)</u>	<u>(7,824)</u>	<u>(18,319)</u>	<u>(8,507)</u>
Cash and cash equivalents at the				
end of the year/period	<u><u>(483)</u></u>	<u><u>15,328</u></u>	<u><u>1,422</u></u>	<u><u>9,086</u></u>

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Net cash generated from/(used in) operating activities

Our net cash generated from operating activities principally consisted of profit or loss before tax adjusted for non-cash items such as the provision for or reversal of impairment losses, change in fair value of life insurance policy, depreciation of plant and equipment and right-of-use assets. We derive our cash inflows from operating activities primarily from the receipt of progress payments from our customers for the provision of our construction services. Our cash outflows used in operating activities primarily include payments to subcontractors, suppliers, our workers and staff.

For FY2023, our net cash generated from operating activities was approximately RM8.5 million, which is based on our loss before tax of approximately RM13.1 million, having mainly adjusted for (i) the provision for impairment losses of approximately RM15.9 million; (ii) the interest income of RM1.0 million; (iii) the depreciation of right-of-use assets of approximately RM0.8 million; (iv) the finance costs of approximately RM0.7 million; (v) the change in fair value of life insurance policy of approximately RM0.5 million; and (vi) the depreciation of property, plant and equipment of approximately RM0.4 million. The difference between the operating cash flows before working capital changes and net cash flow generated from operating activities was mainly attributable to the combined effects of (i) the decrease in trade receivables, prepayments and other receivables of approximately RM8.5 million, mainly attributable to the settlement of trade receivables by our customers during the year; (ii) the increase in trade payables, accruals and other payables of approximately RM6.3 million, mainly attributable to the increase in subcontracting costs and costs of construction materials and supplies incurred from our subcontractors and suppliers during the year; (iii) the increase in contract assets of approximately RM7.7 million, mainly attributable to the increase in unbilled revenue derived from work done of our Group yet to be certified by our customers during the year; and (iv) the income tax paid of approximately RM2.6 million.

For FY2024, our net cash generated from operating activities was approximately RM49.5 million, which is based on our profit before tax of approximately RM33.3 million, having mainly adjusted for (i) the reversal of impairment losses of approximately RM17.3 million; (ii) depreciation of right-of-use assets of approximately RM0.8 million; (iii) the finance cost of approximately RM0.6 million; (iv) the interest income of approximately RM0.4 million; and (v) the depreciation of property, plant and equipment of approximately RM0.3 million. The difference between the operating cash flows before working capital changes and net cash flow generated from operating activities was mainly attributable to the combined effects of (i) the decrease in contract assets of approximately RM15.6 million, mainly attributable to the decrease in our retention receivables and unbilled revenue; (ii) the increase in trade payables, accruals and other payables of approximately RM10.9 million, mainly attributable to the increase in subcontracting costs and costs of construction materials and supplies incurred from our subcontractors and suppliers during the year; (iii) the decrease in trade receivables, prepayments and other receivables of approximately RM5.2 million, mainly attributable to the refund of deposit from our customer under other receivables during FY2023, arisen from the project that we and the customer mutually decided not to proceed due to their commercial concerns; and (iv) income tax paid of approximately RM2.2 million.

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For 6M2025, our net cash used in operating activities was approximately RM3.5 million, which is based on our profit before tax of approximately RM5.9 million, having mainly adjusted for (i) depreciation of right-of-use assets of approximately RM0.7 million; (ii) the gain on disposals of property, plant and equipment of approximately RM0.2 million; (iii) the finance cost of approximately RM0.2 million; (iv) the net reversal of impairment losses of approximately RM0.1 million; and (v) the depreciation of property, plant and equipment of approximately RM0.1 million. The difference between the operating cash flows before working capital changes and net cash flow used in operating activities was mainly attributable to the combined effects of (i) the increase in contract assets to approximately RM36.7 million, mainly attributable to the increase in our unbilled revenue and retention receivables; (ii) the decrease in trade receivables, prepayments and other receivables to approximately RM27.5 million, mainly attributable to the decrease in contract assets being certified by customers and transferred to trade receivables, primarily arisen from Project JB27 and Project JB28, as the customers adopted a more prudent approach to conduct conservative assessments of the significant work completed by our Group during the main execution phase of the projects, which require extended time to provide certifications; and (iii) income tax paid of approximately RM1.9 million.

Our Group has implemented and will continue strengthen the following measures to improve our net operating cash outflow position. Our Group will focus on enhancing revenue generation through securing more large-scale transportation infrastructure engineering projects in both Peninsular Malaysia and East Malaysia which allow for longer-term cash flow visibility. Our Group optimises working capital in a continuous manner by managing material costs, staff costs and subcontracting fees and streamlining accounts receivable, and controlling operating expenses by cutting unnecessary costs and negotiating better terms with suppliers. Additionally, our Group prepares monthly financial report to monitor performance and working capital sufficiency on a timely manner. Further, we have put in place policies to manage collection of trade receivables and unbilled revenue including: (i) monitoring and regularly updating the status and amount of funds received for each bill; (ii) compiling trade receivable ageing report on a monthly basis; (iii) reporting to head of contract in respect of bills that remain outstanding for over 90 days and to closely follow up with customers for settlement of the outstanding bills; and (iv) reporting to our executive Directors the reasons for bills that remain outstanding for over 180 days and issuing letter of demand and/or initiating legal action at management’s judgement.

Net cash (used in)/generated from investing activities

Our cash flows used in or generated from investing activities primarily consisted of (i) the placement or withdrawals of deposit pledged to licensed banks; (ii) purchases of property, plant and equipment; (iii) interest received from short-term deposit; (iv) proceeds from disposal of property, plant and equipment; and (v) payments on additions of right-of-use assets.

For FY2023, our net cash used in investing activities was approximately RM1.9 million, which was primarily as a result of (i) the placement of deposit pledged to licensed banks of approximately RM2.0 million; and (ii) purchases of property, plant and equipment of approximately RM0.4 million, being partially offset by (i) interest received from short-term deposit of approximately RM0.4 million; and (ii) proceeds from disposal of property, plant and equipment of approximately RM0.1 million.

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For FY2024, our net cash generated from investing activities was approximately RM10.3 million, which was primarily as a result of (i) the withdrawals of deposit pledged to licensed banks of approximately RM10.6 million; and (ii) interest received from short-term deposit of approximately RM0.4 million, being partially offset by (i) purchases of property, plant and equipment of approximately RM0.5 million; and (ii) payments on additions of right-of-use assets of approximately RM0.1 million.

For 6M2025, our net cash used in investing activities was approximately RM0.4 million, which was primarily as a result of (i) the placements of deposit pledged to licensed banks of approximately RM0.7 million; (ii) purchases of property, plant and equipment of approximately RM0.1 million; and (iii) payments on additions of right-of-use assets of approximately RM86,000, being partially offset by (i) the proceed from disposal of investment properties of approximately RM0.3 million; (ii) the proceed from disposal of property, plant and equipment of approximately RM0.2 million; and (iii) interest received from short-term deposit of approximately RM89,000.

Net cash used in financing activities

Our cash flows used in financing activities primarily consisted of (i) dividend payment; (ii) repayment of borrowings; (iii) payment of capital element of lease liabilities; and (iv) interest payment.

For FY2023, our net cash used in financing activities was approximately RM7.3 million, which was primarily due to (i) the dividend paid of RM5.0 million; (ii) the repayment of borrowings of approximately RM0.9 million; (iii) the payment of capital element of lease liabilities of approximately RM0.6 million; and (iv) the interest paid of approximately RM0.6 million.

For FY2024, our net cash used in financing activities was approximately RM44.0 million, which was primarily due to (i) the dividend paid of RM41.0 million; (ii) the repayment of borrowings of approximately RM1.6 million; (iii) the payment of capital element of lease liabilities of approximately RM0.8 million; and (iv) the interest paid of approximately RM0.4 million.

For 6M2025, our net cash used in financing activities was approximately RM2.4 million, which was primarily due to (i) the prepaid [REDACTED] expenses relating to new shares to be issued of approximately RM[REDACTED]; (ii) the repayment of borrowings of approximately RM0.8 million; and (iii) the payment of capital element of lease liabilities of approximately RM0.6 million.

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NET CURRENT ASSETS AND SELECTED ITEMS OF COMBINED STATEMENTS OF FINANCIAL POSITION

The table below sets forth our current assets and current liabilities as at the dates indicated:

	As at 31 December		As at 30 June	As at 31 October
	2023	2024	2025	2025
	RM'000	RM'000	RM'000	RM'000
				(unaudited)
Current assets				
Trade receivables, prepayments and other receivables	26,201	38,258	14,639	17,642
Contract assets	48,489	32,928	69,361	83,526
Current tax assets	305	–	–	–
Cash and bank balances	22,706	23,152	17,593	11,122
	<u>97,701</u>	<u>94,338</u>	<u>101,593</u>	<u>112,290</u>
Current liabilities				
Trade payables, accruals and other payables	37,938	43,812	43,563	50,952
Contract liabilities	–	2,562	4,291	3,734
Borrowings, secured	7,007	1,190	614	614
Lease liabilities	660	991	1,249	1,086
Current tax liabilities	–	1,833	2,711	94
	<u>45,605</u>	<u>50,388</u>	<u>52,428</u>	<u>56,480</u>
Net current assets	<u>52,096</u>	<u>43,950</u>	<u>49,165</u>	<u>55,810</u>

Our net current assets decreased from approximately RM52.1 million as at 31 December 2023 to approximately RM44.0 million as at 31 December 2024. Such decrease was primarily attributable to (i) the decrease in contract assets of approximately RM15.6 million; and (ii) the increase in trade payables, accruals and other payables of approximately RM5.9 million, which were partially offset by (i) the increase in trade receivables, prepayments and other receivables of approximately RM12.1 million; and (ii) the decrease in borrowings, secured of approximately RM5.8 million.

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Our net current assets increased from approximately RM44.0 million as at 31 December 2024 to approximately RM49.2 million as at 30 June 2025. Such increase was primarily attributable to the combined effects of the increase in contract assets of approximately RM36.4 million, which were partially offset by (i) the decrease in trade receivables, prepayments and other receivables of approximately RM23.6 million; (ii) the decrease in cash and bank balances of approximately RM5.6 million; (iii) the increase in contract liabilities of approximately RM1.7 million; and (iv) the increase in current tax liabilities of approximately RM0.9 million.

Based on the unaudited combined management accounts of our Group, our net current assets increased from approximately RM49.2 million as at 30 June 2025 to approximately RM55.8 million as at 31 October 2025, primarily attributable to the combined effects of (i) the increase in contract assets of approximately RM14.2 million; (ii) the increase in trade receivables, prepayments and other receivables of approximately RM3.0 million; and (iii) the decrease in current tax liabilities of approximately RM2.6 million, which were partially offset by (i) the increase in trade payables, accruals and other payables of approximately RM7.4 million; and (ii) the decrease in cash and cash balances of approximately RM6.5 million.

DESCRIPTION AND ANALYSIS OF SELECTED ITEMS OF OUR COMBINED STATEMENTS OF FINANCIAL POSITION

Investment properties

Our investment properties amounted to approximately RM7.4 million, RM7.3 million and RM4.8 million as at 31 December 2023, 2024 and 30 June 2025, respectively. Our investment properties comprise properties held for long term rental yields and/or for capital appreciation. We generated rental income of RM7,000 and RM5,000 from one of our investment properties for FY2024 and 6M2025, where the other properties remained vacant and our Group has been in the process of identifying suitable purchasers. On 22 April 2025, we disposed of one unit of a 2 ½-storey semi-detached house for a cash consideration of RM2.5 million, resulted in a gain of approximately RM50,000. Please refer to note 35 to the Accountants’ Report in Appendix I to this document for event of our Group which took place subsequent to 30 June 2025.

Investment in a life insurance policy

On 31 December 2022, our Group entered into a 7-year key man life insurance policy with investment component with an insurance company in respect of Datuk Tan’s life with sum assured of RM7.0 million. The beneficiary and policy holder are BBSB Holdings, an wholly owned subsidiary of our Company and our Group has paid the total contribution of approximately RM4.1 million at the inception of the policy. The Group initially recognised the policy at contribution paid and subsequently remeasured at fair value at each reporting period.

As at 31 December 2023, 2024 and 30 June 2025, the balance of the fair value of the investment in the life insurance policy was approximately RM3.6 million, RM3.6 million and RM3.6 million, respectively.

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Trade receivables, prepayments and other receivables

The following table sets forth a breakdown of our trade receivables, prepayments and other receivables as of the dates indicated:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Trade receivables	37,999	38,527	5,956
Less: Impairment losses	(18,169)	(1,473)	(1,135)
	<u>19,830</u>	<u>37,054</u>	<u>4,821</u>
Other receivables and deposits			
Consideration receivable from disposal of an investments property	–	–	2,250
Other receivables and deposits	5,704	19	5,355
Deposits	1,346	1,307	1,035
Less: Impairment losses	(692)	(135)	(409)
	<u>6,358</u>	<u>1,191</u>	<u>8,231</u>
Prepayments	13	13	33
Deferred [REDACTED] expenses	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	<u>13</u>	<u>13</u>	<u>1,587</u>
Total	<u>26,201</u>	<u>38,258</u>	<u>14,639</u>

Trade receivables

Our trade receivables represent the amounts receivable from customers, net of any identified impairment losses. Such receivables were primarily derived from our provision of bridge engineering works and flood mitigation works. Our Group typically submits monthly payment applications to our customers detailing the value of our work done in the preceding month, subject to a credit period of approximately 30 to 45 days from the date of certification in general.

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Under normal circumstances, changes in trade receivables were primarily driven by the actual progress of the projects, certification of work done, progress payments and settlement of our customers. Our trade receivables increased from approximately RM19.8 million as at 31 December 2023 to approximately RM37.1 million as at 31 December 2024. Such increase was mainly attributable to (i) the decrease in the net provision of impairment losses due to the absence of the impairment loss recognised on trade receivables being a long-outstanding progress payment due from a major customer, Bridgex, of approximately RM18.2 million as at 31 December 2023; and (ii) the progress payments receivables from customers in respect of notable projects, namely Project JB27 and Project JB28, which generated substantial revenue during FY2024. Our trade receivables decreased from approximately RM37.1 million as at 31 December 2024 to approximately RM4.8 million as at 30 June 2025. Such decrease was mainly attributable to (i) the settlement of outstanding trade receivables from Bridgex during 6M2025; and (ii) the decrease in contract assets being certified by customers and transferred to trade receivables during 6M2025, as the customers adopted a more prudent approach to conduct conservative assessments of the significant work completed by our Group for Project JB27 and Project JB28, which require extended time to provide certifications.

The table below sets forth an ageing analysis of our trade receivables, net of any identified impairment losses, based on the date:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Current	5,181	31,995	45
Within one year past due	4,786	4,672	4,776
In the first to second year past due	5,059	90	–
In the second to third year past due	13	285	–
In the third to fourth year past due	4,778	10	–
In the fourth to fifth year past due	13	2	–
After five years	–	–	–
	<u>19,830</u>	<u>37,054</u>	<u>4,821</u>

We have in place internal policies to manage collection of trade receivables and unbilled revenue including: (i) monitoring and regularly updating the status and amount of funds received for each bill; (ii) compiling trade receivable ageing report on a monthly basis; (iii) reporting to head of contract in respect of bills that remain outstanding for over 90 days and to closely follow up with customers for settlement of the outstanding bills; and (iv) reporting to our executive Directors the reasons for bills that remain outstanding for over 180 days and issuing letter of demand and/or initiating legal action based on management's judgement.

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Our Group adopts policy for impairment losses on trade receivables based on an evaluation of the ageing analysis and collectability of our trade receivables. We use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on our Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which may impact the debtors’ ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment loss allowance. Our management closely monitors the trade receivables and any overdue balances on an ongoing basis and assessments are made by the management on the collectability of overdue balances.

As at 31 December 2023, our trade receivables were not secured by any collaterals and were not subject to significant risk of concentration, except for amounts due from Bridgex, constituting approximately 51.0% of our total trade and other receivables (excluding prepayments).

As at 31 December 2024, our trade receivables were not secured by any collaterals and were not subject to significant risk of concentration, except for trade receivables from two customers, constituting approximately 71.5% of our total trade and other receivables (excluding prepayments).

As at 30 June 2025, our trade receivables were not secured by any collaterals and were not subject to significant risk of concentration, except for trade receivables from Bridgex, constituting approximately 37.9% of our total trade and other receivables (excluding prepayments). As at the Latest Practicable Date, approximately 81.5% of our trade receivables as at 30 June 2025 were subsequently settled. Our Group has not experienced any material default of the settlement of our trade receivables during the Track Record Period.

The table below sets forth the turnover days of our trade receivables during the periods indicated:

	FY2023	FY2024	6M2025
Trade receivables’ turnover days (<i>Note</i>)	108.7	78.1	51.8

Note: The number of trade receivables turnover days is calculated using the average balance of trade receivables divided by total revenue for the relevant period and multiplied by 365 days/183 days in the relevant year/period. Average balance of trade receivables is calculated as the sum of the beginning and the ending balance for the relevant year/period, divided by two.

Our trade receivables’ turnover days were approximately 108.7 days, 78.1 days and 51.8 days for FY2023, FY2024 and 6M2025, respectively. The relatively higher trade receivables’ turnover days for FY2023 was mainly attributable to the relatively higher beginning balance of our trade receivables for FY2023 due to the delay in payments from our customers, which were subsequently settled during FY2024. Our trade receivables’ turnover days decreased to approximately 51.8 days for 6M2025, which was primarily due to the relatively low level of trade receivables as at 30 June 2025, mainly attributable to (i) the settlement of outstanding trade receivables from Bridgex during 6M2025; and (ii) the decrease in contract assets being certified by customers and transferred to trade receivables during 6M2025.

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Other receivables and prepayments

Our other receivables and prepayments mainly comprised rental deposits, utilities deposits and prepayments of miscellaneous expenses. Our other receivables and deposits decreased from approximately RM5.7 million as at 31 December 2023 to approximately RM19,000 as at 31 December 2024, then increased to approximately RM5.4 million as at 30 June 2025, mainly attributable to the changes in the amount of consideration receivable from suppliers during the year/period.

Contract assets and contract liabilities

Contract assets

Our contracts assets primarily represent our Group’s rights to considerations from our customers for the provision of our construction services. Our contract assets represent: (i) unbilled revenue, which arise when our Group has performed our works under the relevant contracts but the works have yet to be certified by the quantity surveyors or other representatives appointed by our customers and/or our Group’s right to payment is still conditional on factors other than passage of time; and (ii) retention receivables, which arise when our customers withhold certain amounts payable to our Group as retention money to assume the services performed by us comply with the agreed upon specification, for a period of up to 24 months after practical completion of a contract (defects liability period). Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when our Group’s right to payment becomes unconditional other than passage of time.

The following table sets forth a breakdown of our contract assets as of the dates indicated:

	As at 31 December		As at 30 June
	2023	2024	2025
	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>
Contract assets arising from:			
Construction services			
– Unbilled revenue	51,267	47,011	80,260
– Retention receivables	18,412	7,070	10,492
Less: Impairment losses	(21,190)	(21,153)	(21,391)
	48,489	32,928	69,361

Please refer to note 21 to the Accountants’ Report in Appendix I to this document for further details of our contract assets.

FINANCIAL INFORMATION

Our contract assets are generally affected by numerous factors, including, (i) the total number of our projects; (ii) the total contract sum of our projects; (iii) the progress of our projects; (iv) the amount of completed work done by our Group at the time close to the end of each reporting period, estimated by the total budgeted costs and the actual costs incurred to date for the projects; (v) the point of time our customers certify our application of progress payments, which may vary from time to time; (vi) the value of work done certified by our customers; and (vii) depending on the contract terms, half of the retention money held by our customers may only be released to us upon practical completion of a project and the remaining half is generally released to us after the expiry of the defects liability period or upon receiving the certificate of making good defects.

Our contract assets amounted to approximately RM48.5 million as at 31 December 2023 and approximately RM32.9 million as at 31 December 2024. Such decrease was mainly attributable to the decrease in retention receivables and unbilled revenue during the year. As at 30 June 2025, our contract assets increased to approximately RM69.4 million, mainly attributable to the increase in unbilled revenue and retention receivables during the period.

Our retention receivables decreased from approximately RM18.4 million as at 31 December 2023 to approximately RM7.1 million as at 31 December 2024, mainly attributable to the release of retention money of completed project by our customer during FY2024. As at 30 June 2025, our retention receivables increased to approximately RM10.5 million, mainly attributable to the increase in retention money for Project JB28 and Project JB29.

Our unbilled revenue decreased from approximately RM51.3 million as at 31 December 2023 to approximately RM47.0 million as at 31 December 2024, mainly attributable to more of our Group’s work done being certified by our customers during FY2024, in particular, in Project JB15, Project JB30 and Project JB31. As at 30 June 2025, our unbilled revenue increased to approximately RM80.3 million, mainly attributable to the increase in unbilled revenue for Project JB27 of approximately RM25.4 million and Project JB28 of approximately RM34.8 million, as the customers adopted a more prudent approach to conduct conservative assessments of the significant work completed by our Group during the main execution phase of the projects, which require extended time to provide certifications.

The table below sets forth an ageing analysis of our unbilled revenue, net of any identified impairment losses, based on the date of recognition:

	As at 31 December		As at 30 June
	2023	2024	2025
	RM’000	RM’000	RM’000
Within one year	31,011	26,783	59,814
	<u>31,011</u>	<u>26,783</u>	<u>59,814</u>

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The table below sets forth an ageing analysis of our retention receivables, net of any identified impairment losses, based on the expected date of release:

	As at 31 December		As at 30 June
	2023	2024	2025
	RM'000	RM'000	RM'000
Within one year	15,025	2,153	2,156
In the first to second year	2,093	–	–
In the second to third year	–	–	–
In the third to fourth year	–	1,369	7,391
In the fourth to fifth year	360	2,623	–
	<u>17,478</u>	<u>6,145</u>	<u>9,547</u>

The retention receivables with expected timing of release of over three years arisen from our ongoing projects, being Project JB28, Project JB29 and Project JB31, which are expected to complete in June 2027, November 2028 and April 2027, respectively, resulting in the long-aged retention receivables.

The table below sets forth the turnover days of our trade receivables and contract assets (excluding retention receivables), during the periods indicated:

	FY2023	FY2024	6M2025
Trade receivables' and contract assets (excluding retention receivables) turnover days	286.5	157.4	158.9

Note: The number of trade receivables and contract assets (excluding retention receivables) turnover days is calculated using the average balance of trade receivables plus contract assets minus retention receivables and after allowance for doubtful debts/credit losses, divided by total revenue for the relevant period and multiplied by 365 days/183 days in the relevant year/period. Average balance of trade receivables and contract assets excluding retention receivables is calculated as the sum of the beginning and the ending balance for the relevant year/period, divided by two.

Our trade receivables' and contract assets (excluding retention receivables) turnover days were approximately 286.5 days, 157.4 days and 158.9 days for FY2023, FY2024 and 6M2025, respectively, which shared a similar trend as our trade receivables' turnover days during the periods. The relatively higher trade receivables' and contract assets (excluding retention receivables) turnover days for FY2023 was mainly attributable to the relatively higher amount of contract assets (excluding retention receivables) as at 31 December 2022, primarily arisen from our Group's claims of prolongation costs for projects completed in 2021, which was subsequently impaired by approximately RM18.8 million in FY2023, resulting in a relatively lower level of contract assets (excluding retention receivables) as at 31 December 2024. As at 30 June 2025, our trade receivables' and contract assets (excluding retention receivables) turnover days remained relatively stable at approximately 158.9 days.

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As at the Latest Practicable Date, approximately 75.5% of our contract assets (unbilled revenue) as at 30 June 2025 had been subsequently certified by our customers. In particular, as at the Latest Practicable Date, approximately 51.2% and 93.3% of the unbilled revenue for Project JB27 and Project JB28 as at 30 June 2025 had been subsequently certified by our customers.

Contract liabilities

Our Group requires certain customers to provide advance payment of not exceeding 25% of total contract sum, subject to a cap of RM10 million. The deposit received by our Group before the project commences will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount received.

The following table sets forth a breakdown of our contract liabilities as of the dates indicated:

	As at 31 December		As at 30 June
	2023	2024	2025
	RM'000	RM'000	RM'000
Contract liabilities arising from construction service	—	(2,562)	(4,291)

Our contract liabilities amounted to nil, approximately RM2.6 million and RM4.3 million as at 31 December 2023 and 2024 and 30 June 2025, respectively. The contract liabilities as at 31 December 2024 and 30 June 2025 was mainly attributable to (i) the advance payment received from our customer, which was the main contractor in a government project; (ii) the receipt in advance of services arisen from the excess amount of work done certified by a customer during the period.

As at the Latest Practicable Date, approximately 55.1% of our contract liabilities as at 30 June 2025 had been subsequently recognised as revenue. In particular, as at the Latest Practicable Date, approximately 57.8% of contract liabilities for Project JB29 and approximately 52.2% of contract liabilities for Project JB31 as at 30 June 2025 had been subsequently recognised as revenue.

Current tax assets and liabilities

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the relevant periods, taking into consideration interpretations and practices prevailing in the countries in which our Group operates. Our Group recorded current tax assets of approximately RM0.3 million, nil and nil as at 31 December 2023 and 2024 and 30 June 2025, respectively. Our Group recorded current tax liabilities of nil, approximately RM1.8 million and RM2.7 million as at 31 December 2023 and 2024 and 30 June 2025, respectively.

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Cash and bank balances

As at 31 December 2023 and 2024 and 30 June 2025, our cash and bank balances amounted to approximately RM22.7 million, RM23.2 million and RM17.6 million, respectively. Among which, deposits with licensed banks of approximately RM18.4 million, RM7.8 million and RM8.5 million were pledged to licensed banks as securities for bank facilities as at 31 December 2023 and 2024 and 30 June 2025, respectively.

Trade payables, accruals and other payables

The following table sets forth the breakdown of our trade payables, accruals and other payables as at the dates indicated:

	As at 31 December		As at 30 June
	2023	2024	2025
	RM'000	RM'000	RM'000
Trade payables			
Third parties	15,743	24,997	22,368
A related party	100	–	–
Retention payables	15,601	17,055	17,115
	<u>31,444</u>	<u>42,052</u>	<u>39,483</u>
Other payables and accruals			
Third parties	607	751	576
Directors	45	48	112
Deposits	–	2	2
Accrued staff costs	596	711	820
Accrued [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other accruals	207	239	–
Other tax and levy payables	39	9	13
Dividend payable	5,000	–	–
	<u>6,494</u>	<u>1,760</u>	<u>4,080</u>
Total	<u>37,938</u>	<u>43,812</u>	<u>43,563</u>

FINANCIAL INFORMATION

Trade payables

Our trade payables mainly represent (i) the payables to our subcontractors and suppliers; and (ii) the retention payables, which represent the retention money withheld by our Group from the process payments to our subcontractors. We normally hold approximately 10% of each monthly payment made to subcontractors as retention money. The accumulated retention money for each subcontracting agreement would not exceed 5% of the total sub-contract sum.

Our trade payables increased from approximately RM31.4 million as at 31 December 2023 to approximately RM42.1 million as at 31 December 2024, mainly attributable to the increase in our trade payables to third parties. Such increase in trade payables to third parties was generally in line with the increase in subcontracting costs and costs of construction materials and supplies incurred from our subcontractors and suppliers for our ongoing projects during FY2024. As at 30 June 2025, our trade payables decreased to approximately RM39.5 million, which was generally in line with the decrease in subcontracting costs during 6M2025.

The table below sets forth an ageing analysis of our trade payables as at the end of each of the reporting period, based on the invoice dates, are as follows:

	As at 31 December		As at 30 June
	2023	2024	2025
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
0 to 90 days	29,407	36,683	38,100
91 to 180 days	499	4,302	469
181 to 365 days	164	68	162
Over 365 days	1,374	999	752
Total	31,444	42,052	39,483

As at the Latest Practicable Date, approximately 52.8% of our trade payables as at 30 June 2025 had been subsequently settled. As at the Latest Practicable Date, approximately 91.0% of our trade payables (excluding retention payables) as at 30 June 2025 had been subsequently settled. Our Group had not experienced any material default of the settlement of our trade payables during the Track Record Period.

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The table below sets forth the turnover days of our trade payables (excluding retention payables) during the periods indicated:

	FY2023	FY2024	6M2025
Trade payables’ (excluding retention payables) turnover days (<i>Note</i>)	72.1	69.4	74.5

Note: The number of trade payables’ (excluding retention payables) turnover days is calculated using the average balance of trade payables minus retention payables divided by total cost of services for the relevant period and multiplied by 365 days/183 days in the relevant year/period. Average balance of trade payables excluding retention payables is calculated as the sum of the beginning and the ending balance for the relevant year/period, divided by two.

Our trade payables’ turnover days remained relatively stable of approximately 72.1 days, 69.4 days and 74.5 days for FY2023, FY2024 and 6M2025, respectively.

Other payables and accruals

Our other payables and accruals mainly comprised other payables to third parties, accrued employee benefits and other accruals. As at 31 December 2023 and 2024, our other payables and accruals amounted to approximately RM6.5 million and RM1.8 million, respectively. Such decrease was mainly attributable to the absence of dividend payable as at 31 December 2024 as compared to the dividend payable of RM5.0 million as at 31 December 2023. As at 30 June 2025, our other payables and accruals increased to approximately RM4.1 million, mainly attributable to the accrued [REDACTED] of approximately RM[REDACTED]. Other payables to a Director as at 31 December 2023, 2024 and 30 June 2025 represented the disbursement claim from Datuk Tan, which were non-trade in nature and were generally reimbursed by our Group on a monthly basis.

INDEBTEDNESS

The following table sets forth the indebtedness of our Group as at the dates indicated.

	As at 31 December		As at	As at
	2023	2024	30 June 2025	31 October 2025
	RM’000	RM’000	RM’000	RM’000
				(unaudited)
Borrowings, secured	10,126	3,695	2,812	2,607
Lease liabilities	1,897	2,933	3,230	2,652
Amount due to a Director	45	48	112	20
	<u>12,068</u>	<u>6,676</u>	<u>6,154</u>	<u>5,279</u>

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Borrowings, secured

As at 31 December 2023, 2024, 30 June 2025 and 31 October 2025, our Group’s borrowings amounted to approximately RM10.1 million, RM3.7 million, RM2.8 million and RM2.6 million, respectively. The table below sets forth the breakdown of our borrowings as of the dates indicated:

	As at 31 December		As at	As at
	2023	2024	30 June	31 October
	RM’000	RM’000	2025	2025
			RM’000	RM’000
				(unaudited)
Bank overdrafts	4,795	–	–	–
Banker acceptances	1,513	485	–	–
Term loan	3,733	3,119	2,812	2,607
Financial guarantee contracts	85	91	–	–
	10,126	3,695	2,812	2,607
Less: Amounts due over one year shown under non-current liabilities	(3,119)	(2,505)	(2,198)	(1,993)
Amounts due shown under current liabilities	7,007	1,190	614	614

The table below sets forth the maturity profile of our term loan based on contractual repayment date:

	As at 31 December		As at	As at
	2023	2024	30 June	31 October
	RM’000	RM’000	2025	2025
			RM’000	RM’000
				(unaudited)
Within 1 year	614	614	614	614
In the second year	614	614	614	614
In the third to fifth year	1,842	1,842	1,584	1,379
After five years	663	49	–	–
Total carrying amount of term loan	3,733	3,119	2,812	2,607

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As at 31 December 2023 and 2024, our borrowings comprised bank overdrafts, banker acceptances, term loan and financial guarantee contracts. As at 30 June 2025 and 31 October 2025, our borrowings only comprised term loan.

Our bank overdrafts amounted to approximately RM4.8 million, nil, nil and nil, respectively, as at 31 December 2023, 2024, 30 June 2025 and 31 October 2025. The weighted average effective interest rates per annum of bank overdrafts were approximately 7.85% as at 31 December 2023.

Our banker acceptance amounted to approximately RM1.5 million, RM0.5 million, nil and nil, respectively, as at 31 December 2023, 2024, 30 June 2025 and 31 October 2025. The weighted average effective interest rates per annum of our banker acceptance was approximately 5.15% as at 31 December 2023 and 2024, respectively.

Our term loan amounted to approximately RM3.7 million, RM3.1 million, RM2.8 million and RM2.6 million, respectively, as at 31 December 2023, 2024, 30 June 2025 and 31 October 2025. The weighted average effective interest rates per annum of our banker acceptance was approximately 4.74%, 4.85%, 4.82% and 4.22% as at 31 December 2023, 2024, 30 June 2025 and 31 October 2025, respectively.

Our financial guarantee contracts amounted to approximately RM85,000, RM91,000, nil and nil, respectively, as at 31 December 2023, 2024, 30 June 2025 and 31 October 2025. Our Group has provided financial guarantees to banks in respect of the banking facilities granted to related parties, which are not secured by any specific assets of our Group. Such banking facilities were granted to two investment holding companies wholly owned by Datuk Tan and Datin Pan, being our Controlling Shareholders. As at the Latest Practicable Date, all corporate guarantees provided by our Group to related parties in the financial guarantee contracts had been released.

Our borrowings are secured by (i) third party legal charge over the properties belonging to a related party and Directors; (ii) deposits with licensed banks of the Company of approximately RM18.4 million, RM7.8 million and RM8.5 million were pledged to licensed banks as securities for bank facilities as at 31 December 2023 and 2024 and 30 June 2025, respectively; (iii) a key man insurance policy in respect of a Director's life with sum assured of RM7,000,000; (iv) deed of assignment of contract proceeds; and (v) the guarantee jointly and severally provided by the Directors. Please refer to note 25 to the Accountants' Report in Appendix I to this document for further details of our borrowings.

As at 31 December 2023, 2024, 30 June 2025 and 31 October 2025, our Group had unutilised banking facilities of approximately RM96.4 million, RM111.7 million, RM113.0 million and RM117.4 million, respectively.

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During the Track Record Period, personal guarantees have been provided by our Controlling Shareholders for obtaining bank and hire purchase facilities used by our Group. As at the Latest Practicable Date, our Group had obtained the consent letters from some of the relevant banks and the financial institution to release certain personal guarantees provided by our Controlling Shareholders by substituting with our corporate guarantee upon the [REDACTED]. However, we are still awaiting such consent to release from one bank, and the outstanding amount of such facilities amounted to approximately RM0.7 million as at the Latest Practicable Date. In the event that we are unable to obtain such consent prior to the [REDACTED], we will fully settle the relevant outstanding amount using our Group’s internal resources such that the guarantees provided by our Controlling Shareholders will be released accordingly. Our Directors will ensure that all guarantees provided by our Controlling Shareholders will be released upon the [REDACTED].

Lease liabilities

Our Group has lease contracts for various items of properties used in our projects and daily operations, including site offices and staff rest area. Lease liabilities are recognised at the present value of the lease payments that are not paid at the date of commencement of the lease.

As at 31 December 2023, 2024, 30 June 2025 and 31 October 2025, our lease liabilities amounted to approximately RM1.9 million, RM2.9 million, RM3.2 million and RM2.7 million, respectively.

Amount due to a Director

As at 31 December 2023, 2024, 30 June 2025 and 31 October 2025, our amount due to a Director amounted to approximately RM45,000, RM48,000, RM112,000 and RM20,000, respectively. Such amount due to a Director represent the disbursement claim from Datuk Tan, our executive Director for petty expenses pending reimbursement, which were non-trade in nature and were generally reimbursed by our Group on a monthly basis, and will be settled prior to the [REDACTED].

Contingent liabilities and guarantee bond

As at December 2023 and 2024 and 30 June 2025, our Group provided two, two and two guarantees to a bank, respectively. As at 31 December 2023 and 2024 and 30 June 2025, guarantee bonds of approximately RM47.1 million, RM29.4 million and RM29.4 million, respectively, were given by a bank in favour of our customers as security for the due performance and observance of our obligation under the contract entered into between our Group and our customers. If we fail to provide satisfactory performance to our customers to whom the guarantee bond has been given, our customers may demand the bank to pay to them the sum or sums stipulated in such demand. We will then become liable to compensate the bank accordingly. Our guarantee bonds will be released upon completion of the contract works for our customers.

Our Directors are of the opinion that the guarantee bonds amounts of approximately RM47.1 million, RM29.4 million and RM29.4 million as at 31 December 2023, 2024 and 30 June 2025, respectively, were the maximum exposure to our Group and it is highly probable that the bank would not claim our Group for losses in respect of the guarantee contracts as it is highly probable that our Group will fulfil the performance requirements of the relevant contract.

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Save as disclosed above, as at the Latest Practicable Date, our Group has no other contingent liabilities.

Save as disclosed above, as at 31 October 2025, being the latest practicable date for the preparation of this indebtedness statement in this document, we did not have any other outstanding mortgages, charges, pledges, debentures, loan capital, bank loans and overdrafts, debt securities or other similar indebtedness, leases liabilities or leases commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, guarantees or any material contingent liabilities. Our Directors confirmed that we had neither experienced any difficulties in obtaining or repaying, nor breached any major covenant or restriction of our bank loans or other bank facilities during the Track Record Period. As at the Latest Practicable Date, there are no material covenant related to our outstanding debts that would materially limit our ability to undertake additional debt or equity financing. Our Directors confirmed that since 31 October 2025 and up to the Latest Practicable Date, there has been no material change in the above indebtedness statement.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, our Group had not entered into off-balance sheet commitments and arrangements.

CAPITAL EXPENDITURES AND COMMITMENTS

Historical capital expenditure

Our Group’s capital expenditures during the Tack Record Period were primarily related to the expenditures on purchase of plant and equipment and the additions of furniture and fitting, office and computer equipment necessary for our operations. For FY2023, FY2024 and 6M2025, we incurred capital expenditures of approximately RM0.4 million, RM0.5 million and RM0.1 million, respectively. Our Group has financed our capital expenditure through cash flow generated from/(used in) operating activities.

Planned capital expenditure

Save for the planned capital expenditure as disclosed in the section headed “Future Plans and [REDACTED]” in this document and the additions of furniture, fixtures and office equipment and production equipment necessary for our business operations which will be made by our Group from time to time, our Group had no material planned capital expenditure as at the Latest Practicable Date.

Capital commitments

Our capital commitments primarily relate to the acquisition of property, plant and equipment. As at 31 December 2023 and 2024 and 30 June 2025, we had capital commitments contracted in respect of the acquisition of property, plant and equipment amounted to nil, approximately RM0.3 million and nil, respectively.

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PROPERTY INTEREST AND PROPERTY VALUATION

CBRE WTW Valuation & Advisory Sdn Bhd, an independent valuer, has conducted valuation regarding the property interest of our Group in respect of our property situated at No. 5, Jalan Tropika Melawati 2, Taman Tropika Melawati, 53100 Hulu Kelang, Selangor, Malaysia (the “**Property**”) as at 11 November 2025. The full text of the Property Valuation Report is set forth in Appendix III to this document.

For illustrative purpose, the table below sets forth the reconciliation of the valuation of the Property from 30 June 2025, being the date of which the most recent audited consolidated statements of the financial position of our Group, to 11 November 2025:

	<i>RM'000</i>
Carrying amount at cost of the Property as at 30 June 2025	2,437
Movement from 30 June 2025 to 11 November 2025:	
Depreciation	(18)
Carrying amount at cost as at 11 November 2025	2,419
Valuation surplus	81
Market value of the Property as at 11 November 2025 as set forth in Appendix III to this document	2,500

WORKING CAPITAL

Our Directors assess the working capital level of our Group based on, among others:

- our cash and bank balances on hand amounted to approximately RM22.7 million as at 31 December 2023, approximately RM23.2 million as at 31 December 2024, approximately RM17.6 million as at 30 June 2025, and approximately RM11.1 million as at 31 October 2025 based on the unaudited management accounts of our Group; and
- the estimated [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) (based on the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] per [REDACTED] and [REDACTED]) to be received by our Group.

WORKING CAPITAL STATEMENT

Our Directors are of the view that, taking into consideration the internal financial resources presently available to our Group, including our existing cash and cash equivalents, cash generated from our operations, and the estimated [REDACTED] to be received by our Group from the [REDACTED], our Group will have sufficient working capital for our present working capital requirements for at least the next 12 months commencing on the date of this document.

FINANCIAL INFORMATION

SUMMARY OF KEY FINANCIAL RATIOS

The following sets out our key financial ratios for the years and as at the dates indicated:

	As at/year ended 31 December		As at/six months ended
	2023	2024	30 June
	RM'000	RM'000	2025 RM'000
Profitability			
Gross profit margin ⁽¹⁾	14.3%	19.3%	21.4%
Net (loss)/profit margin ⁽²⁾	(18.8)%	19.7%	4.3%
Return on equity ⁽³⁾	(22.9)%	48.7%	5.6%
Return on total assets ⁽⁴⁾	(12.7)%	24.0%	2.8%
Liquidity			
Current ratio ⁽⁵⁾	2.1 times	1.9 times	1.9 times
Capital sufficiency			
Gearing ratio ⁽⁶⁾	19.1%	12.4%	10.8%
Net debt to equity ratio ⁽⁷⁾	Net cash	Net cash	Net cash
Interest coverage ⁽⁸⁾	N/A	79.7 times	55.5 times

Notes:

- (1) Gross profit margin is calculated based on the gross profit for the year/period divided by total revenue and multiplied by 100%. Please refer to the paragraphs headed “Gross profit and gross profit margin” in this section for details of our gross profit margins.
- (2) Net (loss) profit margin is calculated based on the profit for the year/period divided by total revenue and multiplied by 100%. Please refer to the paragraphs headed “Net loss/profit and net profit margin” in this section for details of our net loss/profit margins.
- (3) Return on equity is calculated based on the profit for the year/period divided by total equity at the end of the year/period and multiplied by 100%.
- (4) Return on assets is calculated based on the profit for the year/period divided by total assets at the end of the year/period and multiplied by 100%.
- (5) Current ratio is calculated based on the total current assets divided by the total current liabilities as at the end of the year/period.
- (6) Gearing ratio is calculated based on the sum of our interest-bearing borrowings, lease liabilities and the amount due to a Director, divided by total equity at the end of the year/period.
- (7) Net debt to equity ratio is calculated based on the sum of our interest-bearing borrowings and the amount due to a Director, minus our cash and bank balances divided by total equity at the end of the year/period.
- (8) Interest coverage ratio is calculated by profit before interest and tax divided by the finance costs as at the end of the year/period.

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Profitability ratios

Return on equity

Our Group has recorded return on equity of approximately negative 22.9% for FY2023 and approximately 48.7% for FY2024. Such turnaround was mainly attributable to the turnaround of our net loss to net profit in FY2024, due to the reasons as explained in the paragraph headed “Net loss/profit and net loss/profit margins” in this section. Our return on equity decreased to approximately 5.6% for 6M2025, mainly attributable to the decrease in our net profit due to the reasons as explained in the paragraph headed “Net loss/profit and net loss/profit margins” in this section.

Return on total assets

Our Group has recorded return on total assets of approximately negative 12.7% for FY2023 and approximately 24.0% for FY2024. Such turnaround was mainly attributable to the turnaround of our net loss to net profit in FY2024, due to the reasons as explained in the paragraph headed “Net loss/profit and net loss/profit margins” in this section. Our return on total asset decreased to approximately 2.8% for 6M2025, mainly attributable to the decrease in our net profit due to the reasons as explained in the paragraph headed “Net loss/profit and net loss/profit margins” in this section.

Liquidity ratios

Current ratio

Our current ratio decreased from approximately 2.1 times as at 31 December 2023 to approximately 1.9 times as at 31 December 2024, mainly attributable to the combined effects of the decrease in contract assets, the increase in trade receivables, prepayments and other receivables and the increase in trade payables, accruals and other payables for FY2024, which were primarily driven by the progress of the completed and the ongoing projects. Our current ratio remained stable at approximately 1.9 times as at 30 June 2025.

Capital sufficiency ratios

Gearing ratio

Our gearing ratio decreased from approximately 19.1% as at 31 December 2023 to approximately 12.4% as at 31 December 2024, mainly attributable to the decrease in borrowings of our Group, including bank overdrafts and banker acceptance, during the year. Our gearing ratio remained relatively stable at approximately 10.8% as at 30 June 2025.

Net debt to equity ratio

Our net debt to equity ratio was nil as at 31 December 2023 and 2024 and 30 June 2025, as our Group’s cash and bank balance exceed the sum of our interest-bearing borrowings, lease liabilities, amounts due to related party and the amount due to a Director as at 31 December 2023 and 2024 and 30 June 2025.

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Interest coverage ratio

Our Group has recorded net loss for FY2023, thus interest coverage ratio is not available for the relevant year. Our interest coverage ratio amounted to approximately 79.7 times and 55.5 times for FY2024 and 6M2025, respectively.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF FINANCIAL RISKS

We are, in the ordinary course of our business, exposed to a variety of financial risks including credit risk and liquidity risk. Details of such risks are set out in note 30 to the Accountants’ Report in Appendix I to this document.

RELATED PARTY TRANSACTIONS

Our Group has entered into certain related party transactions, which are set out in note 27 to the Accountants’ Report in Appendix I to this document. Our Directors are of the view that these related party transactions were conducted on normal commercial terms and on arm’s length basis.

[REDACTED] EXPENSES

The total [REDACTED] fees in relation to the [REDACTED], primarily consisting of fees paid or payable to professional parties and [REDACTED] fees and commission, are estimated to be approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]), assuming the [REDACTED] is not exercised and based on the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] per [REDACTED] and [REDACTED]. Such total estimated [REDACTED] fees consist of (i) [REDACTED]-related expenses (including but not limited to commissions and fee) of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]); and (ii) non-[REDACTED] expenses of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) (including fees and expenses of legal advisers and reporting accountants of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) and other fees and expenses of approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED])). Among the estimated total [REDACTED] fees, (i) approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) is expected to be accounted for as a deduction from equity upon [REDACTED]; and (ii) approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) is expected to be recognised as expenses in our combined statements of profit or loss and other comprehensive income for FY2025, of which approximately RM[REDACTED] was recognised in 6M2025.

Our Directors would like to emphasise that the amount of the [REDACTED] expenses is a current estimate for reference only and the final amount to be recognised in the combined financial statements of our Group for FY2025 is subject to adjustment based on audit and the then changes in variables and assumptions.

Prospective investors should note that the financial performance of our Group for FY2025 is expected to be adversely affected by the estimated non-recurring [REDACTED] expenses mentioned above, and may not be comparable to the financial performance of our Group in the past.

FINANCIAL INFORMATION

DIVIDENDS

We acknowledge the importance and benefits of shareholder value. Through the declaration and distribution of dividends, we have been able to align our Group’s interest with our shareholders through our years of operations and there have been no changes in our shareholding or any disputes between our shareholders since incorporation.

Our Group declared dividends of RM20.0 million, RM26.0 million and nil for FY2023, FY2024 and 6M2025, respectively, to our then shareholders, which had been settled in full. In November 2025, our Group declared dividend of RM5.0 million, which has been settled in full in cash.

The declaration and payment of dividends during the Track Record Period or in the past should not be considered as a guarantee or indication that we will declare and pay dividends in such manner in the future, or will declare and pay any dividends in the future at all. We do not have any formal dividend policy or predetermined dividend payout ratio. Any future declarations and payments of dividends will be at the discretion of our Directors, subject to certain restrictions under Cayman Islands law, and will depend on our actual and expected results of operations, cash flow and financial condition, general business conditions and business strategies, expected working capital requirements and future expansion plans, applicable legal and regulatory requirements, contractual restrictions, and any other factors which our Directors consider relevant. It is also subject to the approval of our Shareholders, the Companies Act, the Articles of Association as well as any applicable laws.

In particular, subject to a solvency test, as prescribed in the Cayman Companies Act, and the provisions of the Articles of Association of our Company, we may pay dividends and distributions out of our share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits. For a summary of the provisions on declaration and payment of dividends under our Memorandum and Articles of Association, please refer to the paragraphs headed “Summary of the Constitution of the Company and Cayman Islands Company Law – 2. Articles of Association – (f) Dividends and other methods of distribution” in Appendix IV to this document.

The above shall in no way constitute a legal and binding commitment by our Company that any dividend will be paid and/or in no way obligate our Company to declare a dividend at any time or from time to time.

DISTRIBUTABLE RESERVES

Under Cayman Islands law, we may pay dividends out of our profit or our share premium account in accordance with the provisions of our Articles of Association, provided that immediately following the date on which the dividend is proposed to be distributed, we remain able to pay our debts as and when they fall due in the ordinary course of business.

Our Company was incorporated on 30 May 2025 and is an investment holding company. As at the Latest Practicable Date, our Company did not have distributable reserves to our Shareholders.

FINANCIAL INFORMATION

RECENT DEVELOPMENT SUBSEQUENT TO THE TRACK RECORD PERIOD AND MATERIAL ADVERSE CHANGE

Please refer to the sub-section headed “Summary – Recent developments and no material adverse change” in this document for details.

Our Directors confirm that, save for the expenses in connection with the [REDACTED], since 30 June 2025 and up to the date of this document, there had been no material adverse change in our financial or trading position, and there had been no event which would materially affect the information shown in the Accountants’ Report as set out in Appendix I to this document.

DISCLOSURE REQUIRED UNDER THE GEM LISTING RULES

Our Directors confirmed that, as at the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 17.15 and 17.21 of the GEM Listing Rules.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

Please refer to the section headed “Unaudited [REDACTED] Financial Information” as set out in Appendix II to this document for details.

EVENT AFTER THE TRACK RECORD PERIOD

Please refer to note 34 to the Accountants’ Report in Appendix I to this document for event of our Group which took place subsequent to 30 June 2025.

FUTURE PLANS AND [REDACTED]

BUSINESS OBJECTIVE AND FUTURE PLANS

Please refer to the sub-section headed “Business – Business strategies” for a detailed description of our future plans.

REASONS FOR [REDACTED] IN HONG KONG

1. Satisfy our Group’s genuine funding need

Our current available cash resources and working capital level are only sufficient to maintain our existing business operation for the projects in progress but not adequate for business expansion

During the Track Record Period, our Group’s operations were primarily funded by internally generated cash flows and bank borrowings. However, due to the nature of long-span cycle of our projects, we often experience a timing mismatch in cash flows. Costs such as subcontractor fees and supplier payments are incurred upfront, while payments from customers are usually received after our works are certified and invoiced, followed by an additional credit term of 30 to 45 days. Typically, the first progress payment is received four to eight months after project commencement, and net positive cash inflows may only materialise after up to 20 months. As such, our cash flow position fluctuates depending on the timing of customer receipts and payments to subcontractors and suppliers, resulting in persistent liquidity pressure.

Although our Group recorded cash and bank balances of approximately RM22.7 million, RM23.2 million and RM17.6 million as at 31 December 2023, 31 December 2024 and 30 June 2025, respectively, a substantial portion of these balances comprised pledged deposits placed with licensed banks to secure banking facilities, including performance bonds. As these deposits are restricted and not available for day-to-day operations, our unrestricted cash and cash equivalents were negative (after excluding such restricted balances) as at 31 December 2023 and amounted to only approximately RM15.3 million as at 31 December 2024 and approximately RM9.1 million as at 30 June 2025. Such turnaround in cash and cash equivalents was mainly attributable to the withdrawal of pledged deposit of approximately RM10.6 million as a result of the release of performance bond.

On the other hand, our Group incurs an average monthly operating cost of approximately RM8.6 million, primarily consisting of subcontracting fees, material costs, labour, and administrative expenses. To maintain operational stability, we have adopted a prudent cash management approach by retaining cash reserves sufficient to cover approximately three months of average monthly operating expenses, in light of the timing mismatch between receipts from customers and payments to suppliers. As our business continues to grow and we may undertake more large-scale projects, particularly those commencing concurrently, our operating costs are expected to increase accordingly. Without additional funding from the [REDACTED], our Group may not have adequate liquidity to support our business expansion, address unforeseen challenges, or enhance our market position. Accordingly, the [REDACTED] is considered essential for implementing our future plans and maintaining sufficient working capital.

FUTURE PLANS AND [REDACTED]

Our cash flow position from our operating activities

Our Group recorded net operating cash flows of approximately RM8.5 million and RM49.5 million for FY2023 and FY2024, respectively, and negative operating cash flows of approximately RM3.5 million for 6M2025 reflecting timing mismatches between payments to subcontractors and suppliers and receipt of payments from customers. Due to fluctuating cash flows, relying solely on internal resources for expansion is not considered financially prudent.

As at 31 December 2023, 31 December 2024 and 30 June 2025, our contract assets amounted to approximately RM48.5 million, RM32.9 million and RM69.4 million, respectively. These figures represent the value of uncertified and unbilled completed works for which our Group has already incurred construction costs, as well as retention receivables withheld by our customers to secure due performance of contracts. These contract assets are not readily available for operational use and are only reclassified as trade receivables when our rights to payment become unconditional, typically upon certification of work and issuance of invoices to customers.

In addition, though the number of our trade receivables turnover days had decreased in FY2024 as compared to FY2023, there remains no assurance that customers will adhere to agreed payment terms. Furthermore, the undertaking of larger or concurrent projects may lead to further delays in certification and payment, thereby exacerbating liquidity pressure and cash flow mismatches.

Accordingly, our existing working capital is not expected to be sufficient to support our intended business growth, including the undertaking of new projects, expansion of our workforce, upgrading of information systems, and other general working capital needs. Our Directors therefore believe that it is necessary to raise additional funding through the [REDACTED] to facilitate the implementation of our future plans while preserving our existing working capital for ongoing operations.

2. Capture the growing market demand for transportation infrastructure engineering services in Malaysia

In 2024, Malaysia’s transportation infrastructure engineering market size, in terms of main contractor’s revenue, reached approximately RM31.6 billion. Driven by the government’s strong commitment to enhancing national infrastructure and the country’s distinctive geographical features, such as extensive river networks and coastal areas, there has been a notable surge in transportation infrastructure engineering projects, it is projected that the transportation infrastructure engineering market, in terms of main contractor’s revenue, is expected to grow to approximately RM46.0 billion by 2029, with a CAGR of approximately 7.8% from 2024 to 2029. As a result, bridge engineering, being a distinct segment thereof, has become the fastest-growing subcategory within Malaysia’s transportation infrastructure engineering market. In 2024, the market size for bridge engineering, in terms of main contractor’s revenue, reached approximately RM8.1 billion and is projected to grow to approximately RM12.6 billion by 2029, with a CAGR of approximately 9.1% from 2024 to 2029.

FUTURE PLANS AND [REDACTED]

In light of the favourable market trend and our current scale of operations, our Directors consider that it is an opportune time to expand our business and implement the objectives and strategies as set out in the sub-section headed “Business – Business strategies” in this document. Our Directors believe that the [REDACTED] will provide us with the necessary funding to implement our business plans, enhance our market presence in the transportation infrastructure engineering industry and position us to participate in additional and more sizeable projects across Malaysia.

3. Debt financing does not provide enough funding at reasonable costs

As a private company, we currently have limited options to obtain debt financing other than bank borrowing. During the Track Record Period, our Controlling Shareholders had provided personal guarantees for obtaining bank and hire purchases facilities used by our Group. The outstanding amount of such facilities amounted to approximately RM10.8 million, RM5.2 million and RM4.9 million as at 31 December 2023, 31 December 2024 and 30 June 2025, respectively. Nevertheless, our Directors consider that debt financing is not an attractive option as compared with equity financing for the following reasons:

- (i) Unlike debt financing, equity financing does not impose any repayment obligation on our Group while providing additional working capital to support our business growth. Hence, it does not create any financial burden on our Company, thereby enabling us to allocate more capital toward expanding our operations;
- (ii) The [REDACTED] will provide us with access to the equity capital market for fund raising, both at the time of [REDACTED] incurring a one-off payment of [REDACTED] expenses and post-[REDACTED] through transactions that generally involve significantly lower costs compared to the recurring interest payments on debt financing, which would otherwise adversely affect our profit margin. Besides, our Directors consider that equity financing not only broadens our Group’s capital base, but also provide a long-term platform for future fund-raising beyond the [REDACTED] from the [REDACTED], to support our future business expansion and sustainable development;
- (iii) Debt financing typically requires collateral such as cash deposits, property pledges and/or personal guarantees from controlling shareholders. Our Directors consider that it would not be in the best interest of our Group to rely on such financing arrangements as they may involve personal guarantee or collateral provided by our Controlling Shareholders or Directors, since these will give rise to connected transactions or financial assistance from our Controlling Shareholders or Directors, which would compromise our financial independence; and
- (iv) Debt financing would attract interest expenses, which would adversely affect our financial performance.

FUTURE PLANS AND [REDACTED]

4. Enhance work morale, recruitment and retention of talents

Our Directors believe that obtaining a [REDACTED] status will enhance our ability to attract new talents and retain our existing staff across both operational and administrative level. Employment with a [REDACTED] company is generally perceived as more prestigious, which may encourage staff to commit long-term career development with us. The implementation of our future plans using [REDACTED] from the [REDACTED] will also reflect our continued growth thereby boosting staff morale. An aligned and motivated workforce is expected to deliver better performance, which in turn will improve the quality of our work and optimise our daily operations to the benefit of our long-term development.

5. Diversification of shareholder base and enhance liquidity in [REDACTED] of Shares

Our Directors believe that [REDACTED] in Hong Kong will offer long-term benefits by expanding our Group’s capital and shareholder base, attracting international investors, and providing a strong platform for future fund-raising. The [REDACTED] is also expected to enhance share liquidity and attract institutional and professional investors, leading to a more diversified and active shareholder base.

[REDACTED]

We estimate that the aggregate [REDACTED] [REDACTED] from the [REDACTED] (after deducting [REDACTED] fees and estimated expenses in connection with the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative range of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share, and assuming the [REDACTED] is not exercised) will be approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]). We intend to apply the [REDACTED] from the [REDACTED] as follows:

1. Approximately [REDACTED]%, or RM[REDACTED] (equivalent to approximately HK\$[REDACTED]), will be used to strengthen our financial position to pay for (a) the upfront costs mainly including subcontracting costs, material costs and machinery rental costs and (b) upfront cost for recruiting additional project management personnel to support our business expansion

Our potential projects

As at the Latest Practicable Date, we had identified and submitted tenders/quotation for five potential transportation infrastructure engineering projects with needs for upfront cash outflow. The details of such potential projects are summarised in the following table:

Potential project	Type of works	Our role	Tender submission date	Expected date of release of tender result (Note 1)	Expected commencement date (Note 2)	Duration of works (Note 2)
Potential Project 1 (Note 3)	Construction and completion of 2.24 km connecting road of double lane dual carriageway with three girder bridges and other ancillary works including demolition works, site clearing, earthworks, drainage, pavement works, road furniture, geotechnical works, traffic management and control, environmental protection and enhancement, maintenance, occupational safety and health management, located in Peninsular Malaysia.	Main contractor	April 2025	First half of 2026	First half of 2026	36 months

FUTURE PLANS AND [REDACTED]

Potential project	Type of works	Our role	Tender submission date	Expected date of release of tender result (Note 1)	Expected commencement date (Note 2)	Duration of works (Note 2)
Potential Project 2 (Note 3)	To upgrade existing single carriageway to dual carriageway along 27.5 km and construction and completion of six girder bridges and other ancillary works including demolition works, site clearing, earthworks, drainage, pavement works, road furniture, geotechnical works, traffic management and control, environmental protection, routine maintenance, occupational safety and health works, located in Sabah, East Malaysia.	Subcontractor	May 2024	First half of 2026	First half of 2026	48 months
Potential Project 3 (Note 3)	Construction and completion of overall 8.7 km double lane dual carriageway consisting of four girder bridges and other ancillary works including demolition works, site clearing, earthworks, drainage, pavement works, road furniture, geotechnical works, traffic management and control, environmental protection, routine maintenance, occupational safety and health works, located in Peninsular Malaysia.	Subcontractor	June 2025	First half of 2026	First half of 2026	30 months
Potential Project 4 (Note 3)	Construction and completion of overall 1.5km double lane dual carriageway consisting of one girder bridge and other ancillary works including demolition works, site clearing, earthworks, drainage, pavement works, road furniture, geotechnical works and traffic management, located in Peninsular Malaysia.	Main contractor	August 2025	First half of 2026	First half of 2026	36 months
Potential Project 5 (Note 3)	Construction and completion of overall 0.48km single lane dual carriageway consisting of two girder bridges and other ancillary works including demolition works, site clearing, earthworks, drainage, pavement works, road furniture, geotechnical works, traffic management and lighting, located in Peninsular Malaysia.	Subcontractor	November 2025	First half of 2026	First half of 2026	24 months

FUTURE PLANS AND [REDACTED]

Notes:

1. The expected date of release of tender result is provided based on our management’s discussion and our Directors’ industry knowledge and experience and is subject to change depending on the progress of the tender review process.
2. The expected commencement date and duration of our works are provided based on our management’s best estimation. In making the estimation, our management takes into account factors including the communications with the potential customers (if any), size and complexity of the project and the estimated work schedule.
3. As the outcome of the project tender remained pending as at the Latest Practicable Date, the total contract sum has not yet been determined, and the tender amount is not disclosed due to commercial sensitivity. Based on preliminary assessments, our Directors estimate that the total aggregate contract sum for the five potential projects under consideration is approximately RM1.6 billion. This estimate is subject to change pending the formal award of contracts and final negotiations.

Potential Project 1

As our Group holds a CIDB Grade G7 certification in Category CE (Civil Engineering Construction), Category B (Building Construction), and Category ME (Mechanical and Electrical), we are qualified to undertake civil and structural works without any restriction on tender or contract value and may submit tenders directly to the relevant government departments for projects not designated for indigenous contractors. In April 2025, we submitted a tender directly to the Department of Public Works in Malaysia for Potential Project 1, which is a bridge engineering project involving the construction of three girder bridges, along with the associated connecting roads and ancillary facilities in Peninsular Malaysia.

As at the Latest Practicable Date, the outcome of our tender submission for Potential Project 1 remained pending. Our Directors believe that our prospect of securing this project is high, given our proven expertise in bridge engineering and successful track record of delivering high-quality projects. We believe that our technical excellence, disciplined project management approach, and commitment to sustainable practices position us as a qualified contractor for this project. Additionally, our competitive pricing and local experience further strengthen our tender submission. With these strengths, we are confident in our ability to meet the project’s requirements and execute with consistent quality that aligns with the customer’s objectives.

Potential Project 2

In line with the Malaysian government’s commitment to reducing regional development disparities, particularly the gap between Peninsular Malaysia and East Malaysia, several large-scale infrastructure projects have been initiated across the country. Potential Project 2 is a part of this broader initiative and involves bridge engineering works for the construction of six girder bridges, along with the connecting road and ancillary facilities in Sabah, East Malaysia.

FUTURE PLANS AND [REDACTED]

We entered into a collaboration agreement with Bridgex which holds a STB in May 2024 in connection with its tender submission as the main contractor, which was also submitted in May 2024. Our Directors believe that Bridgex chose to collaborate with us primarily due to our proven track record, extensive experience, and technical expertise in executing large-scale and complex infrastructure projects involving girder bridges with diverse structural configurations. For example, in one of our ongoing projects (Project JB28), we are responsible for the construction of a full-length girder bridge spanning the Bernam River, connecting a district in Selangor to a district in Perak. Given that Potential Project 2 similarly involves the construction of river-crossing bridges, our Directors consider that the experience gained from Project JB28 clearly demonstrates our capability and suitability to support the execution of Potential Project 2.

If awarded, the project would offer a strategic opportunity to expand our business presence into East Malaysia. Under the collaboration agreement, our Group would be responsible for project implementation, site management, and contract administration in the project.

As at the Latest Practicable Date, the outcome of the tender remained pending. To the best knowledge of our Directors, only a small number of shortlisted tenderers, including Bridgex, were invited to participate. Based on constructive engagement with Bridgex, our Directors are of the view that the prospects of Bridgex being appointed as the main contractor are high. In such case, our Group is expected to be appointed as the subcontractor for the project.

Potential Project 3

In June 2025, we were invited by the prospective main contractor of Potential Project 3 to submit a quotation for the subcontracted works. Potential Project 3 is a bridge engineering project involving the construction of four girder bridges, together with the associated connecting roads and ancillary facilities in Malaysia. Our Directors believe that the invitation was extended to us primarily due to our established track record in delivering comparable bridge engineering projects, as well as our technical expertise and prior experience in fulfilling similar contractual requirements.

As at the Latest Practicable Date, the outcome of our quotation submission remained pending. Based on our constructive engagement with the prospective main contractor regarding the progress and status of its tender submission, our Directors believe that the prospective main contractor has a strong chance of securing the project and our quotation is considered to be competitive. In such case, our Directors are of the view that our Group has a strong prospect of being awarded the subcontract.

FUTURE PLANS AND [REDACTED]

Potential Project 4

In August 2025, we submitted a tender to a prospective customer who is the project owner of Potential Project 4. This project involves the construction of one girder bridge, together with the associated connecting roads and ancillary facilities in Malaysia.

As is the case for Potential Project 1, we are qualified to undertake civil and structural works without any restriction on tender or contract value and may submit tenders directly to the relevant government departments for projects not designated for indigenous contractors.

As at the Latest Practicable Date, the outcome of our tender submission for Potential Project 4 remained pending. Our Directors consider our proposal to be competitive and are of the view that our Group has a strong prospect of securing the contract.

Potential Project 5

In November 2025, we submitted a tender to the prospective customer for the subcontracted works in Potential Project 5. Potential Project 5 is a bridge engineering project involving the construction of two girder bridges, together with the associated connecting roads and ancillary facilities in Malaysia.

As at the Latest Practicable Date, the outcome of our tender submission for Potential Project 5 remained pending. Our Directors consider our proposal to be competitive and are of the view that our Group has a strong prospect of securing the subcontract.

Although our executive Directors remain optimistic about our prospects of securing the above-mentioned potential projects, based on the latest tender/quotation status as set out above, there is no assurance that any of these projects will ultimately be awarded to us. In the event that we are unsuccessful in securing any of these projects, the [REDACTED] from the [REDACTED] will be allocated towards financing the working capital needs of other projects awarded to us.

(a) Upfront costs mainly including subcontracting costs, material costs and machinery rental cost

Based on our operational history prior to and during the Track Record Period, and depending on the scale and terms of individual projects, the average timeframe between the initial incurrence of upfront costs and the receipt of the first payment from customers was approximately four to eight months. During this period, the total upfront costs incurred by our Group may account for up to around 3% of the project’s contract sum. However, the timeframe between the initial incurrence of upfront costs and the point at which we began to generate net positive monthly cash flow from the project could extend up to 20 months (the “Upfront Period”). Over this Upfront Period, the total upfront costs incurred may account for up to 16% of the project’s contract sum.

FUTURE PLANS AND [REDACTED]

Based on our competitive pricing structure, demonstrated technical capabilities, existing customer relationship, and the constructive engagements held to date, our Directors consider our prospects of securing the tenders for Potential Project 1 and Potential Project 2 are high. Based on information currently available to our Group on the potential size of the potential projects and the estimated upfront cost needed, the total upfront cost for the five potential projects is estimated to be not less than approximately RM49.7 million, of which the aggregate total upfront cost of Potential Project 1 and Potential Project 2 is estimated to be not less than approximately RM36.6 million.

Our net cash outflows will be exacerbated if these potential projects commence concurrently, as this would require significant upfront payments to subcontractors and suppliers before corresponding customer payments are received. We plan to use approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) from the [REDACTED] of the [REDACTED] to fund such project upfront costs of mainly subcontracting costs, material costs and machinery rental costs of the potential projects.

Our Group faces inherent uncertainties in predicting the scale of projects awarded to us and the timing of upfront working capital needs. These uncertainties arise from several key factors that impact our ability to accurately forecast cash flow requirements. The duration of tender review processes and contract awards varies based on the customer and the nature and size of each project. As a result, we cannot guarantee precise predictions for when tender results will be announced or when upfront costs for awarded projects will arise. Multiple variables influence these timelines, including: (i) potential project schedules that may not be fully disclosed during the tender phase; (ii) the internal arrangements of the customer, which may be influenced by prevailing market conditions and government policies and may not align with the originally anticipated project timetable; (iii) variations in project scope that could affect payment schedules to subcontractors and suppliers; and (iv) final negotiated contract terms, if any, that may alter initial payment expectations.

If the [REDACTED] is delayed or does not proceed, our Group would face significant constraints in pursuing our growth strategy. Without the anticipated capital injection from the [REDACTED], our Group may need to defer projects or seek additional bank financing, which could be challenging due to our asset-light financial position and may result in a higher gearing level and interest costs and reduced competitiveness. With a stronger financial position from the [REDACTED], our Group aims to pursue more and larger projects with competitive pricing, supporting its business expansion and market share growth.

FUTURE PLANS AND [REDACTED]

(b) Upfront cost for recruiting additional project management personnel

Owing to the nature of bridge engineering works within transportation infrastructure projects, which typically spans one to five years and involving complex, large-scale construction at designated site locations, our Group is required to deploy a full project team comprising, among others, a project director, project manager, construction manager, project coordinator, site engineer, QAQC engineer, safety and health personnel and quantity surveyor, in carrying out a project to ensure compliance with all technical and safety standards, addressing site-specific problems, and keeping the project on schedule throughout its term.

If our Group is awarded any of the potential projects, our existing manpower resources would be insufficient to meet the additional demands of project supervision and management. Given the scale, complexity, and on-site requirements of these projects, particularly as Potential Project 2 is located in East Malaysia, we would be required to deploy dedicated project management personnel to each project site.

As our current manpower resources are already operating at full capacity in overseeing ongoing projects, and can only be gradually released and reallocated to other projects upon completion of those existing commitments, currently scheduled for the first half of 2027 or in late 2028, subject to potential delays arising from variation orders or other unforeseen factors, our Group would not have sufficient personnel to undertake new projects without additional recruitment. Accordingly, further recruitment is necessary to ensure effective execution of the new projects without compromising the progress or service quality of our existing commitments. In tendering for new projects, availability of manpower resources is among the key assessment criteria by potential customers. Such assessment is generally forward-looking and focuses on the tenderer’s ability and plan to mobilise sufficient resources by the time the project commences. While our Directors believe our recruitment plan is able to satisfy such requirement, the actual mobilisation of additional project teams requires upfront resources to fund salaries before project cash inflows are received.

To this end, having considered the aforesaid potential projects tendered and the workforce capacity of our Group, in order to ensure we are well-positioned to undertake the potential projects, it is planned that the employment of the project team staff as detailed in the table below will allow our Group to have sufficient staffing capacity to undertake Potential Project 1 and Potential Project 2. We plan to use approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) from the [REDACTED] of the [REDACTED] to fund approximately six months of salary of such additional project management personnel.

FUTURE PLANS AND [REDACTED]

The following table sets out the details of the additional staff to be recruited:

Roles	Number	Main relevant experience and qualifications required	Estimated monthly salary <i>RM'000</i>	Estimated annual cost <i>RM'000</i>
Project management	7	– minimum 10 years of relevant experience in construction engineering or related engineering field – a degree in construction management or related engineering field	[REDACTED]	[REDACTED]
Site operations	54	– minimum three years of relevant experience in construction field or related fields	[REDACTED]	[REDACTED]
Safety, health and environmental	4	– minimum three years working experience in construction field – valid license in related safety health and/or environmental field	[REDACTED]	[REDACTED]
Quantity surveyor	1	– minimum three years of relevant experience in contract management – a degree in quantity surveyor, civil engineering or related field	[REDACTED]	[REDACTED]
Total	66		[REDACTED]	[REDACTED]

FUTURE PLANS AND [REDACTED]

2. Approximately [REDACTED]%, or RM[REDACTED] (equivalent to approximately HK\$[REDACTED]), will be used for expansion of workforce to support growth across all regions

As part of our strategic growth initiative, we plan to expand our headquarters workforce in Peninsular Malaysia to strengthen our central operational capabilities, which will focus on adding corporate personnel across key support functions including accounting, human resources and administration, contracts, information technology and procurement. By expanding our central workforce, we ensure that new project management personnel are deployed swiftly without overburdening existing headquarters staff, maintain strict compliance standards, and provide the necessary back-office support that enables successful project execution. Furthermore, it will enable us to maintain our competitive edge in tender evaluations by demonstrating full operational readiness. The expansion in our workforce at headquarters will create a robust foundation that not only supports our current project commitments but also positions us to capitalise on future growth opportunities.

At the same time, should we be awarded the Potential Project 2 in Sabah, East Malaysia, we intend to recruit supporting personnel to ensure efficient project delivery and to handle increased operational complexity in East Malaysia. This on-the-ground presence would enable timely responsiveness to project requirements and close collaboration with local customers in East Malaysia. For further details of Potential Project 2, please refer to the paragraphs headed “Our potential projects” in this section.

The following table sets out the details of the additional staff to be recruited:

Roles	Number	Main relevant experience and qualifications required	Estimated monthly salary (RM'000)	Estimated annual cost (RM'000)
Accounting Department	6	– minimum 2-5 years of relevant experience in accounting or related field – a degree in accounting or related qualification	[REDACTED]	[REDACTED]
Human Resources and Administration Department	4	– minimum 2-5 years of relevant experience in the human resources or administration or related field – a degree in human resources, business administration or related qualification	[REDACTED]	[REDACTED]

FUTURE PLANS AND [REDACTED]

Roles	Number	Main relevant experience and qualifications required	Estimated monthly salary (RM'000)	Estimated annual cost (RM'000)
Contracts Department	11	– minimum 2-5 years of relevant experience in contract management – a degree in quantity surveyor, civil engineering or related qualification	[REDACTED]	[REDACTED]
IT Department	2	– minimum 2-5 years of relevant experience in computer knowledge or related field – a degree in computing or related qualification	[REDACTED]	[REDACTED]
Purchasing Department	2	– minimum 2-5 years of relevant experience in sourcing activities – a degree in a related qualification	[REDACTED]	[REDACTED]
Total	25		[REDACTED]	[REDACTED]

3. Approximately [REDACTED]%, or RM[REDACTED] (equivalent to approximately HK\$[REDACTED]), will be used to upgrade and digitise our Group’s information systems and internal processes

Our Group intends to allocate approximately [REDACTED]% of the [REDACTED] to enhance and upgrade our IT systems. IT systems are essential to support project management in transportation infrastructure projects, particularly as we undertake multiple projects concurrently across various regions in Malaysia. Given the large-scale, complex and phased nature of such projects, effective coordination among different teams, adherence to tight schedules, and continuous oversight of progress and cost are critical. At present, our Group does not have an integrated IT system in place and instead relies on individual software tools for specific functions such as budgeting, scheduling, and documentation. However, the lack of integration among these tools limits operational efficiency, data consistency, and real-time visibility across project sites. We therefore intend to acquire a range of software, IT infrastructure upgrades, and process enhancements to establish a streamlined and integrated procurement management system. This will enable us to allocate resources efficiently. By consolidating these tools within a unified IT ecosystem, we will enhance design and cost coordination, and enhance overall project execution capabilities, driving greater operational efficiency and project delivery success.

4. Approximately [REDACTED]%, or RM[REDACTED] (equivalent to approximately HK\$[REDACTED]), will be used for our general working capital purposes

Our Directors consider that maintaining sufficient general working capital is essential to support our Group’s day-to-day operations and financial flexibility. Accordingly, our Group intends to allocate approximately [REDACTED]% of the [REDACTED] for our general working capital purposes.

FUTURE PLANS AND [REDACTED]

IMPLEMENTATION PLANS

Our Group will endeavor to achieve the milestone events set out below during the period from the [REDACTED] to 31 December 2027. Their respective scheduled completion times are based on certain bases and assumptions as set out in the sub-section headed “Bases and assumptions” in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, including in particular the risk factors set out in the section headed “Risk Factors” of this document. There can be no assurance that our Group’s plans will materialise and proceed in accordance with the expected timeframe or that our objectives will be accomplished at all. Based on our business objectives, our Group intends to carry out the following implementation plans:

1. For the six months ending 30 June 2026

To strengthen the financial position of our Group	–	To pay for the upfront costs of our Group’s projects
To expand our Group’s workforce	–	To carry out recruitment and expansion of workforce to support growth across all regions
To upgrade and digitise our Group’s information systems and internal processes	–	To enhance and upgrade our IT systems
To set aside for working capital purpose	–	To set aside, together with internal resources of our Group, for general working capital purpose

2. For the six months ending 31 December 2026

To retain the newly acquired workforce	–	Additional staff costs for retaining the aforesaid supporting personnel
To upgrade and digitise our Group’s information systems and internal processes	–	To enhance and upgrade our IT systems

3. For the six months ending 30 June 2027

To retain the newly acquired workforce	–	Additional staff costs for retaining the aforesaid supporting personnel
To upgrade and digitise our Group’s information systems and internal processes	–	To enhance and upgrade our IT systems

FUTURE PLANS AND [REDACTED]

4. For the six months ending 31 December 2027

To retain the newly acquired workforce – Additional staff costs for retaining the aforesaid supporting personnel

A summary of the above-mentioned implementation plan is as follows:

	For the period from the [REDACTED] to	For the six months ending				Approximate % of
	30 June 2026 (RM million)	31 December 2026 (RM million)	30 June 2027 (RM million)	31 December 2027 (RM million)	Total (RM million)	[REDACTED]
To strengthen the financial position of our Group	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
To expand our Group’s workforce	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
To upgrade information system	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
To set aside for working capital purpose	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>

Note: Figures may not add up due to rounding.

FUTURE PLANS AND [REDACTED]

If the [REDACTED] is fixed at HK\$[REDACTED] per [REDACTED], being the high-end of the [REDACTED] range and assuming the [REDACTED] is not exercised, the [REDACTED] from the [REDACTED] will increase to approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]). If the [REDACTED] is fixed at HK\$[REDACTED] per [REDACTED], being the low-end of the [REDACTED] range, the [REDACTED] will decrease to approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]). Under such circumstances, we will adjust the allocation of the intended use of the [REDACTED] for the above purposes on a pro rata basis.

If the [REDACTED] is exercised in full and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the [REDACTED] range, we estimate that the [REDACTED] from the [REDACTED] will be approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]), after deducting the estimated [REDACTED] and other related expenses payable by us in connection with the [REDACTED]. If the [REDACTED] is set at the high-end or low-end of the [REDACTED] range, the [REDACTED] of the [REDACTED], including the [REDACTED] from the exercise of the [REDACTED], will increase to approximately HK\$[REDACTED] (equivalent to approximately RM[REDACTED]) or decrease to HK\$[REDACTED] (equivalent to approximately RM[REDACTED]), respectively. Under such circumstances, we will adjust the allocation of the intended use of the [REDACTED] for the above purposes on a pro rata basis.

To the extent that the [REDACTED] from the [REDACTED] are not immediately used for the above purposes and to the extent permitted by applicable law and regulations, we will only deposit the [REDACTED] into short-term interest-bearing accounts at licensed commercial banks and/or other authorised financial institutions (as defined under the SFO or applicable laws and regulations in other jurisdictions). We will make an appropriate announcement if there is any change to the above proposed use of [REDACTED] or if any amount of the [REDACTED] will be used for general corporate purpose. In the event that we would require additional financing apart from the [REDACTED] from the [REDACTED] for our future plans, the shortfall will be financed by our internal resources generated from the net cash from operating activities and/or bank financing, as appropriate.

BASES AND ASSUMPTIONS

The future plans set out by our Directors are based on the following bases and assumptions:

- the [REDACTED] will be completed in accordance with and as set out in the section headed “Structure and conditions of the [REDACTED]” in this document;
- there will be no change in the funding requirement for each of the near-term future plans described in this document from the amount as estimated by our Directors;
- there will be no material changes in existing laws, rules and regulations, or other governmental policies relating to our Group, or in the political, economic or market conditions in which our Group operates;
- we will continue our existing operations in substantially the same manner as they were carried out during the Track Record Period and we will also be able to carry out our development plans without material disruptions;

FUTURE PLANS AND [REDACTED]

- we are able to retain key staff in the management and the main operational departments;
- we will have sufficient financial resources to meet our planned capital expenditures and business development requirements during the period to which the future plans relate;
- there will be no material changes in the existing accounting policies from those stated in the audited combined financial statements of our Group for the Track Record Period;
- there will be no material changes in the bases or rates of taxation applicable to the activities of our Group;
- there will be no disasters, diseases, natural, political or otherwise, which would materially disrupt the business or operations of our Group; and
- our Group will not be materially affected by the risk factors as set out in the section headed “Risk Factors” in this document.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

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[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

HOW TO APPLY FOR [REDACTED]

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

The following is the text of a report set out on pages I-1 to I-68, received from the Company’s reporting accountants, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Sponsors pursuant to the requirements of Hong Kong Standard on Investment Circular Reporting Engagements 200, “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants.



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ACCOUNTANTS’ REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF BBSB INTERNATIONAL LIMITED AND LEGO CORPORATE FINANCE LIMITED

INTRODUCTION

We report on the historical financial information of BBSB International Limited (the “**Company**”) and its subsidiaries (together the “**Group**”) set out on pages I-4 to I-68, which comprises the combined statements of financial position of the Group as at 31 December 2023 and 2024 and 30 June 2025 and the statements of financial position of the Company as at 30 June 2025, and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended 31 December 2023 and 2024 and the six-month ended 30 June 2025 (the “**Track Record Period**”) and material accounting policy information and other explanatory information (together the “**Historical Financial Information**”). The Historical Financial Information set out on pages I-4 to I-68 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [REDACTED] (the “**Document**”) in connection with the initial [REDACTED] of shares of the Company on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

DIRECTORS’ RESPONSIBILITIES FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS’ RESPONSIBILITIES

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 “Accountants’ Reports on Historical Financial Information in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

APPENDIX I

ACCOUNTANTS’ REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Group’s financial position as at 31 December 2023 and 2024 and 30 June 2025, of the Company’s financial position as at 30 June 2025 and of the Group’s financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE HISTORICAL FINANCIAL INFORMATION

We have reviewed the stub period comparative historical financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the six-month ended 30 June 2024, and other explanatory information (“**Stub Period Comparative Historical Financial Information**”). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the International Auditing and Assurance Standards Board (“**IAASB**”). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Historical Financial Information, for the purposes of the accountants’ report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in note 2 to the Historical Financial Information.

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ACCOUNTANTS’ REPORT

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 14 to the Historical Financial Information which contains information about the dividends paid by the Company in respect of the Track Record Period.

NO FINANCIAL STATEMENTS FOR THE COMPANY

No financial statements have been prepared for the Company since its date of incorporation.

BDO Limited

Certified Public Accountants

Chan Wing Fai

Practising Certificate No. P05443

Hong Kong

[REDACTED]

APPENDIX I

ACCOUNTANTS’ REPORT

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants’ report.

The combined financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, have been prepared in accordance with the International Financial Reporting Standards and International Accounting standards issued by the International Accounting Standards Board (the “**IASB**”) and Interpretations (Collectively “**IFRS Accounting Standards**”), and were audited by BDO Limited in accordance with International Standards on Auditing (“**ISAs**”) (“**Underlying Financial Statements**”).

The Historical Financial Information is presented in Ringgit Malaysia (“**RM**”) and all amounts are rounded to nearest thousands of RM (RM’000), unless otherwise stated.

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<i>Notes</i>	Year ended 31 December		Six months ended 30 June	
		2023	2024	2024	2025
		<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>
				(Unaudited)	
Revenue	6	76,757	133,002	69,786	73,986
Cost of services		<u>(65,767)</u>	<u>(107,338)</u>	<u>(59,192)</u>	<u>(58,180)</u>
Gross profit		10,990	25,664	10,594	15,806
Other income and gains/(losses), net	7	1,822	2,362	1,492	1,310
Other operating expenses		(9,418)	(11,614)	(6,321)	(6,166)
(Provision for)/reversal of impairment losses under expected credit loss model, net	8	(15,870)	17,284	8,918	(83)
[REDACTED] expenses		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Finance costs	9	<u>(622)</u>	<u>(423)</u>	<u>(296)</u>	<u>(109)</u>
(Loss)/profit before income tax	12	(13,098)	33,273	14,387	5,943
Income tax expense	13	<u>(1,362)</u>	<u>(7,084)</u>	<u>(2,275)</u>	<u>(2,742)</u>
(Loss)/profit and total comprehensive income for the year/period attributable to owners of the Company		<u>(14,460)</u>	<u>26,189</u>	<u>12,112</u>	<u>3,201</u>

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at
		2023	2024	30 June
	Notes	RM’000	RM’000	2025
				RM’000
Non-current assets				
Property, plant and equipment	16	614	768	768
Right-of-use assets	17	1,930	3,040	3,341
Investment properties	18	7,423	7,295	4,781
Life insurance policy	19	3,579	3,603	3,563
Deferred tax assets	22	2,325	–	–
Total non-current assets		<u>15,871</u>	<u>14,706</u>	<u>12,453</u>
Current assets				
Trade receivables, prepayments and other receivables	20	26,201	38,258	14,639
Contract assets	21	48,489	32,928	69,361
Current tax asset		305	–	–
Cash and bank balances	23	<u>22,706</u>	<u>23,152</u>	<u>17,593</u>
Total current assets		<u>97,701</u>	<u>94,338</u>	<u>101,593</u>
Total assets		<u>113,572</u>	<u>109,044</u>	<u>114,046</u>
Current liabilities				
Trade payables, accruals and other payables	24	37,938	43,812	43,563
Contract liabilities	21	–	2,562	4,291
Borrowings, secured	25	7,007	1,190	614
Lease liabilities	17	660	991	1,249
Current tax liability		<u>–</u>	<u>1,833</u>	<u>2,711</u>
Total current liabilities		<u>45,605</u>	<u>50,388</u>	<u>52,428</u>
Net current assets		<u>52,096</u>	<u>43,950</u>	<u>49,165</u>
Total assets less current liabilities		<u>67,967</u>	<u>58,656</u>	<u>61,618</u>

APPENDIX I

ACCOUNTANTS’ REPORT

		As at 31 December		As at
		2023	2024	30 June
	Notes	RM’000	RM’000	2025
				RM’000
Non-current liabilities				
Borrowings, secured	25	3,119	2,505	2,198
Lease liabilities	17	1,237	1,942	1,981
Deferred tax liabilities	22	–	409	438
Total non-current liabilities		<u>4,356</u>	<u>4,856</u>	<u>4,617</u>
Total liabilities		<u>49,961</u>	<u>55,244</u>	<u>57,045</u>
NET ASSETS		<u>63,611</u>	<u>53,800</u>	<u>57,001</u>
EQUITY				
Share capital	26	–	–	–
Merger reserve	26	3,500	3,500	3,500
Retained earnings	26	<u>60,111</u>	<u>50,300</u>	<u>53,501</u>
TOTAL EQUITY		<u>63,611</u>	<u>53,800</u>	<u>57,001</u>

APPENDIX I

ACCOUNTANTS’ REPORT

STATEMENTS OF FINANCIAL POSITION OF THE COMPANY

As at
30 June
2025
RM’000

Current assets

Cash and bank balances

—*

Total assets

—*

NET ASSETS

—*

EQUITY

Share capital

—*

Retained earnings

—*

TOTAL EQUITY

—*

* Represent amount less than RM1,000

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share capital <i>RM’000</i> <i>(Note 26)</i>	Merger reserve <i>RM’000</i> <i>(Note 26(b))</i>	Retained earnings <i>RM’000</i> <i>(Note 26(c))</i>	Total <i>RM’000</i>
At as 1 January 2023	–	3,500	84,571	88,071
Loss and total comprehensive income for the year	–	–	(14,460)	(14,460)
Dividend declared and approved in respect of the current year <i>(Note 14)</i>	–	–	(10,000)	(10,000)
As at 31 December 2023 and 1 January 2024	–	3,500	60,111	63,611
Profit and total comprehensive income for the year	–	–	26,189	26,189
Dividend approved in respect of the previous year <i>(Note 14)</i>	–	–	(10,000)	(10,000)
Dividend declared and approved in respect of the current year <i>(Note 14)</i>	–	–	(26,000)	(26,000)
As at 31 December 2024	–	3,500	50,300	53,800

APPENDIX I

ACCOUNTANTS’ REPORT

	Share capital <i>RM’000</i> <i>(Note 26)</i>	Merger reserve <i>RM’000</i> <i>(Note 26(b))</i>	Retained earnings <i>RM’000</i> <i>(Note 26(c))</i>	Total <i>RM’000</i>
As at 1 January 2024	–	3,500	60,111	63,611
Profit and total comprehensive income for the period	–	–	12,112	12,112
Dividend approved in respect of the prior year <i>(Note 14)</i>	–	–	(10,000)	(10,000)
As at 30 June 2024 (unaudited)	<u>–</u>	<u>3,500</u>	<u>62,223</u>	<u>65,723</u>
	Share capital <i>RM’000</i> <i>(Note 26)</i>	Merger reserve <i>RM’000</i> <i>(Note 26(b))</i>	Retained earnings <i>RM’000</i> <i>(Note 26(c))</i>	Total <i>RM’000</i>
As at 1 January 2025	–	3,500	50,300	53,800
Profit and total comprehensive income for the period	–	–	3,201	3,201
As at 30 June 2025	<u>–</u>	<u>3,500</u>	<u>53,501</u>	<u>57,001</u>

APPENDIX I

ACCOUNTANTS’ REPORT

COMBINED STATEMENTS OF CASH FLOWS

	<i>Notes</i>	Year ended 31 December		Six months ended 30 June	
		2023	2024	2024	2025
		<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>
				(Unaudited)	
Cash flows from operating activities					
(Loss)/profit before income tax		(13,098)	33,273	14,387	5,943
Adjustments for:					
Depreciation of property, plant and equipment	12	358	349	213	113
Depreciation of investment properties	12	53	128	51	64
Depreciation of right-of-use assets	12	770	830	289	651
Gain on disposal of an investment property	7	–	–	–	(50)
Gain on disposals of property, plant and equipment	7	(136)	(28)	(28)	(160)
Provision for/(reversal of) impairment losses under expected credit loss model, net	8	15,870	(17,284)	(8,918)	83
Reversal of impairment losses on investment properties	7	(15)	–	–	–
Change in fair value of life insurance policy	7	474	(24)	(76)	40
Interest income	7	(1,023)	(380)	(228)	(89)
Finance costs	9	736	628	439	162
Operating profit before working capital changes		3,989	17,492	6,129	6,757
(Increase)/decrease contract assets		(7,666)	15,598	(921)	(36,671)
Decrease/(increase) in trade receivables, prepayments and other receivables		8,481	5,196	(2,203)	27,491
Increase/(decrease) in trade payables, accruals and other payables		6,326	10,871	13,392	(951)
Increase in contract liabilities		–	2,562	2,529	1,729
Cash generated from/(used in) operations		11,130	51,719	18,926	(1,645)
Income tax refund		–	–	–	16
Income tax paid		(2,587)	(2,212)	(591)	(1,851)
Net cash generated from/(used in) operating activities		8,543	49,507	18,335	(3,480)

APPENDIX I

ACCOUNTANTS’ REPORT

	<i>Notes</i>	Year ended 31 December		Six months ended 30 June	
		2023	2024	2024	2025
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Cash flows from investing activities					
Purchases of property, plant and equipment		(390)	(503)	(385)	(113)
Payments on additions of right-of-use assets	17(d)	(99)	(144)	(24)	(86)
Proceed from disposal of investment properties		–	–	–	250
Proceed from disposal of property, plant and equipment		136	28	28	160
(Placement)/withdrawals of deposit pledged to licensed banks		(1,951)	10,570	76	(683)
Interest received from short-term deposit		393	380	228	89
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash (used in)/generated from investing activities		(1,911)	10,331	(77)	(383)
		-----	-----	-----	-----
Cash flows from financing activities					
Dividend paid	28(b)	(5,000)	(41,000)	(15,000)	–
Interest paid	28(b)	(609)	(384)	(282)	(72)
Prepaid [REDACTED] expenses relating to new shares to be issued		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Payment of interest element of expenses on lease liabilities	28(b)	(127)	(244)	(157)	(90)
Payment of capital element of lease liabilities	28(b)	(634)	(760)	(303)	(569)
Repayment of borrowings, secured	28(b)	(859)	(1,642)	(613)	(792)
(Repayment to)/advance from a director	28(b)	(21)	3	2	64
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net cash used in financing activities		<u>(7,250)</u>	<u>(44,027)</u>	<u>(16,353)</u>	<u>(2,379)</u>

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	<i>Notes</i>	Year ended 31 December		Six months ended 30 June	
		2023	2024	2024	2025
		<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
				(Unaudited)	
Net (decrease)/increase in cash and cash equivalents		(618)	15,811	1,905	(6,242)
Cash and cash equivalents at beginning of year/period		135	(483)	(483)	15,328
Cash and cash equivalents at end of year/period		(483)	15,328	1,422	9,086
Represented by:					
Cash at bank and on hand		4,312	15,328	1,422	9,086
Deposits with licensed banks		18,394	7,824	18,319	8,507
Total cash and bank balances	23	22,706	23,152	19,741	17,593
Less:					
Bank overdrafts	25	(4,795)	–	–	–
Deposit pledged to licensed banks	23	(18,394)	(7,824)	(18,319)	(8,507)
Cash and cash equivalents		(483)	15,328	1,422	9,086

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II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. CORPORATE INFORMATION AND REORGANISATION

Corporation information

BBSB International Limited (the “**Company**”) is a limited liability company incorporated on 30 May 2025 in the Cayman Islands. The registered office of the Company is at 71 Fore Street, P.O. Box 500, George Town, Grand Cayman, KYI-1106, Cayman Islands.

The ultimate controlling party is Datuk Ir. Tan Chin Nyan (“**Datuk Tan**”) and Datin Pan Shao-Ping (collectively, the “**Controlling Shareholders**”).

The principal activity of the Company is an investment holding company of a group of companies in Malaysia principally engaged in provision of civil engineering services in Malaysia.

The Company and its subsidiaries now comprising the Group underwent the Reorganisation as set out in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Corporate Structure” in the Document. Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation.

As at the date of this report, the Company had direct and indirect interests in its subsidiaries, all of which are private limited liability companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and place of business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
BBSB (HK) Pte Ltd	British Virgin Islands, 6 June 2025	US\$50,000	100%	–	Investment holding
BBSB Holdings Sdn. Bhd.	Malaysia, 16 January 2001	RM3,500,000	–	100%	Engaged in provision of civil engineering services

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2. BASIS OF PREPARATION AND PRESENTATION

Pursuant to the Reorganisation as more fully explained in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Corporate Structure” in the Document, the Company became the holding company of the companies now comprising the Group subsequent to the end of the Track Record Period. As the Reorganisation only involved inserting new holding entities and has not resulted in any change of economic substance, the Historical Financial Information for the Track Record Period has been presented as a continuation of the existing group as if the Reorganisation had been completed at the beginning of the Track Record Period.

Accordingly, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the Track Record Period are prepared as if the current group structure had been in existence throughout the Track Record Period. The combined statements of financial position as at 31 December 2023, 2024 and 30 June 2025 have been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure had been in existence at those dates. No adjustments are made to reflect fair values, or to recognise any new assets or liabilities as a result of the Reorganisation. All intra-group transactions and balances have been eliminated on combination.

The Historical Financial Information has been prepared in accordance with the IFRS Accounting Standards and applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) throughout the Track Record Period. The accounting policies adopted in the preparation of the combined financial statements are set out in Note 4. The policies have been consistently applied to all the years presented.

The Historical Financial Information has been prepared under the historical cost basis, except for the life insurance policy held by the Group, which have been measured at fair value.

The Historical Financial Information is presented in Ringgit Malaysia (“**RM**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated.

3. ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

The Group has not applied the following new and amendments to standards, that have been issued, but are not yet effective, during the Track Record Period.

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity ¹
IFRS 18	Presentation and Disclosure in Financial Statements ²
IFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvement to IFRS Accounting Standards – Volume 11 ¹

¹ Effective for annual periods beginning on or after 1 January 2026.

² Effective for annual periods beginning on or after 1 January 2027.

³ Effective for annual periods beginning on or after a date to be determined.

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IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures. So far, the Group considers that the adoption of IFRS 18 is unlikely to have a significant impact on the Group’s performance and financial position.

Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments clarify the date on which a financial assets or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-resource features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

Currently, the Group derecognises its financial liabilities upon the issuance of cheques to their creditors. Under the amendments, the Group as a debtor should derecognise trade payable on the settlement date, i.e. the date on which the creditor receives the cash, as oppose to when the Group issue the cheque. Similarly, the Group should derecognise a trade receivable upon receiving cash from the debtor after the cheque has been cleared by the bank. The Group is the process of reviewing the derecognition practices for financial assets and financial liabilities to ensure compliance; and assessing the impact of amendments to the Group’s financial statements upon adoption.

The directors of the Company is in the process of assessing the potential impact of the above, other than IFRS 18 and amendments to IFRS 9 and IFRS 7, the directors do not anticipate that the application of all new and amendments to IFRS Accounting Standards will have material impact on the combined financial statements in the foreseeable future.

4. MATERIAL ACCOUNTING POLICIES

4.1 Basis of combination

The Historical Financial Information includes the financial statements of the Company and its subsidiaries. A subsidiary is an entity, directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee). The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are combined from the date on which the Group obtains control, and continue to be combined until the date that such control ceases. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

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4.2 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each of the reporting period. The principal annual rates are as follows:

Renovation	20%
Plant and machinery	15%–20%
Furniture and fittings office and computer equipment	20%
Motor vehicles	20%

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the profit or loss on disposal.

4.3 Financial instruments

(i) *Financial assets*

A financial asset (unless it is a trade receivables without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss (“**FVTPL**”), transaction costs that are directly attributable to its acquisition or issue. Trade receivable without a significant financing component is initially measured at the transaction price.

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and their gross carrying amount is reduced by impairment losses.

(ii) *Impairment loss on financial assets*

The Group recognises loss allowances for expected credit losses (“**ECLs**”) on financial assets measured at amortised cost. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive, discounted at the original effective interest rate. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Group measures loss allowances at an amount equal to 12 months ECLs, except when their credit risk has increased significantly since initial recognition, in which case, are measured at lifetime ECLs. Specifically, loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and informed credit assessment, that includes forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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At each reporting date, the Group also assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(iii) Financial liabilities

The Group classifies its financial liabilities at amortised cost. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred. Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in accordance with Note 4.10.

(iv) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with IFRS 9. On derecognition of a financial asset measured at amortised cost, the difference between the asset’s carrying amount and the sum of the consideration received and receivables is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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4.4 Investment properties

Investment property is property that held for long-term rental yields and/or for capital appreciation. Investment properties (other than investment properties under construction) are initially recognised at cost, which include transaction costs, and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years.

The residual values, useful lives and depreciation method of investment property is reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise. Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Investment properties under construction are stated at cost less any impairment losses and are not depreciated until such time when the assets are available for use.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

4.5 Leases

Accounting as a lessee

All leases are capitalised in the statement of financial position as right-of-use assets and lease liabilities, except for (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value for which the Group has elected not to recognise. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

Right-of-use assets

The right-of-use asset is recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease. The Group measures the right-to-use assets at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. Depreciation is provided over the lease term on a straight-line basis.

Lease liabilities

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee’s incremental borrowing rate.

In calculating the present value of lease payments, the Group uses the lessee’s incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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Accounting as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for in accordance with Note 4.6.

4.6 Revenue and other income

Income is classified by the Group as revenue when it arises from the sales of good or the provision of services in the ordinary course of the Group’s business. Further details of the Group’s revenue and other income recognition policies are as follows:

(i) Revenue from construction contracts

The Group’s construction contracts generally includes promises to provide labour and materials, as well as a guarantee that the constructed asset is free from defects for a period of one to two years after completion (“**defect liability period**”) and the Group has determined that these contracts generally contains only a single performance obligation as there is significant integration of different promised goods or services underlying a construction contract. The Group acts as a principal in these transactions as the Group is primarily responsible for fulfilling the promise to provide the services, the third party suppliers (including subcontractors) do not have a contractual relationship with the customer and the Group has discretion in establishing the prices and selecting the suppliers.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that the Group would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. The Group has assessed that these construction contracts qualify for over time revenue recognition as the assets to be constructed have no alternative use for the Group, and the Group generally has enforceable rights to payment for performance completed to date. The stage of completion is assessed by reference to the contract costs incurred to date in proportion to the total estimated contract costs of each contract. Transaction price in a contract is based on the price specified in the contract, net of penalties and sales and service taxes. Penalties represents a form of variable consideration and accumulated experience is used to estimate and provide for the penalties, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. At the end of each reporting period, the Group updates this estimates to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period. If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, a provision is recognised in accordance with Note 4.13.

The Group normally receives progress payment from customers monthly with reference to the value of works performed and the Group takes advantage of the practical expedient in IFRS 15.63 and does not adjust the consideration for any effects of a significant financing component as the period between when the Group receives consideration and transferring control of goods or service is one year or less.

The Group requires certain customers to provide advance payment ranging from 5% to 10% of total contract sum. The deposit received by the Group before the project commences will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount received. If the value of the work performed exceeds payments received from a customer, a contract asset is recognised. Contract assets are transferred to trade receivables when the rights to consideration become unconditional. The Group typically transfers its contract assets to trade receivables when progress certificate/invoice is issued. At each reporting date, contract asset is assessed for impairment on the same basis as trade receivable.

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The Group also agrees 5%–10% of the total contract sum as retention money, which generally will be released after the expiry of the defect liability period. Retention receivables are initially classified as contract assets and is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the services performed comply with agreed upon specifications and such assurance cannot be purchased separately. Retentions receivable is intended to protect the customer from the Group’s failing to adequately complete its obligations under the contract, rather than for the provision of finance. The Group accounts for this in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and had not accounted for as separate performance obligations and hence no consideration is allocated to them.

When there is a change in the scope and/or change in price of a contract (e.g. variation order and contract claims), the effect of the modification is recognised when they are approved by customer or whenever the Group is entitled under the contract terms and there is legal basis for those claims. Generally, modification to construction contract is not accounted for as a separate contract. Contract modification is accounted for as if it were a part of the existing contract and, therefore, form part of a single performance obligation that is partially satisfied at the date of the contract modification. The effect that the contract modification has on the contract sum and on the Group’s measures of progress towards complete satisfaction of the performance obligation, is recognised as an adjustment to revenue (either as an increase in or a reduction of revenue) at the date of the contract modification (i.e. the adjustment to revenue is made on a cumulative catch-up basis). For approved modifications where a change in price has not been agreed, they are accounted for following the requirement in relation to variable consideration.

(ii) Interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost, and is calculated by applying the effective interest rate to the gross carrying amount when the asset is not credit-impaired. For financial assets that have become credit-impaired, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset.

(iii) Rental income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the lease.

4.7 Income tax

Income tax for the year comprises current tax and deferred tax. Income taxes are generally recognised in profit or loss.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received, reflecting any uncertainty related to income tax.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

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4.8 Employee benefits

(i) *Short-term employee benefits*

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. Short term employee benefits are recognised in the period when the employees render the related service.

(ii) *Defined contribution retirement plan*

The employees of the Group are required to participate in a central pension scheme operated by the local municipal government. The Group is required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

4.9 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment
- right-of-use assets
- investment properties

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as in profit or loss immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

4.10 Capitalisation of borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.11 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time when the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments, and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

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4.12 Cash and cash equivalents

For the purpose of the combined statements of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group’s cash management.

4.13 Provision and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reliably estimated. Specifically, provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the net cost of continuing with the contract.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4.14 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the Group’s chief operating decision-maker for their decisions about resources allocation to the Group’s business components and their review of the performance of those components. The business components in the internal financial information reported to the Group’s chief operating decision maker are determined following the Group’s major product and service lines.

4.15 Accounting for life insurance policy as policyholder

The Group initially recognised the policy at contribution paid and subsequently remeasured at fair value at each reporting period. Change in fair value during each of the reporting period are recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgments in applying accounting policies

Judgements in determining performance obligations and timing of satisfaction of performance obligations

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group’s accounting policies and that have the most significant effect on the amounts recognised in the combined financial statements.

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Performance obligation determination

In making their judgements, the directors of the Company considered the detailed criteria for recognition of revenue set out in IFRS 15. In determining performance obligations, the directors of the Company consider whether the customer benefits from each service on its own and whether it is distinct in the context of the contract. Specifically, when concluding a contract has multiple performance obligations, the directors of the Company consider that any promised service is regularly sold separately and is separately identifiable from other promises within the contract. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Determination of progress towards complete satisfaction of a performance obligation

The Group determined that the input method is the best method in measuring the progress of the provision of construction services because information required to apply the output method is not available to the entity without undue cost and there is a direct relationship between the Group’s effort (e.g., labour hours expended and materials consumed) and the transfer of services to the customer. The Group recognises revenue on the basis of the cost incurred relative to the total expected costs to complete the project. The total expected costs to complete the project and hence recognition of contract revenue also requires significant management judgment and involves estimation uncertainty. Estimated contract costs of individual contract, which mainly comprise direct labour, direct materials and subcontracting charges and an appropriation of variable and fixed construction overheads. In estimating the total budget costs for construction contracts, management makes reference to information such as (i) costs incurred up-to-date; (ii) current offers from sub-contractors and suppliers; (iii) recent offers agreed with sub-contractors and suppliers; and (iv) project staff costs and other costs estimated by the project manager. In order to ensure that the estimated total contract costs are accurate and up-to-date such that contract revenue can be estimated reliably, management reviews the contract budget, costs incurred to date and costs to completion regularly, in particular in the case of costs over-runs, and revises the estimated contract costs where necessary. Notwithstanding that the management regularly reviews and revises contract budgets when those construction contracts progressed, the actual contract costs and gross profit margin achieved may be higher or lower than the estimates and that will affect the revenue and gross profit recognised in the combined financial statements.

Contract modification

Contracts are often modified due to changes in contract specifications and requirements. The Group may also seek claims for amounts in excess of the contract price for errors in specifications and designs or delays caused by customers. The customer or their authorised representatives may agree in full with the modifications or claims. But on certain projects, the Group have submitted but pending full agreement with the contract modifications and/or affirmative claims to recover additional costs and the associated profit, to which management believes the Group is entitled under the terms of contracts with customers and there is legal basis for those claims. Under these circumstances, contract modifications exist as it either creates new or changes the rights and obligations that are enforceable. Changes to the transaction price are made to the extent that additional revenue on a claim settlement with a customer is highly probable. Recognising revenue from affirmative claims requires significant judgments of certain factors including, but not limited to, dispute resolution developments and outcomes, anticipated negotiation results, and the cost of resolving such matters.

(b) Key sources of estimation uncertainty

In addition to the information disclosed elsewhere in these financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(i) Impairment of trade receivables and contract assets

As described in the policy in Note 4.3(ii) and Note 4.6, the loss allowance for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which may impact the debtors’ ability to repay the outstanding balances in order to estimate the ECLs for the loss allowance. In addition, management also reviewed the credit risk of individual debtors by considering the nature of transactions, relationship with customers and their financial position, etc. to assess whether any increase in credit risk which may trigger further specific provision at the end of the reporting period.

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(ii) Income tax and deferred tax

Judgment is required in determining the amount of the provision for taxation and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business.

Deferred tax assets are recognised for all unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the losses and other deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

(iii) Impairment of non-financial assets

As described in the policy in Note 4.9, the Group assesses at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the recoverable amount of the asset which is the higher of value-in-use and fair value less cost of disposal. When value-in-use calculations are undertaken, the Group is required to make an estimate of the expected future cash flows from the asset and also to choose a suitable discount rate in order to calculate the present value of those cash flows. A change in the estimated recoverable amount will result in an adjustment to the estimated impairment provision previously made.

(iv) Estimation of variable considerations

Most of construction contracts include contractual penalties that give rise to variable consideration. Variation consideration also arise when the Group seeks to collect claims from the customers as reimbursement of costs and margins for scope of works not included in the original construction contract. The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration given there is a range of possible consideration amount. Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, current negotiations with customers, and the current economic conditions. Estimates of expected successful claims or penalties to be incurred are sensitive to changes in circumstances and may not be representative of the actual outcome in the future. Any significant changes in such estimate will impact the amount of contract revenue recognised by the Group.

(v) Warranties

The Group generally provides assurance-type warranties for work performed under its construction contracts. The warranties cover defects in materials, design or workmanship, and most warranty periods typically run from 12 to 24 months after the completion of construction on a particular project. Warranty costs are estimated based on experience with the type of work and any known risks relative to each completed project. The provision of liabilities, which are established to cover estimated future assurance-type warranty costs, are recorded as the contracted work is performed. The liability amounts are periodically adjusted to reflect changes in the estimated size and number of expected warranty claims. Because of the requirements of the Group’s projects, including project owner inspections of the work both during construction and prior to substantial completion, the Group has not experienced material unexpected warranty costs in the past and no provision for warranty was recognised at each reporting date.

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6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Disaggregation of revenue from contracts with customers:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
Overtime:				
Construction contracts	76,757	133,002	69,786	73,986

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied as at the end of each of the reporting period and the expected timing of recognising revenue are as follows:

	Construction contract		
	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Within one year	145,254	139,871	153,998
More than one year but not more than four years	425,896	303,761	215,648
	571,150	443,632	369,646

(b) Segment reporting

(i) Segment information

The Group has only one reportable operating segment, which is provision of construction service in Malaysia. The information reported to the executive directors of the Company, who are the chief operating decision makers of the Group for the purposes of resources allocation and assessment of performance, is the financial information of the Group as a whole as reported under IFRS Accounting Standards. The executive directors allocate resources and assess performance of the business of the Group on an aggregated basis, accordingly, no reportable segment information is presented.

(ii) Geographic information

The Group generated all revenue in the Malaysia and its non-current assets are substantially located in the Malaysia, and accordingly, no analysis of geographic information is presented.

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(c) Information about major customers

Revenue attributable from customers that accounted for 10% or more of the Group’s total revenue during the Track Record Period, are as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM’000	RM’000	RM’000	RM’000
			(Unaudited)	
Customer A	39,204	65,363	33,626	24,219
Customer B	7,877	33,699	16,255	46,173
Customer C	N/A	13,797	N/A	N/A
Customer D	12,771	N/A	12,229	–
Customer E	12,940	N/A	–	–

N/A: The revenue did not exceed 10% of the Group’s revenue.

7. OTHER INCOME AND GAINS/(LOSSES), NET

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM’000	RM’000	RM’000	RM’000
			(Unaudited)	
Other income				
Interest income on other receivables	630	–	–	–
Interest income from short-term deposits	393	380	228	89
Other services income (Note)	994	1,577	834	1,036
Others	128	353	326	15
	<u>2,145</u>	<u>2,310</u>	<u>1,388</u>	<u>1,140</u>
Other (losses)/gains, net				
Gain on disposals of investment properties	–	–	–	50
Gain on disposals of property, plant and equipment	136	28	28	160
Reversal of impairment losses on investment properties (Note 18)	15	–	–	–
Change in fair value of life insurance policy	(474)	24	76	(40)
	<u>(323)</u>	<u>52</u>	<u>104</u>	<u>170</u>
Total	<u>1,822</u>	<u>2,362</u>	<u>1,492</u>	<u>1,310</u>

Note: This represents the amount of consideration receivable from the suppliers that is in excess of the costs incurred on their behalf.

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8. (PROVISION FOR)/REVERSAL OF IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
(Provision for)/reversal of impairment losses recognised on:				
– Trade receivables (<i>Note 20(a)</i>)	2,911	16,696	8,480	338
– Contract assets (<i>Note 21</i>)	(18,750)	37	158	(238)
– Other receivables and deposits (<i>Note 20(b)</i>)	(36)	557	277	(274)
– Financial guarantee contracts (<i>Note 25</i>)	5	(6)	3	91
	<u>(15,870)</u>	<u>17,284</u>	<u>8,918</u>	<u>(83)</u>

9. FINANCE COSTS

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
Interest on borrowings, secured	609	384	282	72
Interest expenses on lease liabilities (<i>Note 17</i>)	<u>127</u>	<u>244</u>	<u>157</u>	<u>90</u>
	736	628	439	162
Less:				
Interest expenses on lease liabilities recognised in cost of sales	(81)	(182)	(129)	(40)
Interest expenses on lease liabilities recognised in other operating expenses	<u>(33)</u>	<u>(23)</u>	<u>(14)</u>	<u>(13)</u>
	<u>622</u>	<u>423</u>	<u>296</u>	<u>109</u>

10. EMPLOYEE BENEFIT EXPENSES, INCLUDING DIRECTORS’ REMUNERATION

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
Wages and salaries (including directors’ remuneration)	11,048	12,467	6,318	6,679
Discretionary bonus	379	411	411	474
Contributions to defined contribution plan	632	741	386	454
Other employee benefits	<u>442</u>	<u>1,245</u>	<u>1,143</u>	<u>1,008</u>
	<u>12,501</u>	<u>14,864</u>	<u>8,258</u>	<u>8,615</u>

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11. DIRECTORS’ REMUNERATION AND INDIVIDUALS WITH FIVE HIGHEST PAID

(a) Directors’ remuneration

The remuneration of each director of the Company paid/payable by the Group for the Track Record Period are as follows:

Year ended 31 December 2023

	Fees RM’000	Salaries, allowances and benefits in kind RM’000	Discretionary bonus* RM’000	Contributions to defined contribution plan RM’000	Total RM’000
Executive directors:					
Datuk Tan	–	559	52	147	758
Tan Tze Tung (“ Mr. Andy Tan ”) (Note 1)	–	–	–	–	–
Tan Xin Yi (Note 2)	–	–	–	–	–
	–	559	52	147	758
Independent non-executive directors:					
Ooi Kim Chai (Note 3)	–	–	–	–	–
Lee Tuan Meng (Note 4)	–	–	–	–	–
Norkamaliah Binti Hashim (Note 5)	–	–	–	–	–
	–	–	–	–	–

Year ended 31 December 2024

	Fees RM’000	Salaries, allowances and benefits in kind RM’000	Discretionary bonus* RM’000	Contributions to defined contribution plan RM’000	Total RM’000
Executive directors:					
Datuk Tan	–	763	55	173	991
Mr. Andy Tan (Note 1)	–	–	–	–	–
Tan Xin Yi (Note 2)	–	–	–	–	–
	–	763	55	173	991
Independent non-executive directors:					
Ooi Kim Chai (Note 3)	–	–	–	–	–
Lee Tuan Meng (Note 4)	–	–	–	–	–
Norkamaliah Binti Hashim (Note 5)	–	–	–	–	–
	–	–	–	–	–

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Six months ended 30 June 2024

	Fees <i>RM'000</i> (Unaudited)	Salaries, allowances and benefits in kind <i>RM'000</i> (Unaudited)	Discretionary bonus* <i>RM'000</i> (Unaudited)	Contributions to defined contribution plan <i>RM'000</i> (Unaudited)	Total <i>RM'000</i> (Unaudited)
Executive directors:					
Datuk Tan	–	403	55	87	545
Mr. Andy Tan (<i>Note 1</i>)	–	–	–	–	–
Tan Xin Yi (<i>Note 2</i>)	–	–	–	–	–
	<u>–</u>	<u>403</u>	<u>55</u>	<u>87</u>	<u>545</u>
	<u>–</u>	<u>403</u>	<u>55</u>	<u>87</u>	<u>545</u>
Independent non-executive directors:					
Ooi Kim Chai (<i>Note 3</i>)	–	–	–	–	–
Lee Tuan Meng (<i>Note 4</i>)	–	–	–	–	–
Norkamaliah Binti Hashim (<i>Note 5</i>)	–	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

Six months ended 30 June 2025

	Fees <i>RM'000</i>	Salaries, allowances and benefits in kind <i>RM'000</i>	Discretionary bonus* <i>RM'000</i>	Contributions to defined contribution plan <i>RM'000</i>	Total <i>RM'000</i>
Executive directors:					
Datuk Tan	–	493	57	105	655
Mr. Andy Tan (<i>Note 1</i>)	–	7	–	1	8
Tan Xin Yi (<i>Note 2</i>)	–	4	–	1	5
	<u>–</u>	<u>504</u>	<u>57</u>	<u>107</u>	<u>668</u>
	<u>–</u>	<u>504</u>	<u>57</u>	<u>107</u>	<u>668</u>
Independent non-executive directors:					
Ooi Kim Chai (<i>Note 3</i>)	–	–	–	–	–
Lee Tuan Meng (<i>Note 4</i>)	–	–	–	–	–
Norkamaliah Binti Hashim (<i>Note 5</i>)	–	–	–	–	–
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

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Notes:

1. Mr. Andy Tan was appointed as executive director of the Company on 30 May 2025.
 2. Tan Xin Yi was appointed as executive director of the Company on 30 May 2025.
 3. Ooi Kim Chai was appointed as independent non-executive directors of the Company on 16 December 2025.
 4. Lee Tuan Meng was appointed as independent non-executive directors of the Company on 16 December 2025.
 5. Norkamaliah Binti Hashim was appointed as independent non-executive director of the Company on 16 December 2025.
- * Discretionary bonus granted to directors with reference to the Group’s performance.

During the Track Record Period, none of the Directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the Directors as an inducement to join, or upon joining the Group, or as compensation for loss of office. The executive directors’ emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors’ emoluments shown above were mainly for their services as the Directors.

(b) Individuals with five highest emoluments

Of the five individuals with the highest emoluments for the Track Record Period included 1, 1, 1 and 1 director for each of the years ended 31 December 2023, 2024 and six months ended 30 June 2024 and 2025, whose emoluments are disclosed in Note 11(a). The remuneration of the remaining 4, 4, 4 and 4 highest paid individuals for the Track Record Period are as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>	<i>RM’000</i>
			(Unaudited)	
Salaries, allowances and benefits in kind	1,009	1,115	583	605
Discretionary bonus	79	84	84	86
Contributions to defined contribution plan	92	95	51	52
Other employee benefits	55	112	112	135
	<u>1,235</u>	<u>1,406</u>	<u>830</u>	<u>878</u>

The emoluments are within the following bands:

	No. of individuals		No. of individuals	
	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
Nil to HKD1,000,000	4	4	4	4
HKD1,000,001 to HKD1,500,000	–	–	–	–

During the Track Record Period, none of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

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12. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
Included in cost of services:				
– Construction materials and supplies	5,712	15,491	5,036	12,881
– Subcontracting costs	46,006	77,900	47,576	37,877
Auditor’s remuneration	196	200	–	–
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Depreciation of property, plant and equipment	358	349	213	113
Depreciation of investment properties	53	128	51	64
Depreciation of right-of-use assets				
– Land and buildings	566	517	152	402
– Motor vehicles	204	313	137	249
Expenses relating to short-term leases (included in cost of sales)	2,234	1,593	632	977
Employee benefit expenses (<i>Note 10</i>)	12,501	14,864	8,258	8,615

13. INCOME TAX EXPENSE

The amount of income tax expense in the combined statements of profit or loss and comprehensive income represents:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
Current tax				
– Current year/period	1,367	4,371	1,585	2,804
– Over provision in prior years	(6)	(21)	(21)	(91)
	1,361	4,350	1,564	2,713
Deferred tax (<i>Note 22</i>)	1	2,734	711	29
Income tax expense	1,362	7,084	2,275	2,742

The Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated taxable profits for each of the reporting period.

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The income tax expense for the Track Record Period can be reconciled to the (loss)/profit before income tax in the combined statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(Unaudited)	
(Loss)/profit before income tax	(13,098)	33,273	14,387	5,943
Tax calculated at the applicable statutory tax rate of 24% in the Malaysia	(3,143)	7,985	3,453	1,426
Over provision in prior years	(6)	(21)	(21)	(91)
Tax effect of income not taxable for tax purpose	(79)	(51)	(62)	(46)
Tax effect of expense not deductible for tax purpose	464	625	359	1,397
Tax effect of deductible temporary difference not recognised	4,800	–	–	–
Recognition of previously unrecognised deductible temporary differences	(674)	(1,454)	(1,454)	56
Income tax expense	1,362	7,084	2,275	2,742

14. DIVIDEND

	Per ordinary share		Total	
	Year ended 31 December		Year ended 31 December	
	2023	2024	2023	2024
	RM	RM	RM'000	RM'000
First interim dividend declared and approved	0.57	0.43	2,000	1,500
Second interim dividend declared and approved	0.29	1.00	1,000	3,500
Third interim dividend declared and approved	0.57	1.43	2,000	5,000
Fourth interim dividend declared and approved	1.43	1.77	5,000	6,000
Fifth interim dividend declared and approved	–	2.86	–	10,000
Fifth interim dividend proposed after the reporting period	2.86	–	10,000	–
			20,000	26,000

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	Per ordinary share		Total	
	Six months ended		Six months ended	
	30 June		30 June	
	2024	2025	2024	2025
	RM	RM	RM'000	RM'000
			(unaudited)	
Fifth interim dividend declared and approved in respect of the year ended 31 December 2023	2.86	–	10,000	–

Dividend paid to shareholders of the Company attributable to the previous financial year, approved and paid during the year/period:

	Year ended 31 December		Six months ended 30 June	
	2023	2024	2024	2025
	RM'000	RM'000	RM'000	RM'000
			(unaudited)	
Fifth interim dividend in respect of the year ended 31 December 2023 of RM2.86 per ordinary share	–	10,000	10,000	–

The directors do not recommend the payment of any final dividend during the Track Record Period.

15. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

No (loss)/earnings per share information is presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful due to the Reorganisation and the presentation of the results of the Group for the Track Record Period on a combined basis as disclosed in Note 1.

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16. PROPERTY, PLANT AND EQUIPMENT

	Renovation <i>RM’000</i>	Plant and machinery <i>RM’000</i>	Furniture and fitting, office and computer equipment <i>RM’000</i>	Motor vehicles <i>RM’000</i>	Total <i>RM’000</i>
Cost					
As at 1 January 2023	458	6,870	1,173	5,148	13,649
Additions	51	8	331	–	390
Disposals	–	(196)	(25)	(259)	(480)
Transfer from right-of-use assets (Note 17)	–	–	–	553	553
As at 31 December 2023 and 1 January 2024	509	6,682	1,479	5,442	14,112
Additions	–	126	377	–	503
Disposals	–	–	–	(377)	(377)
Transfer from right-of-use assets (Note 17)	–	–	–	595	595
As at 31 December 2024 and 1 January 2025	509	6,808	1,856	5,660	14,833
Additions	–	37	76	–	113
Disposals	–	–	–	(446)	(446)
As at 30 June 2025	509	6,845	1,932	5,214	14,500
Accumulated depreciation					
As at 1 January 2023	329	6,573	1,044	5,121	13,067
Provided for the year	95	175	82	6	358
Disposals	–	(196)	(25)	(259)	(480)
Transfer from right-of-use assets (Note 17)	–	–	–	553	553
As at 31 December 2023 and 1 January 2024	424	6,552	1,101	5,421	13,498
Provided for the year	53	122	168	6	349
Disposals	–	–	–	(377)	(377)
Transfer from right-of-use assets (Note 17)	–	–	–	595	595
As at 31 December 2024 and 1 January 2025	477	6,674	1,269	5,645	14,065
Provided for the period	5	19	86	3	113
Disposals	–	–	–	(446)	(446)
As at 30 June 2025	482	6,693	1,355	5,202	13,732
Net book value					
As at 31 December 2023	85	130	378	21	614
As at 31 December 2024	32	134	587	15	768
As at 30 June 2025	27	152	577	12	768

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17. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Land and buildings <i>RM'000</i>	Motor vehicles <i>RM'000</i>	Total <i>RM'000</i>
2023			
Cost			
As at 1 January	2,127	1,531	3,658
Additions (<i>Note d</i>)	462	499	961
Lease terminations	(182)	–	(182)
Lease modifications	361	–	361
Transfer to property, plant and equipment (<i>Note 16</i>)	–	(553)	(553)
As at 31 December	2,768	1,477	4,245
Accumulated depreciation			
As at 1 January	1,110	1,083	2,193
Provided for the year (<i>Note c</i>)	566	204	770
Lease terminations	(95)	–	(95)
Transfer to property, plant and equipment (<i>Note 16</i>)	–	(553)	(553)
As at 31 December	1,581	734	2,315
Carrying amount	1,187	743	1,930

	Land and buildings <i>RM'000</i>	Motor vehicles <i>RM'000</i>	Total <i>RM'000</i>
2024			
Cost			
As at 1 January	2,768	1,477	4,245
Additions (<i>Note d</i>)	522	1,128	1,650
Lease modifications	290	–	290
Transfer to property, plant and equipment (<i>Note 16</i>)	–	(595)	(595)
As at 31 December	3,580	2,010	5,590
Accumulated depreciation			
As at 1 January	1,581	734	2,315
Provided for the year (<i>Note c</i>)	517	313	830
Transfer to property, plant and equipment (<i>Note 16</i>)	–	(595)	(595)
As at 31 December	2,098	452	2,550
Carrying amount	1,482	1,558	3,040

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	Land and buildings <i>RM’000</i>	Motor vehicles <i>RM’000</i>	Total <i>RM’000</i>
2025			
Cost			
As at 1 January	3,580	2,010	5,590
Additions (<i>Note d</i>)	23	763	786
Lease termination	(45)	–	(45)
Lease modifications	178	–	178
As at 30 June	3,736	2,773	6,509
Accumulated depreciation			
As at 1 January	2,098	452	2,550
Provided for the period (<i>Note c</i>)	402	249	651
Lease termination	(33)	–	(33)
As at 30 June	2,467	701	3,168
Carrying amount	1,269	2,072	3,341
Lease liabilities			
	Land and buildings <i>RM’000</i>	Motor vehicles <i>RM’000</i>	Total <i>RM’000</i>
2023			
As at 1 January	1,005	390	1,395
Additions (<i>Note d</i>)	462	400	862
Interest expenses (<i>Note 9</i>)	114	13	127
Lease terminations	(87)	–	(87)
Lease modifications	361	–	361
Payments of:			
Capital element of lease liabilities	(455)	(179)	(634)
Interest element of lease liabilities	(114)	(13)	(127)
As at 31 December	1,286	611	1,897

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	Land and buildings <i>RM’000</i>	Motor vehicles <i>RM’000</i>	Total <i>RM’000</i>
2024			
As at 1 January	1,286	611	1,897
Additions (<i>Note d</i>)	522	984	1,506
Interest expenses (<i>Note 9</i>)	205	39	244
Lease modifications	290	–	290
Payments of:			
Capital element of lease liabilities	(550)	(210)	(760)
Interest element of lease liabilities	(205)	(39)	(244)
As at 31 December	1,548	1,385	2,933
	Land and buildings <i>RM’000</i>	Motor vehicles <i>RM’000</i>	Total <i>RM’000</i>
2025			
As at 1 January	1,548	1,385	2,933
Additions (<i>Note d</i>)	23	677	700
Interest expenses (<i>Note 9</i>)	54	36	90
Lease termination	(12)	–	(12)
Lease modifications	178	–	178
Payments of:			
Capital element of lease liabilities	(388)	(181)	(569)
Interest element of lease liabilities	(54)	(36)	(90)
As at 30 June	1,349	1,881	3,230
	As at 31 December 2023 <i>RM’000</i>	2024 <i>RM’000</i>	As at 30 June 2025 <i>RM’000</i>
Represented by:			
Non-current	1,237	1,942	1,981
Current	660	991	1,249
Total lease liabilities	1,897	2,933	3,230

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	As at 31 December		As at
	2023	2024	30 June
	RM’000	RM’000	2025
			RM’000
Total lease liabilities owing to financial institutions	611	1,385	1,881
Total lease liabilities owing to non-financial institutions	1,286	1,548	1,349
Total lease liabilities	1,897	2,933	3,230

Notes:

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the lease terms. The principal depreciation periods are as follows:

Land and buildings	over the lease periods from 2 to 8 years
Motor vehicles	over the lease period of 5 years

Some of the leases for land and buildings and motor vehicles include an option to purchase the leased equipment at the end of the lease term at a price deemed to be a bargain purchase option. It was considered reasonably certain that the Group would exercise its right and included in the right-of-use assets and lease liabilities.

- (b) Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date.

After initial recognition, lease liabilities are measured by increasing the carrying amounts to reflect interest on the lease liabilities, reducing the carrying amounts to reflect the lease payments made and remeasuring the carrying amounts to reflect any reassessment or lease modifications.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

The Group has certain leases of equipment and premises with lease term of 12 months or less, and low-value leases of RM25,000 and below. The Group applies “short term lease” and “lease of low-value assets” exemptions for these leases.

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- (c) The following are the amounts recognised in profit or loss:

	Year ended 31 December		Six months ended 30 June	
	2023 RM'000	2024 RM'000	2024 RM'000 (Unaudited)	2025 RM'000
Depreciation charge of right-of-use assets (included in cost of services and other operating expenses)	770	830	289	651
Interest expenses on lease liabilities (included in cost of services, other operating expenses and finance costs) (<i>Note 9</i>)	127	244	157	90
Expenses relating to short-term leases (included in cost of sales)	2,234	1,593	632	977
	<u>3,131</u>	<u>2,667</u>	<u>1,078</u>	<u>1,718</u>

- (d) The Group made the following cash payments on additions of right-of-use assets:

	Year ended 31 December		Six months ended 30 June	
	2023 RM'000	2024 RM'000	2024 RM'000 (Unaudited)	2025 RM'000
Additions of right-of-use assets	961	1,650	607	786
Financed by lease liabilities	(862)	(1,506)	(583)	(700)
Cash payments on additions of right-of-use assets	<u>99</u>	<u>144</u>	<u>24</u>	<u>86</u>

The Group had total cash outflow for leases of approximately RM2,995,000, RM2,597,000, RM1,092,000 and RM1,636,000, comprising approximately RM634,000, RM760,000, RM303,000 and RM569,000 respectively, for repayment of principal on lease liabilities for the years ended 31 December 2023 and 2024 and six months ended 30 June 2024 and 2025 respectively, RM127,000, RM244,000, RM157,000 and RM90,000 respectively, for repayment of interest expenses on lease liabilities for the years ended 31 December 2023 and 2024 and six months ended 30 June 2024 and 2025 and RM2,234,000, RM1,593,000, RM632,000 and RM977,000 respectively, for short-term lease expenses for the years ended 31 December 2023 and 2024 and six months ended 30 June 2024 and 2025.

- (e) The Group has lease contracts that include termination options. These options are negotiated by the Group to provide flexibility in managing the leased-asset portfolio and align with the business needs of the Group.
- (f) There is no undiscounted potential future rental payment that is not included in the lease term of the Group. The possibility for the Group to exercise the termination option is unlikely after taking into consideration of relevant facts and circumstances including past experience, cost and economic incentive that will be involved to exercise the termination options.

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- (g) The maturity profile of the lease liabilities of the Group at the end of each reporting period based on contractual undiscounted repayment obligations are as follows:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Within one year	778	1,151	1,309
In the second year	549	953	1,000
In the third to fifth year	812	1,143	1,148
After five years	12	—	—
	<u>2,151</u>	<u>3,247</u>	<u>3,457</u>

- (h) The effective interest rates and incremental borrowing rates per annum of lease liabilities that are effective as at the end of each reporting period are as follows:

	As at 31 December		As at
	2023	2024	30 June
	%	%	2025
			%
Lease liabilities	<u>4.26–7.71</u>	<u>4.26–7.71</u>	<u>4.07–7.71</u>

- (i) Lease liabilities are fixed rate instruments. Sensitivity analysis at the end of each reporting period is not presented as they are not affected by changes in interest rates.

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18. INVESTMENT PROPERTIES

	Investment properties <i>RM’000</i>	Investment properties under construction <i>RM’000</i>	Total <i>RM’000</i>
Cost			
As at 1 January 2023, 31 December 2023 and 1 January 2024	2,646	5,000	7,646
Transfer from investment properties under construction	5,000	(5,000)	–
As at 31 December 2024 and 1 January 2025	7,646	–	7,646
Disposal	(2,500)	–	(2,500)
As at 30 June 2025	5,146	-	5,146
Accumulated depreciation and impairment			
As at 1 January 2023	185	–	185
Depreciation provided for the year	53	–	53
Reversal of impairment losses for the year (Note 7)	(15)	–	(15)
As at 31 December 2023 and 1 January 2024	223	–	223
Depreciation provided for the year	128	–	128
As at 31 December 2024 and 1 January 2025	351	–	351
Depreciation provided for the period	64	-	64
Disposal	(50)	–	(50)
As at 30 June 2025	365	–	365
Net book value			
As at 31 December 2023	2,423	5,000	7,423
As at 31 December 2024	7,295	–	7,295
As at 30 June 2025	4,781	–	4,781

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Fair value measurement

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Fair value for disclosure purposes only:			
Fair value at end of the year/period	9,567	7,710	5,110

As at 31 December 2023, 2024 and 30 June 2025, the fair values of the investment properties were estimated to be approximately RM9,567,000 and RM7,710,000 and RM5,110,000, respectively. The valuation was performed by CH Williams Talhar & Wong and Cbre Wtw Valuation & Advisory Sdn Bhd, the independent professionally qualified valuers. Selection criteria of the external valuer include market knowledge, reputation, independence and whether professional standards are maintained.

The valuation of the investment properties were determined using the comparison approach based on market values for similar properties in the same vicinity obtained from property agencies. The fair value measurement hierarchy of the above investment properties requires certain significant unobservable inputs (Level 3). There were no transfers into or out of Level 3 during the Track Record Period.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

As at 31 December 2023, management of the Company has determined that the recoverable amounts of certain investment properties are higher than their carrying amounts. Accordingly, reversal of impairment losses on investment properties amounted to RM15,000 was recognised in the combined statements of profit or loss and other comprehensive income. No impairment losses on investment properties was provided as at 31 December 2024.

The Group as a lessor

The Group leases an investment property under operating lease arrangements. Rental income recognised by the Group during the years ended 31 December 2023, 2024 and six months ended 30 June 2024 and 2025 were Nil, approximately RM7,000, RM2,000 and RM5,000, respectively.

Direct operating expenses arising from an investment property that generated rental income during the years ended 31 December 2023 and 2024 and six months ended 30 June 2024 and 2025 amounted to approximately Nil, RM2,000, RM1,000 and RM1,000, respectively, while direct operating expenses arising from investment properties that did not generate rental income during the years ended 31 December 2023, 2024 and six months ended 30 June 2024 and 2025 amounted to approximately RM22,000, RM22,000, RM7,000 and RM13,000, respectively.

As at 31 December 2023, 2024 and 30 June 2025, the undiscounted lease payments receivable by the Group in future periods under operating lease with its tenant is as follows:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Within one year	–	10	10
In the second to third year	–	4	9
In the third to fourth year	–	–	–
In the fourth to fifth year	–	–	–
After five years	–	–	–
	–	14	19

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19. LIFE INSURANCE POLICY

The Company and the Group has paid the total contribution amounted to approximately RM4,054,000 at the inception of the policy, if the covered person did not die or suffered from total and permanent disability during the 7 years, the Group will be entitled to at least approximately RM4,054,000, depending on the investment performance of the financial product. If the covered person die or suffered from total and permanent disability during the insurance period, the Group will be entitled to a payment of RM7,000,000.

Change in fair value loss of approximately RM474,000, fair value gain of approximately RM24,000 and fair value loss of approximately RM40,000 were recognised in profit or loss during the years ended 31 December 2023, 31 December 2024, six months ended 30 June 2025, respectively.

20. TRADE RECEIVABLES, PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Trade receivables (<i>Note a</i>)	37,999	38,527	5,956
Less: Impairment losses	(18,169)	(1,473)	(1,135)
	<u>19,830</u>	<u>37,054</u>	<u>4,821</u>
Other receivables and deposits (<i>Note b</i>):			
Consideration receivable from disposal of an investment property	–	–	2,250
Other receivables and deposits	5,704	19	5,355
Deposits	1,346	1,307	1,035
Less: Impairment losses	(692)	(135)	(409)
	<u>6,358</u>	<u>1,191</u>	<u>8,231</u>
Prepayments	13	13	33
Deferred [REDACTED]	<u>[REDACTED]</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
	<u>13</u>	<u>13</u>	<u>1,587</u>
	<u>26,201</u>	<u>38,258</u>	<u>14,639</u>

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Notes:

(a) Trade receivables

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Third parties	15,202	38,527	5,956
Related parties	22,797	–	–
	<u>37,999</u>	<u>38,527</u>	<u>5,956</u>
Less: Impairment losses	(18,169)	(1,473)	(1,135)
	<u>19,830</u>	<u>37,054</u>	<u>4,821</u>

The credit period granted to customers is 30 to 45 days during the Track Record Period. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

As at 31 December 2024, trade receivables of the Group are not secured by any collaterals and are not subject to significant risk of concentration, except for trade receivables from two (2) third party customers constituting 71% of total receivables of the Group.

As at 31 December 2023, trade receivables of the Group are not secured by any collaterals and are not subject to significant risk of concentration, except for amounts due from related parties constituting 60% of total receivables of the Group.

An ageing analysis of trade receivables as at 31 December 2023, 2024 and 30 June 2025 are as follows:

	Gross carrying amount RM'000	Impairment losses RM'000	Net carrying amount RM'000
As at 31 December 2023			
Collective assessment			
Current	5,187	(6)	5,181
Within one year past due	4,795	(9)	4,786
In the first to second year past due	5,118	(59)	5,059
In the second to third year past due	14	(1)	13
In the third to fourth year past due	5,046	(268)	4,778
In the fourth to fifth year past due	14	(1)	13
After five years	808	(808)	–
	<u>20,982</u>	<u>(1,152)</u>	<u>19,830</u>
Individual assessment			
Credit-impaired	17,017	(17,017)	–
	<u>37,999</u>	<u>(18,169)</u>	<u>19,830</u>

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	Gross carrying amount <i>RM’000</i>	Impairment losses <i>RM’000</i>	Net carrying amount <i>RM’000</i>
As at 31 December 2024			
Collective assessment			
Current	32,267	(272)	31,995
Within one year past due	4,711	(39)	4,672
In the first to second year past due	95	(5)	90
In the second to third year past due	331	(46)	285
In the third to forth year past due	12	(2)	10
In the forth to fifth year past due	4	(2)	2
After five years	739	(739)	–
	38,159	(1,105)	37,054
Individual assessment			
Credit-impaired	368	(368)	–
	38,527	(1,473)	37,054
	Gross carrying amount <i>RM’000</i>	Impairment losses <i>RM’000</i>	Net carrying amount <i>RM’000</i>

As at 30 June 2025

Collective assessment			
Current	45	–	45
Within one year past due	4,812	(36)	4,776
In the first to second year past due	–	–	–
In the second to third year past due	–	–	–
In the third to forth year past due	–	–	–
In the forth to fifth year past due	–	–	–
After five years	731	(731)	–
	5,588	(767)	4,821
Individual assessment			
Credit-impaired	368	(368)	–
	5,956	(1,135)	4,821

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Movements in impairment losses on trade receivables are as follow:

	Lifetime ECLs (not credit-impaired) RM’000	Lifetime ECLs (credit- impaired) RM’000	Total RM’000
As at 1 January 2023	2,057	19,023	21,080
Reversal of impairment losses, net (<i>Note 8</i>)	(905)	(2,006)	(2,911)
As at 31 December 2023 and 1 January 2024	1,152	17,017	18,169
Reversal of impairment losses, net (<i>Note 8</i>)	(47)	(16,649)	(16,696)
As at 31 December 2024 and 1 January 2025	1,105	368	1,473
Reversal of impairment losses, net (<i>Note 8</i>)	(338)	–	(338)
As at 30 June 2025	<u>767</u>	<u>368</u>	<u>1,135</u>

Information about the impairment losses on trade receivables and the exposure to credit risk can be found in Note 30(a).

(b) Other receivables and deposits

Movements in impairment losses on other receivables and deposits are as follows:

	12-month ECLs RM’000
As at 1 January 2023	656
Provision for impairment losses, net (<i>Note 8</i>)	<u>36</u>
As at 31 December 2023 and 1 January 2024	692
Reversal of impairment losses, net (<i>Note 8</i>)	<u>(557)</u>
As at 31 December 2024 and 1 January 2025	135
Provision for impairment losses, net (<i>Note 8</i>)	<u>274</u>
As at 30 June 2025	<u><u>409</u></u>

Information about the impairment losses on other receivables and deposits and the exposure to credit risk can be found in Note 30(a).

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21. CONTRACT ASSETS AND CONTRACT LIABILITIES

(a) Contract assets

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Contract assets arising from:			
Construction services			
– Unbilled revenue	51,267	47,011	80,260
– Retention receivables	18,412	7,070	10,492
Less: Impairment losses	(21,190)	(21,153)	(21,391)
	<u>48,489</u>	<u>32,928</u>	<u>69,361</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates for the measurement of the expected credit losses of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on days past due of trade receivables. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Information about the impairment losses on contract assets and the exposure to credit risk can be found in Note 30(a).

The expected timing of recovery or settlement for contract assets is as follows:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Within one year	46,036	28,935	61,969
More than one year and less than five years	<u>2,453</u>	<u>3,993</u>	<u>7,392</u>
Total contract assets	<u>48,489</u>	<u>32,928</u>	<u>69,361</u>

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Movements in contract assets are as follow:

	Year ended 31 December		Six months ended
	2023	2024	30 June
	RM’000	RM’000	2025
			RM’000
At the beginning of year/period	59,571	48,489	32,928
Transfer of contract assets recognised at beginning of the year/period to trade receivables	(20,266)	(46,515)	(23,235)
Increase as a result of changes in the measure of progress and contract modifications	27,934	30,917	59,906
(Provision for)/reversal of impairment losses, net	(18,750)	37	(238)
At the end of year/period	48,489	32,928	69,361

Movements in impairment losses on contract assets are as follow:

	Lifetime ECLs (not credit-impaired)	Lifetime ECLs (credit-impaired)	Total
	RM’000	RM’000	RM’000
As at 1 January 2023	1,412	1,028	2,440
(Reversal of)/provision for impairment losses, net (<i>Note 8</i>)	(1,095)	19,845	18,750
As at 31 December 2023 and 1 January 2024	317	20,873	21,190
Reversal of impairment losses, net (<i>Note 8</i>)	(37)	–	(37)
As at 31 December 2024 and 1 January 2025	280	20,873	21,153
Provision for impairment losses, net (<i>Note 8</i>)	238	–	238
As at 30 June 2025	518	20,873	21,391

Information about the impairment losses on contract assets and the exposure to credit risk can be found in Note 30(a).

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(b) Contract liabilities

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Contract liabilities arising from:			
– Construction services	–	(2,562)	(4,291)

Movements in contract liabilities are as follows:

	Year ended 31 December		Six months ended
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
At the beginning of year/period	–	–	(2,562)
Received in advance of services and not recognised as revenue during the year/period	–	(2,562)	(1,729)
At the end of year/period	–	(2,562)	(4,291)

22. DEFERRED TAX ASSETS/(LIABILITIES)

	Year ended 31 December		Six months ended
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
As at 1 January	2,326	2,325	(409)
Recognised in profit or loss (<i>Note 13</i>)	(1)	(2,734)	(29)
As at 31 December/30 June	2,325	(409)	(438)
Presented before appropriate offsetting:			
Deferred tax assets	3,394	700	723
Deferred tax liabilities	(1,069)	(1,109)	(1,161)
As at 31 December/30 June	2,325	(409)	(438)

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The components and movements of deferred tax assets and liabilities prior to offsetting during the Track Record Period are as follows:

Deferred tax assets

	Temporary differences on impairment <i>RM'000</i>
As at 1 January 2023	3,308
Credited to profit or loss	<u>86</u>
As at 31 December 2023 and 1 January 2024	3,394
Charged to profit or loss	<u>(2,694)</u>
As at 31 December 2024 and 1 January 2025	700
Credited to profit or loss	<u>23</u>
As at 30 June 2025	<u><u>723</u></u>

Deferred tax liabilities

	Property, plant and equipment <i>RM'000</i>
As at 1 January 2023	(982)
Charged to profit or loss	<u>(87)</u>
As at 31 December 2023 and 1 January 2024	(1,069)
Charged to profit or loss	<u>(40)</u>
As at 31 December 2024 and 1 January 2025	(1,109)
Charged to profit or loss	<u>(52)</u>
As at 30 June 2025	<u><u>(1,161)</u></u>

As at 31 December 2023, 2024 and 30 June 2025, the Group has deductible temporary differences of approximately RM26,058,000, RM20,000,000 and RM20,000,000, respectively. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

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23. CASH AND BANK BALANCES

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Cash at banks and on hand	4,312	15,328	9,086
Deposits with licensed banks	18,394	7,824	8,507
Total cash and bank balances	22,706	23,152	17,593

Cash at banks earns interest at floating rates, and weighted average effective interest rate of cash at bank and deposits with licensed banks is as follows:

	As at 31 December		As at
	2023	2024	30 June
	%	%	2025
			%
Fixed rate	2.19	0.95	0.86

The average initial maturity period of deposits with licensed banks is 154 days and 163 days as at 31 December 2023 and 2024 and 163 days as at 30 June 2025, respectively.

Deposits with licensed banks of approximately RM18,394,000 and RM7,824,000 as at 31 December 2023 and 2024 and RM8,507,000 as at 30 June 2025 are pledged to licensed banks as securities for bank facilities, respectively, granted to the Group as disclosed in Note 25 of the combined financial statements.

Cash and bank balances are denominated in RM.

No expected credit loss is recognised arising from the cash and bank balances as the probability of default by these financial institutions is negligible.

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24. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Trade payables			
Third parties	15,743	24,997	22,368
A related party	100	–	–
Retention payables	15,601	17,055	17,115
	<u>31,444</u>	<u>42,052</u>	<u>39,483</u>
Other payables and accruals			
Third parties	607	751	576
Director	45	48	112
Deposits	–	2	2
Accrued staff costs	596	711	820
Accrued [REDACTED] expenses	[REDACTED]	[REDACTED]	[REDACTED]
Other accruals	207	239	–
Other tax and levy payables	39	9	13
Dividend payable	5,000	–	–
	<u>6,494</u>	<u>1,760</u>	<u>4,080</u>
	<u>37,938</u>	<u>43,812</u>	<u>43,563</u>

An ageing analysis of trade payables as at the end of each of the reporting period, based on the invoice dates, are as follows:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
0 to 90 days	29,407	36,683	38,100
91 to 180 days	499	4,302	469
181 to 365 days	164	68	162
Over 365 days	1,374	999	752
	<u>31,444</u>	<u>42,052</u>	<u>39,483</u>

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranged from 30 to 60 days from the date of invoice for the Track Record Period.

The amount due to a related party is trade nature, unsecured and repayable on demand.

The amount due to a director represent advances from a director, which is unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents.

Retention payables to sub-contractors of contract works are interest-free and payable by the Group after the completion of defect liability period of 2 years from completion of the relevant works.

As at 31 December 2023, included in the retention payables is an amount due to a related party, which amounted to RM44,000. No retention payables is due to related party as at 31 December 2024.

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25. BORROWINGS, SECURED

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Bank overdrafts	4,795	–	–
Banker acceptances	1,513	485	–
Term loan	3,733	3,119	2,812
Financial guarantee contracts	85	91	–
	<u>10,126</u>	<u>3,695</u>	<u>2,812</u>
Less: Amounts due over one year shown under non-current liabilities	<u>(3,119)</u>	<u>(2,505)</u>	<u>(2,198)</u>
Amounts due shown under current liabilities	<u><u>7,007</u></u>	<u><u>1,190</u></u>	<u><u>614</u></u>

The carrying amounts of the above term loan are analysed based on contractual repayment date as follows:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Within 1 year	614	614	614
In the second year	614	614	614
In the third to fifth year	1,842	1,842	1,584
After five years	<u>663</u>	<u>49</u>	<u>–</u>
Total carrying amount of term loan	<u><u>3,733</u></u>	<u><u>3,119</u></u>	<u><u>2,812</u></u>

The weighted average effective interest rates per annum of borrowings as at the end of each reporting period are as follows:

	As at 31 December		As at
	2023	2024	30 June
	%	%	2025
			%
Bank overdrafts	7.85	–	–
Banker acceptances	5.15	5.15	–
Term loan	<u>4.74</u>	<u>4.85</u>	<u>4.82</u>

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The table below summarises the maturity profile of the borrowings (including financial guarantee contracts) of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	On demand or within one year <i>RM'000</i>	In the second to fifth years <i>RM'000</i>	After five years <i>RM'000</i>	Total <i>RM'000</i>
As at 31 December 2023				
Bank overdrafts	4,795	–	–	4,795
Banker acceptances	1,513	–	–	1,513
Term loan	785	2,837	681	4,303
Financial guarantee contracts	5,290	–	–	5,290
	<u>12,383</u>	<u>2,837</u>	<u>681</u>	<u>15,901</u>
As at 31 December 2024				
Banker acceptances	485	–	–	485
Term loan	752	2,708	49	3,509
Financial guarantee contracts	4,929	–	–	4,929
	<u>6,166</u>	<u>2,708</u>	<u>49</u>	<u>8,923</u>
As at 30 June 2025				
Term loan	<u>737</u>	<u>2,391</u>	<u>–</u>	<u>3,128</u>

At the end of each reporting period, the interest rate profile of the borrowings is as follows:

	As at 31 December 2023 <i>RM'000</i>	2024 <i>RM'000</i>	As at 30 June 2025 <i>RM'000</i>
Variable rate borrowings	<u>10,041</u>	<u>3,604</u>	<u>2,812</u>

Secured borrowings of the Group are secured by the following:

- (i) Third party legal charge over the properties belonging to a related party and Directors;
- (ii) Deposits with licensed banks of the Group as disclosed in Note 23 to the financial statements;
- (iii) A key man insurance policy in respect of a Director’s life with sum assured of RM7,000,000;
- (iv) Deed of assignment of contract proceeds; and
- (v) Jointly and severally guaranteed by the Directors of the Company.

As at 31 December 2023, 2024 and 30 June 2025, the Group has unutilised banking facilities of RM96,386,000 and RM111,659,000 and RM112,998,000, respectively.

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Financial guarantee contracts

BBSB Holdings Sdn. Bhd. (“**BBSB**”), an indirect wholly-owned subsidiary of the Company, provides financial guarantees to banks in respect of banking facilities granted to related parties. The details of the corporate guarantees are as follows:

On 3 May 2016, BBSB provided corporate guarantee in favour of AmBank (M) Berhad as part of the security for the credit facility of RM3,480,000 granted by the Bank to Nova Revenue Sdn. Bhd. (“**NRSB**”), a related party of the Company.

On 23 December 2016, BBSB provided corporate guarantee in favour of Public Bank Berhad as part of the security for the credit facility of RM900,000 granted by the bank to Ample Seas Sdn. Bhd. (“**ASSB**”), a related party of the Company.

On 23 May 2018, BBSB provided corporate guarantee in favour of Public Bank Berhad as part of the security for the credit facility of RM1,120,000 granted by the Bank to NRSB.

On 31 December 2018, BBSB provided corporate guarantee in favour of Public Bank Berhad as part of the security for the credit facility of RM3,563,650 granted by the Bank to ASSB.

The corporate guarantees are not secured by any specific assets of BBSB. As at 31 December 2023, 2024 and 30 June 2025, the maximum credit risk exposure of the guarantee was RM5,290,000, RM4,929,000 and nil, respectively. Information about the impairment losses on financial guarantee contracts and the exposure to credit risk can be found in Note 30(a).

As at 30 June 2025, BBSB has discharged all financial guarantee contracts to banks in respect of banking facilities granted to related parties.

Movements in impairment losses on financial guarantee contracts are as follows:

	12-month ECL <i>RM’000</i>
As at 1 January 2023	90
Reversal of impairment losses (<i>Note 8</i>)	(5)
As at 31 December 2023 and 1 January 2024	85
Provision for impairment losses (<i>Note 8</i>)	6
As at 31 December 2024 and 1 January 2025	91
Reversal of impairment losses (<i>Note 8</i>)	(91)
As at 30 June 2025	–

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26. SHARE CAPITAL AND RESERVES

The Company was incorporated in the Cayman Islands as an exempted company with limited liabilities on 30 May 2025. As at the date of incorporation, the Company had an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the same date, one fully paid share was issued and allotted to the initial subscriber.

Reserves:

a. Share premium

Share premium represented the amount subscribed for share capital in excess of nominal value.

b. Merger reserve

It represents the difference between the nominal value of shares issued by the Company and the aggregate paid-up capital of the companies comprising the Group.

c. Retained earnings

Its represents cumulative net profits recognised in the combined statement of profit or loss and other comprehensive income.

27. RELATED PARTY TRANSACTIONS

- (a) Other than as disclosed in Notes 20, 24 and 25 in the Historical Financial Information, the Group had the following transactions with related parties during the Track Record Period:

Name of related party	Relationship	Type of transactions	Year ended 31 December		Six months ended 30 June	
			2023 RM'000	2024 RM'000	2024 RM'000 (Unaudited)	2025 RM'000
Bridgex Sdn. Bhd. (Note (i))	Related party	Revenue from construction contract	4,850	5,523	5,523	–
Bridgex Sdn. Bhd. (Note (i))	Related party	Sub-contractor cost	1,460	500	500	–
Bridgex Sdn. Bhd. (Note (i))	Related party	Miscellaneous income	–	32	32	–
Bridgex Sdn. Bhd. (Note (i))	Related party	Miscellaneous expenses	1,082	993	993	–
Nova Revenue Sdn. Bhd (Note (ii))	Related party	Miscellaneous expenses	–	–	–	11
Ample Seas Sdn. Bhd. (Note (ii))	Related party	Rental paid	36	36	18	19
Nova Revenue Sdn. Bhd (Note (ii))	Related party	Rental paid	206	227	108	149

Notes:

- (i) The entity was related to one of the executive directors, Datuk Tan, who was a substantial shareholder of the entity until 13 June 2024.
- (ii) The entity is controlled by Datuk Tan, one of the controlling shareholders and executive director of the Company.
- (b) Compensation of key management personnel

The key management personnel of the Group are the directors of the Company. Details of the remuneration paid to them during the Track Record Period are set out in Note 11 to the Historical Financial Information.

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28. NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS

(a) Major non-cash transactions

For the years ended 31 December 2023 and 2024 and six months ended 30 June 2024 and 2025, the Group entered into leases agreements in respect of land and buildings and motor vehicle with a capital value at the inception of the leases of approximately RM862,000, RM1,506,000, RM583,000 and RM700,000, respectively.

(b) Changes in liabilities arising from financing activities

The tables below detail changes in liabilities of the Group arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows are, or future cash flows will be, classified in the combined statement of cash flows of the Group as cash flows from financing activities.

	Lease liabilities <i>RM'000</i> <i>(Note 17)</i>	Borrowings, secured <i>RM'000</i> <i>(Note 25)</i>	Amount due to a director <i>RM'000</i> <i>(Note 24)</i>	Dividend payable <i>RM'000</i> <i>(Note 24)</i>	Total <i>RM'000</i>
As at 1 January 2023	1,395	10,283	66	–	11,744
Changes from financing cash flows:					
– Payment of interest element of lease liabilities	(127)	–	–	–	(127)
– Payment of capital element of lease liabilities	(634)	–	–	–	(634)
– Repayment of borrowing, secured	–	(859)	–	–	(859)
– Interest paid	–	(609)	–	–	(609)
– Repayment to a director	–	–	(21)	–	(21)
– Dividend paid	–	–	–	(5,000)	(5,000)
Total changes from financing cash flows	(761)	(1,468)	(21)	(5,000)	(7,250)
Other changes:					
– Additions of lease liabilities	862	–	–	–	862
– Interest expenses	127	609	–	–	736
– Lease terminations	(87)	–	–	–	(87)
– Lease modifications	361	–	–	–	361
– Dividend declared	–	–	–	10,000	10,000
– Increase in bank overdrafts	–	707	–	–	707
– Reversal of impairment on financial guarantee contracts	–	(5)	–	–	(5)
Total other changes	1,263	1,311	–	10,000	12,574

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	Lease liabilities <i>RM’000</i> <i>(Note 17)</i>	Borrowings, secured <i>RM’000</i> <i>(Note 25)</i>	Amount due to a director <i>RM’000</i> <i>(Note 24)</i>	Dividend payable <i>RM’000</i> <i>(Note 24)</i>	Total <i>RM’000</i>
As at 31 December 2023 and 1 January 2024	1,897	10,126	45	5,000	17,068
Changes from financing cash flows:					
– Payment of interest element of on lease liabilities	(244)	–	–	–	(244)
– Payment of capital element of lease liabilities	(760)	–	–	–	(760)
– Repayment of borrowing, secured	–	(1,642)	–	–	(1,642)
– Interest paid	–	(384)	–	–	(384)
– Advance from a director	–	–	3	–	3
– Dividend paid	–	–	–	(41,000)	(41,000)
Total changes from financing cash flows	(1,004)	(2,026)	3	(41,000)	(44,027)
Other changes:					
– Additions of lease liabilities	1,506	–	–	–	1,506
– Interest expenses	244	384	–	–	628
– Lease modifications	290	–	–	–	290
– Dividend declared	–	–	–	36,000	36,000
– Decrease in bank overdrafts	–	(4,795)	–	–	(4,795)
– Provision for impairment on financial guarantee contracts	–	6	–	–	6
Total other changes	2,040	(4,405)	–	36,000	33,635
As at 31 December 2024	2,933	3,695	48	–	6,676

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	Lease liabilities <i>RM’000</i> <i>(Note 17)</i> <i>(unaudited)</i>	Borrowings, secured <i>RM’000</i> <i>(Note 25)</i> <i>(unaudited)</i>	Amount due to a director <i>RM’000</i> <i>(Note 24)</i> <i>(unaudited)</i>	Dividend payables <i>RM’000</i> <i>(Note 24)</i> <i>(unaudited)</i>	Total <i>RM’000</i> <i>(unaudited)</i>
As at 1 January 2024	1,897	10,126	45	5,000	17,068
Changes from financing cash flows:					
– Payment of interest element of on lease liabilities	(157)	–	–	–	(157)
– Payment of capital element of lease liabilities	(303)	–	–	–	(303)
– Repayment of borrowing, secured	–	(613)	–	–	(613)
– Interest paid	–	(282)	–	–	(282)
– Advance from a director	–	–	2	–	2
– Dividend paid	–	–	–	(15,000)	(15,000)
Total changes from financing cash flows	(460)	(895)	2	(15,000)	(16,353)
Other changes:					
– Additions of lease liabilities	582	–	–	–	582
– Interest expenses	157	282	–	–	439
– Dividends declared	–	–	–	10,000	10,000
– Decrease in bank overdrafts	–	(4,795)	–	–	(4,795)
– Reversal of impairment on financial guarantee contracts	–	(2)	–	–	(2)
Total other changes	739	(4,515)	–	10,000	6,224
As at 30 June 2024	2,176	4,716	47	–	6,939

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	Lease liabilities <i>RM’000</i> <i>(Note 17)</i>	Borrowings, secured <i>RM’000</i> <i>(Note 25)</i>	Amount due to directors <i>RM’000</i> <i>(Note 24)</i>	Dividend payable <i>RM’000</i> <i>(Note 24)</i>	Total <i>RM’000</i>
As at 1 January 2025	2,933	3,695	48	–	6,676
Changes from financing cash flows:					
– Payment of interest element of on lease liabilities	(90)	–	–	–	(90)
– Payment of capital element of lease liabilities	(569)	–	–	–	(569)
– Repayment of borrowing, secured	–	(792)	–	–	(792)
– Interest paid	–	(72)	–	–	(72)
– Advance from directors	–	–	64	–	64
Total changes from financing cash flows	(659)	(864)	64	–	(1,459)
Other changes:					
– Additions of lease liabilities	700	–	–	–	700
– Interest expenses	90	72	–	–	162
– Lease termination	(12)	–	–	–	(12)
– Lease modifications	178	–	–	–	178
– Reversal of impairment on financial guarantee contracts	–	(91)	–	–	(91)
Total other changes	956	(19)	–	–	937
As at 30 June 2025	3,230	2,812	112	–	6,154

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29. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The following table shows the carrying amount of financial assets and liabilities:

	As at 31 December		As at
	2023	2024	30 June
	RM'000	RM'000	2025
			RM'000
Financial assets			
Financial assets at amortised cost			
– Trade and other receivables	26,188	38,245	13,052
– Cash and cash equivalents	22,706	23,152	17,593
	<u>48,894</u>	<u>61,397</u>	<u>30,645</u>
Financial liabilities			
Financial liabilities at amortised cost			
– Trade payables, accruals and other payables*	32,303	43,092	42,730
– Borrowings, secured	10,126	3,695	2,812
– Lease liabilities	1,897	2,933	3,230
	<u>44,326</u>	<u>49,720</u>	<u>48,772</u>

* Excluding accrued staff costs, other tax and levy payables and dividend payable.

30. FINANCIAL RISK MANAGEMENT

The Group is exposed to a variety of financial risks which comprise credit risk, liquidity risk, interest rate risk and currency risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance. The management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

The Group’s financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. As the directors consider that the Group’s exposure to financial risk is kept at a minimum level, the Group does not hold or issue derivative financial instruments either for hedging or trading purposes.

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(a) Credit risk

Credit risk and impairment assessment

Credit risk refers to the risk that the Group’s counterparties default on their contractual obligations resulting in financial losses to the Group. The Group’s credit risk exposures are primarily attributable to trade and other receivables, contract assets and bank balances. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial and contract assets.

The Group’s internal credit grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets	Other financial assets
Performing	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECLs – not credit-impaired	12-month ECLs
Under-performance	Debtor frequently repays but usually settle after due date	Lifetime ECLs – not credit-impaired	Lifetime ECLs – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECLs – credit-impaired	Lifetime ECLs – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery or the amount has been overdue over 3 years	Amount is written off	Amount is written off

The tables below detail the credit risk exposures of the Group’s financial and contract assets, which are subject to ECL assessment:

As at 31 December 2023

		Expected credit loss rate	Basis for recognition of expected credit loss	Estimated gross carrying amount at default RM’000	Impairment allowance RM’000	Carrying amount (net of impairment allowance) RM’000
Bank balances	Note i	0%	12-month ECLs	22,706	–	22,706
Trade receivables	Note ii	5%	Lifetime ECLs (not credit-impaired)	20,982	(1,152)	19,830
		100%	Lifetime ECLs (credit-impaired)	17,017	(17,017)	–
Contract assets	Note ii	1%	Lifetime ECLs (not credit-impaired)	48,806	(317)	48,489
		100%	Lifetime ECLs (credit-impaired)	20,873	(20,873)	–
Other receivables	Note iii	11%	12-month ECLs	7,050	(692)	6,358
				137,434	(40,051)	97,383

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As at 31 December 2024

		Expected credit loss rate	Basis for recognition of expected credit loss	Estimated gross carrying amount at default RM'000	Impairment allowance RM'000	Carrying amount (net of impairment allowance) RM'000
Bank balances	Note i	0%	12-month ECLs	23,152	–	23,152
Trade receivables	Note ii	3%	Lifetime ECLs (not credit-impaired)	38,159	(1,105)	37,054
		100%	Lifetime ECLs (credit-impaired)	368	(368)	–
Contract assets	Note ii	1%	Lifetime ECLs (not credit-impaired)	33,208	(280)	32,928
		100%	Lifetime ECLs (credit-impaired)	20,873	(20,873)	–
Other receivables	Note iii	10%	12-month ECLs	1,326	(135)	1,191
				<u>117,086</u>	<u>(22,761)</u>	<u>94,325</u>

As at 30 June 2025

		Expected credit loss rate	Basis for recognition of expected credit loss	Estimated gross carrying amount at default RM'000	Impairment allowance RM'000	Carrying amount (net of impairment allowance) RM'000
Bank balances	Note i	0%	12-month ECLs	17,593	–	17,593
Trade receivables	Note ii	14%	Lifetime ECLs (not credit-impaired)	5,588	(767)	4,821
		100%	Lifetime ECLs (credit-impaired)	368	(368)	–
Contract assets	Note ii	1%	Lifetime ECLs (not credit-impaired)	69,879	(518)	69,361
		100%	Lifetime ECLs (credit-impaired)	20,873	(20,873)	–
Other receivables	Note iii	5%	12-month ECLs	8,640	(409)	8,231
				<u>122,941</u>	<u>(22,935)</u>	<u>100,006</u>

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(i) Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12-month ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

(ii) Trade receivables and contract assets arising from contracts with customers

For trade receivables and contract assets, the Group has applied the simplified approach of IFRS 9 to measure the loss allowance at lifetime ECL. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on shared credit risk characteristics by reference to the ageing of outstanding balances. Details of the quantitative disclosures are set out in note 20(a) and 21(a).

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regard, the management considers that the Group’s credit risk is significantly reduced.

The Group has concentration of credit risk on trade receivables as 60%, 53% and 93% of the total trade receivables was due from the Group’s largest customer as at 31 December 2023, 2024 and 30 June 2025, respectively and 96%, 93% and 100% of the total trade receivables was due from the Group’s five largest customers as at 31 December 2023, 2024 and 30 June 2025, respectively.

The Group has concentration of credit risk on contract assets as 60%, 40% and 44% of the total contract assets was due from the Group’s largest customer as at 31 December 2023, 2024 and 30 June 2025, respectively and 98%, 98% and 99% of the total contract assets was due from the Group’s five largest customers as at 31 December 2023, 2024 and 30 June 2025, respectively.

ECL and loss rates are calculated under a roll rate method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by adjustment factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group’s view of economic conditions over the expected lives of the receivables. Such factor are based on actual and forecast gross consumer price index in Malaysia of 2.5%, 2.5% and 2.0% as at 31 December 2023, 2024 and 30 June 2025.

(iii) Other receivables and financial guarantee contracts

For other receivables and financial guarantee contracts, the management makes periodic individual assessment on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportable forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. The maximum exposure to credit risk in respect of financial guarantee contracts is disclosed in Note 25.

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(b) Liquidity risk

In the management of liquidity risk, the Group’s policy is to regularly monitor its liquidity requirements and maintain sufficient reserves of cash to settle its debt obligation. The liquidity policies have been followed by the Group during the Track Record Period and are considered to have been effective in managing liquidity risk.

The following table details the Group’s remaining contractual maturity for its 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 Group can be required to pay.

As at 31 December 2023

	Carrying amount <i>RM’000</i>	Total contractual undiscounted cash flow <i>RM’000</i>	Within 1 year or on demand <i>RM’000</i>	In the second to fifth years <i>RM’000</i>	After five years <i>RM’000</i>
Trade and other payables*	32,303	32,303	30,401	1,902	–
Borrowings, secured	10,126	15,901	12,383	2,837	681
Lease liabilities	1,897	2,151	778	1,361	12
	<u>44,326</u>	<u>50,355</u>	<u>43,562</u>	<u>6,100</u>	<u>693</u>
Financial guarantee contacts	<u>85</u>	<u>5,290</u>	<u>5,290</u>	<u>–</u>	<u>–</u>

As at 31 December 2024

	Carrying amount <i>RM’000</i>	Total contractual undiscounted cash flow <i>RM’000</i>	Within 1 year or on demand <i>RM’000</i>	In the second to fifth years <i>RM’000</i>	After five years <i>RM’000</i>
Trade and other payables*	43,092	43,092	36,618	6,474	–
Borrowings, secured	3,695	8,923	6,166	2,708	49
Lease liabilities	2,933	3,247	1,151	2,096	–
	<u>49,720</u>	<u>55,262</u>	<u>43,935</u>	<u>11,278</u>	<u>49</u>
Financial guarantee contacts	<u>91</u>	<u>4,929</u>	<u>4,929</u>	<u>–</u>	<u>–</u>

APPENDIX I

ACCOUNTANTS’ REPORT

As at 30 June 2025

	Carrying amount <i>RM'000</i>	Total contractual undiscounted cash flow <i>RM'000</i>	Within 1 year or on demand <i>RM'000</i>	In the second to fifth years <i>RM'000</i>	After Five years <i>RM'000</i>
Trade and other payables*	42,730	42,730	33,267	9,463	–
Borrowings, secured	2,812	3,128	737	2,391	–
Lease liabilities	3,230	3,457	1,309	2,148	–
	<u>48,772</u>	<u>49,315</u>	<u>35,313</u>	<u>14,002</u>	<u>–</u>

* Excluding accrued staff costs, other tax and levy payables and dividend payable.

(c) Interest rate risk

The Group’s interest rate risk arises primarily from borrowings and bank balances. Borrowings and bank balances at variable rates and expose the Group to cash flow interest rate risk.

At the respective reporting dates, if interest rate had been increased/decreased by 25 basis points and all other variables were held constant, the Group’s (loss)/profit after income tax expense would decrease/increase by approximately RM19,000, RM7,000 and RM5,000 for the years ended 31 December 2023, 2024 and and six months ended 30 June 2025, respectively.

(d) Currency risk

Currency risk to the Group is minimal as the Group operates in Malaysia with transactions primarily denominated in RM.

31. CAPITAL RISK MANAGEMENT

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. No changes in the objectives, policies or processes were made during the Track Record Period.

The Group monitors capital on the basis of the net debt-to-equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including bank borrowings and lease liabilities) less cash and bank balances. Total equity is calculated as equity as shown in the combined statements of financial position.

APPENDIX I

ACCOUNTANTS’ REPORT

	As at 31 December		As at
	2023	2024	30 June
	RM’000	RM’000	2025
			RM’000
Borrowings, secured	10,126	3,695	2,812
Lease liabilities	1,897	2,933	3,230
Less: Cash and bank balances	(22,706)	(23,152)	(17,593)
Net debt/(cash)	(10,683)	(16,524)	(11,551)
Equity	63,611	53,800	57,001
Net debt to equity ratio	N/A	N/A	N/A

32. CAPITAL COMMITMENTS

	As at 31 December		As at
	2023	2024	30 June
	RM’000	RM’000	2025
			RM’000
Contracted but not provided for			
– Property, plant and equipment	–	265	–

33. GUARANTEE BONDS

As at 31 December 2023, 2024 and 30 June 2025, the Group provide two, two and two guarantees to bank respectively.

As at 31 December 2023, 2024 and 30 June 2025, guarantee bonds at amount of approximately RM47,050,000, RM29,423,000 and RM29,423,000 respectively were given by United Overseas Bank (“UOB”) in favour of the Group’s customers as security for the due performance and observance of the Group’s obligation under the contract entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom the guarantee bond has been given, the customers may demand the UOB to pay to them the sum or sums stipulated in such demand. The Group will then become liable to compensate the UOB accordingly. The guarantee bonds will be released upon completion of the contract works for the customers.

The directors of the Company are of the opinion that the amount of approximately RM47,050,000, RM29,423,000 and RM29,423,000 respectively were the maximum exposure to the Group and it is highly probable that UOB would not claim the Group for losses in respect of the guarantee bonds as it is highly probable that the Group will fulfil the performance requirements of the relevant contracts.

34. EVENT AFTER THE TRACK RECORD PERIOD

On 17 November 2025, the Board of Directors declared and approved first interim dividend amounted to RM5 million, which has been settled in full in cash.

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of its subsidiaries in respect of any period subsequent to 30 June 2025.

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III

PROPERTY VALUATION REPORT

The following is the text of a letter, summary of value and valuation certificate, prepared for the purpose of incorporation in this document received from CBRE WTW Valuation & Advisory Sdn Bhd, an independent valuer, in connection with the valuation of the property interest of the Group as at 11 November 2025.

[REDACTED]

PRIVATE & CONFIDENTIAL

BBSB International Limited

71 Fort Street
PO Box 500
George Town
Grand Cayman, KY1-1106
Cayman Islands

Attn: The Board of Directors

Dear Sir,

VALUATION OF

LOT NO. PT 18226

BANDAR ULU KELANG, DISTRICT OF GOMBAK, SELANGOR

(No. 5, Jalan Tropika Melawati 2, Taman Tropika Melawati, 53100 Hulu Kelang, Selangor)

We refer to the instructions from BBSB International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for us to value the above captioned property (“**Property**”) in accordance with the the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

In accordance with your instructions for us to value the Property held by the Group located in Malaysia, we confirm that we have inspected the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of such property as at 11 November 2025 (the “**Valuation Date**”).

Valuation Basis, Assumptions and Methodology

The valuation has been prepared in accordance with the GEM Listing Rules (including but not limited to Chapter 8 of the GEM Listing Rules) issued by the Stock Exchange, the requirements as set out in the Malaysian Valuation Standards (“**MVS**”) issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia (“**BOVEAP**”) and other established valuation manuals and standards such as the International Valuation Standards (“**IVS**”) published by the International Valuation Standards Council (“**IVSC**”) and the RICS Valuation – Global Standards (the “**Red Book**”) published by Royal Institution of Chartered Surveyors (“**RICS**”).

APPENDIX III

PROPERTY VALUATION REPORT

The basis of the valuation is **Market Value** which is defined by the MVS and IVS to be “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

In valuing the Property which is held by the Group for Sale purpose, we have adopted the Comparison approach since there are adequate and reliable transaction data within the vicinity.

No allowances are made in our valuation for any charges, pledges or amounts owing on the subject property nor any expense of realisation or for taxation which may be arise in the event of a disposal, deemed or otherwise. We have considered the subject property as if free and clear of all charges, lien and all other encumbrances which may be secured thereon. We also assume the subject property is free of statutory notices and outgoings.

Source of Information

We have been shown copies of various title documents including land title document, Certificate of Completion and Compliance and official plans relating to the Property and have also made relevant enquiries. Where applicable, information as to title particulars, site area and tenure are obtained from private title search carried out at Selangor Registry of Land and Mines, Malaysia. In this connection, we have also relied on the advice given by the Group and its Malaysia legal adviser, David Lai & Tan (the “**Malaysia Legal Adviser**”). However we have not inspected the original documents to ascertain any amendments which may not appear on the reproduced copies that were furnished to us.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. All information provided is treated as true and accurate and we accept no responsibility for subsequent changes in information and reserves the right to change our opinion of value if any other information provided were to materially change.

Title Investigation

We were provided by the Group with copy of document in relation to the title and we have also conducted land search at the respective land office of the local government authority to verify the ownership of the subject property. However, we have not inspected the original documents to ascertain any amendments which may not appear on the reproduced copy that were furnished to us.

Site Investigation

We confirm that we have carried out a site inspection on 11 November 2025, by Ms Beh ChienWen under the supervision of the Qualified Valuer, Sr Heng Kiang Hai, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at the date of inspection.

We have carried out detailed measurements to verify the correctness of the area in respect of the Subject Property. All documents have been used as reference only and all dimensions, measurements and area are approximations.

APPENDIX III

PROPERTY VALUATION REPORT

We have inspected both the exterior and interior of the Subject Property. No structural survey has been undertaken; however, during the course of our inspection, we did not observe any material structural defects. We are, nevertheless, unable to confirm that the Subject Property is free from rot, infestation, or any other structural defects. No tests have been carried out on any of the services.

Ms Beh ChienWen is a registered Probationary Valuer who has over 2 years’ experience in the valuation of properties in Malaysia and currently is the Senior Executive of CBRE WTW Valuation & Advisory Sdn. Bhd.

Confidentiality and Disclaimers

This letter and Valuation Certificate may only be relied upon by the Company for the purpose of submission to the Stock Exchange. This confidential document is for the sole use of the Company and such other persons directly provided with it by us. No liability can be accepted by us for any loss arising from any unauthorised use or reliance of this document.

Valuation Rationale

In arriving at the market value of the subject property, we have considered relevant general and economic factors and in particular have investigated recent sales transactions of comparable properties that have occurred in the Selangor’s property market.

In arriving at the market value of the subject property, we have adopted the Comparison Approach.

The Comparison Approach entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, accessibility, terrain, size and shape of land, tenure, planning status, title restrictions, if any, and other relevant characteristics to arrive at the market value.

Valuer’s Interest

We affirm that the valuers are authorised under law to practice as valuers and have at least 5 years continuous experience in valuation and do not have a pecuniary interest that could conflict with the proper valuation of the subject property.

The key details and valuation of the subject property are detailed in the Valuation Certificate attached overleaf.

APPENDIX III

PROPERTY VALUATION REPORT

Currency and Exchange Rate

Unless otherwise stated, all monetary amounts indicated herein our valuation denotes Ringgit Malaysia (“**RM**”), which is the official currency of Malaysia. At the date of our valuation, the currency exchange rate is RM 1.00=HKD 1.87. [Source: Central Bank of Malaysia]

We enclosed herewith a summary of our valuation and our valuation certificate.

Yours faithfully

for and on behalf of

CBRE WTW Valuation & Advisory Sdn Bhd

(formerly known as C H Williams Talhar & Wong Sdn Bhd)

Sr HENG KIANG HAI

MBA (Real Estate), B.Surv (Hons) Prop.Mgt,

MRICS, FRISM, FPEPS, MMIPFM

Registered Valuer (V-486)

Note: Sr Heng Kiang Hai is a Deputy Group Managing Director of CBRE WTW Valuation & Advisory Sdn Bhd and a Registered Valuer who has over 32 years’ experience in the valuation of properties in Malaysia.

APPENDIX III

PROPERTY VALUATION REPORT

Valuation Certificate

Property	Purpose of holding	Interest attributable to the Group	Market Value in existing state as at 11 November 2025
A unit of two-and-a-half (2 ½)-storey semi-detached house bearing postal address No. 5, Jalan Tropika Melawati 2, Taman Tropika Melawati, 53100 Hulu Kelang, Selangor	Sale	100%	RM 2,500,000

(1) Details of the Property:

Legal Description:	Lot PT 18226, Title No. HSD 81758 Bandar Ulu Kelang, District of Gombak, Selangor
Interest Valued:	Leasehold 99 years expiring on 3 December 2114 (Unexpired term of approximately 89 years)
Basis of Valuation:	Market Value
Registered Proprietor :	BBSB Holdings Sdn. Bhd.
Provisional Land Area:	297.30 square metres (approximately 3,200 square feet)
Gross Floor Area:	311.88 square metres (approximately 3,357 square feet)
Building Age:	Approximately 1.5 years old
Occupation:	Vacant
Building Condition:	Fair
Encumbrances:	Nil
Town Planning:	Zoned for Residential Use
Brief Description:	The subject property is a unit of two-and-a-half (2 ½)-storey semi-detached house bearing postal address No. 5, Jalan Tropika Melawati 2, Taman Tropika Melawati, 53100 Hulu Kelang, Selangor. It is sited approximately 15 kilometres by road due north-east of the Kuala Lumpur City Centre (KLCC).
Valuation Approach:	Comparison Approach

APPENDIX III

PROPERTY VALUATION REPORT

Value Consideration:	Vide a Sale and Purchase Agreement dated 12 January 2021, the subject property was transacted at RM2,500,000/–.
	We have made reference to relevant sales transaction comparable in the locality and the unit price of the comparables are in the range from approximately RM745 per sq.ft. to RM843 per sq.ft.. Appropriate adjustments to the unit price have been considered to reflect factors in difference including size and other factors. In the course of our valuation, we have adopted a rate of approximately RM745 per sq.ft., which is consistent with the range of comparable transactions and is thus considered to be fair and reasonable.
Date of Inspection:	11 November 2025
Date of Valuation:	11 November 2025
Market Value : (100% Interest)	RM2,500,000/– (Ringgit Malaysia : Two Million and Five Hundred Thousand Only)
Assumptions, Disclaimers, Limitations & Qualifications	<i>This valuation certificate is provided subject to the assumptions, qualifications, limitations and disclaimers detailed through this certificate which are made in conjunction with those included within the Limiting Conditions located at the end of this certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part if the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the subject property.</i>
Prepared by:	CBRE WTW Valuation & Advisory Sdn Bhd

APPENDIX IV

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 May 2025 under the Cayman Companies Act. The Company’s constitutional documents consist of its Memorandum of Association and its Articles of Association.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on [date] with effect from the [REDACTED]. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares.

APPENDIX IV

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

(ii) Variation of rights of existing shares or classes of shares

Subject to the Cayman Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Cayman Companies Act and the requirements of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

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SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the GEM Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

APPENDIX IV

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

APPENDIX IV

SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

(b) Directors

(i) *Appointment, retirement and removal*

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the members before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by an ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the “retirement by rotation” provisions. The number of Directors shall not be less than two.

APPENDIX IV

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The office of a Director shall be vacated if he:

- (aa) resigns;
- (bb) dies;
- (cc) is declared to be of unsound mind and the Board resolves that his office be vacated;
- (dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (ee) is prohibited from being or ceases to be a director by operation of law;
- (ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;
- (gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or
- (hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Companies Act, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by an ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

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SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Cayman Companies Act, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Cayman Companies Act to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Cayman Companies Act, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

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(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board goes beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

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(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) Financial assistance to purchase Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to give, directly or indirectly, by means of a loan, a guarantee, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any Shares or warrants or other securities in the Company or any company which is a holding company of the Company.

(ix) Disclosure of interest in contracts with the Company or any of its subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

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No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

- (aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefit scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

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- (ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(x) *Proceedings of the Board*

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents and the Company’s name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) *Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under the Cayman Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An “ordinary resolution”, by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

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(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the GEM Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

- (A) at least two members;
- (B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote and the right to speak.

Where the Company has knowledge that any member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

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(iii) Annual general meetings

The Company must hold an annual general meeting each financial year other than the financial year of the Company's adoption of the Articles. Such annual general meeting must be held within six (6) months after the end of the Company's financial year (unless a longer period would not infringe the GEM Listing Rules, if any) and shall be held in the Relevant Territory or elsewhere as may be determined by the Board and at such time and place as the Board shall appoint.

(iv) Requisition of general meetings

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice for any general meeting shall specify: (a) the time and date of the meeting; (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to the Articles, the principal place of the meeting and the other place(s) of the meeting; (c) if the general meeting is to be a hybrid meeting or an electronic meeting, a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or when and how such details will be made available by the Company prior to the meeting; (d) the agenda of the meeting and particulars of resolutions to be considered at the meeting; and (e) in case of special business, the general nature of that business. The notice for every general meeting shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Companies Act and the GEM Listing Rules, a notice or document may also be served or delivered by the Company to any Shareholder by electronic means to such address as may from time to time be supplied by the Shareholder concerned or by publishing it on the Company's website and the website of the HK Stock Exchange.

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Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vii) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

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The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(viii) Right to Speak

All members have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a member is required, by the GEM Listing Rules, to abstain from voting to approve the matter under consideration.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Cayman Companies Act (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Cayman Companies Act or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

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The members may by an ordinary resolution appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members in a general meeting by an ordinary resolution in such manner as the members may determine.

The members may, at a general meeting remove the auditor(s) by an ordinary resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

- (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;
- (ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and
- (iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

- (aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or
- (bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

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Upon the recommendation of the Board, the Company may by an ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is [REDACTED] on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

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(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Cayman Companies Act, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Cayman Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

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3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 30 May 2025 subject to the Cayman Companies Act. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Companies Act and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

Under the Cayman Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (i) paying distributions or dividends to members;
- (ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (iii) any manner provided in section 37 of the Cayman Companies Act;
- (iv) writing-off the preliminary expenses of the company; and
- (v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

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Subject to confirmation by the court¹, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Cayman Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Cayman Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

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(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Cayman Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss v. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

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Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Act (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary that:

- (i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciations shall apply to the Company or its operations; and
- (ii) no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:
 - (aa) on or in respect of the shares, debentures or other obligations of the Company; or
 - (bb) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Act (2018 Revision).

The undertaking for the Company is for a period of 30 years from 13 June 2025.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

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(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Cayman Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25.0% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are [REDACTED] on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

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(q) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

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(r) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company’s articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act, 2018 of the Cayman Islands (“**ES Act**”) that came into force on 1 January 2019, a “relevant entity” is required to satisfy the economic substance test set out in the ES Act. A “relevant entity” includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

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4. GENERAL

Appleby, the Company’s legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Cayman Companies Act, is available on display as referred to in the paragraph headed “Documents Available on Display” in Appendix VI to this document. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

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A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 30 May 2025. Our Company has established a principal place of business in Hong Kong at Room 1916, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 30 June 2025. In connection with such registration, Ms. Lee Mei Yi and Ms. Siow Yuet Chew Grace have been appointed as authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it is subject to the Companies Act and its constitution documents comprising the Memorandum of Association and the Articles of Association. A summary of various parts of the constitution documents and relevant aspects of the Companies Act is set out in Appendix IV to this document.

2. Changes in authorised and issued share capital of our Company

- (a) As at the date of incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each, of which one Share was allotted and issued as fully paid to an initial subscriber on the same date. The initial subscriber subsequently transferred the one subscriber’s Share at par to BBSB Overseas on the same date.
- (b) Pursuant to the written resolutions of our sole Shareholder passed on 16 December 2025, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$10,000,000 divided into 1,000,000,000 Shares, by the creation of an additional 962,000,000 Shares.
- (c) Immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme), [REDACTED] Shares will be allotted and issued, all fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.
- (d) Other than Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme, or the exercise of the general mandate referred to in “A. Further information about our Company – 3. Written resolutions of our sole Shareholder” in this Appendix, our Directors have no present intention to issue any part of the authorised but unissued share capital of our Company, and without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.
- (e) Save as disclosed above, there has been no alteration in the share capital of our Company since its incorporation.

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3. Written resolutions of our sole Shareholder

Pursuant to the written resolutions of our sole Shareholder passed on 16 December 2025, among other things:

- (a) the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$10,000,000 divided into 1,000,000,000 Shares by the creation of an additional 962,000,000 Shares;
- (b) subject to the conditions set forth in the sub-section headed “Structure and Conditions of the [REDACTED] – Conditions of the [REDACTED]” in this document being fulfilled or waived (if applicable):
 - (i) the [REDACTED] and the [REDACTED] were approved and our Directors or any committee of the Board were authorised to (aa) allot and issue the [REDACTED] to rank *pari passu* with the then existing Shares in all respects; (bb) implement the [REDACTED] and the [REDACTED]; and (cc) do all things and execute all documents in connection with or incidental to the [REDACTED] and the [REDACTED] with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;
 - (ii) conditional on the share premium account of our Company being credited as a result of the issue of the [REDACTED] pursuant to the [REDACTED], our Directors were authorised to capitalise HK\$[REDACTED] standing to the credit of the share premium account of our Company and apply such sum to pay up in full at par a total of [REDACTED] Shares for allotment and issue to the holders of Shares on the register of members of our Company at the close of business on [REDACTED] (or as they may direct) in proportion to their respective shareholdings (save that no Shareholder shall be entitled to be allotted or issued any fraction of a Share), and the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued Shares (other than the right to participate in the Capitalisation Issue), and our Directors were authorised to give effect to such capitalisation;
 - (iii) the rules of the Share Option Scheme, the principal terms of which are set out in the sub-section headed “D. Share Option Scheme” in this Appendix, were approved and adopted and our Directors or any committee of the Board were authorised, subject to the terms and conditions of the Share Option Scheme, to implement the Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options that may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to implement the Share Option Scheme;

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- (iv) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with, otherwise than by way of rights issues or an issue of Shares upon the exercise of any subscription rights attached to any warrants of our Company or the exercise of the [REDACTED] or pursuant to the exercise of any options that may be granted under the Share Option Scheme or under any other share scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of our subsidiaries of shares or rights to acquire shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares of our Company in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or a specific authority granted by our Shareholders in general meeting, such number of Shares not exceeding (1) 20% of the aggregate number of our issued Shares (excluding treasury shares) as enlarged by the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme); and (2) the aggregate number of our issued Shares repurchased under the Repurchase Mandate as defined in paragraph (v) below. Such mandate shall remain in effect until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of our Company;
 - (2) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or
 - (3) the passing of an ordinary resolution by our Shareholders in general meeting revoking, varying or renewing such mandate;
- (v) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate number of our issued Shares (excluding treasury shares) immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme), such mandate shall remain in effect until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of our Company;
 - (2) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands;
 - (3) the passing of an ordinary resolution by our Shareholders in general meeting revoking, varying or renewing such mandate;

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- (vi) the general unconditional mandate mentioned in paragraph (iv) above was extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with (including the sale or transfer of treasury shares) by our Directors pursuant to such general mandate representing the aggregate number of Shares repurchased by our Company pursuant to the Repurchase Mandate referred to in paragraph (v) above provided that such extended amount shall not exceed 10% of the aggregate number of our issued Shares (excluding treasury shares) immediately following the completion of the Capitalisation Issue and the [REDACTED] excluding any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options that may be granted under the Share Option Scheme; and
- (vii) our Company approved and adopted the Memorandum of Association and Articles of Association, the terms of which are summarised in Appendix IV to this document, with effect upon the [REDACTED].

4. Reorganisation

The companies comprising our Group underwent a Reorganisation in preparation for the [REDACTED], details of which are set out in the sub-section headed “History, Reorganisation and Corporate Structure – Reorganisation” in this document. Following the Reorganisation, our Company became the holding company of our Group.

Diagrams showing our Group’s structure after the Reorganisation and immediately upon completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options that may be granted under the Share Option Scheme) are set out in the sub-section headed “History, Reorganisation and Corporate Structure – Reorganisation” in this document.

5. Changes in share capital of subsidiaries

Our Company’s subsidiaries are referred to in the Accountants’ Report, the text of which is set out in Appendix I to this document. Save for the subsidiaries mentioned in Appendix I to this document, our Company has no other subsidiaries.

Save as mentioned in the sub-section headed “History, Reorganisation and Corporate Structure – Establishment and development of our Company and our subsidiaries”, there was no material change in the share capital of the major subsidiaries of our Company during the two years immediately preceding the date of this document.

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6. Repurchase by our Company of its own securities

This paragraph includes information required by the Stock Exchange to be included in this document concerning the repurchase by our Company of its own securities.

(a) *Provisions of the GEM Listing Rules*

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) *Shareholders’ approval*

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by our sole Shareholder on 16 December 2025, the Repurchase Mandate was granted to our Directors authorising them to exercise all powers of our Company to purchase the Shares as described above in the paragraphs headed “A. Further information about our Company – 3. Written resolutions of our sole Shareholder” in this Appendix.

(ii) *Source of funds*

Any repurchases must be financed out of funds legally available for such purpose in accordance with the Memorandum of Association and Articles of Association, the GEM Listing Rules and any applicable laws of the Cayman Islands. A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the GEM Listing Rules from time to time.

Under the laws of the Cayman Islands, any repurchases by our Company may be made out of profits of our Company or the share premium account of our Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Act, out of capital and, in case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium accounts of our Company, or if authorised by the Articles of Association and subject to the Companies Act, out of capital.

(iii) *Core connected persons*

Under the GEM Listing Rules, a company shall not knowingly repurchase Shares from a core connected person (as defined in the GEM Listing Rules) and a core connected person shall not knowingly sell his/her/its Shares to our Company on GEM.

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(iv) Trading restrictions

The total number of Shares which our Company may repurchase on the Stock Exchange is the number of Shares representing up to a maximum of 10% of the aggregate number of Shares in issue (excluding treasury shares). Our Company may not issue or sell or transfer any treasury shares or announce a proposed issue of new Shares or a sale or transfer of any treasury shares for a period of 30 days immediately following a repurchase without the prior approval of the Stock Exchange. In addition, our Company is prohibited from repurchasing its Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding [REDACTED] days on which its Shares were [REDACTED] on GEM. The GEM Listing Rules also prohibit our Company from repurchasing its securities if the repurchase would result in the number of [REDACTED] Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by us to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchase made on behalf of our Company as the Stock Exchange may require.

(v) Status of repurchased Shares

The Shares repurchased by our Company shall be held as treasury shares or cancelled. Under the laws of the Cayman Islands, unless, prior to the repurchase our Directors resolve to hold the repurchased Shares as treasury shares, the repurchased Shares (whether on the Stock Exchange or otherwise) shall be treated as automatically cancelled and the relevant certificate must be cancelled and destroyed, and the amount of our Company’s issued share capital shall be diminished by the nominal value of those Shares. However, the repurchase of Shares will not be taken as reducing the amount of the authorised share capital under Cayman law. The [REDACTED] of all repurchased Shares which are held as treasury shares will be retained.

(vi) Suspension of repurchase

Our Company may not make any repurchase of Shares at any time after inside information has come to our knowledge until the information has been made publicly available. In particular, during the period of 30 days immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and (b) the deadline for publication of an announcement of our Company’s results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules), until the date of the results announcement, our Company may not repurchase Shares on the Stock Exchange unless there are exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of Shares on the Stock Exchange if our Company has breached the GEM Listing Rules.

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(vii) Reporting requirements

Certain information relating to repurchases of Shares on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, our Company’s annual report is required to disclose details regarding repurchases of Shares made during the financial year, including a monthly breakdown of the number of Shares repurchased (each month whether on the Stock Exchange or otherwise), the purchase price per Share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate price paid. Our Directors’ report is also required to contain reference to the repurchase made during the year and our Directors’ reasons for making such repurchase.

(b) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options that may be granted under the Share Option Scheme), could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(c) Reasons for repurchases

Repurchases of Shares will only be made when our Directors believe that such a repurchase will benefit our Company and Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share.

(d) Funding of repurchases

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with our Memorandum of Association and Articles of Association, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

APPENDIX V STATUTORY AND GENERAL INFORMATION

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, our Memorandum and Articles, the Companies Act and the applicable laws of the Cayman Islands.

No core connected person of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, in the event that the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder’s interest, could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as the aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Code due to any repurchase made pursuant to the Repurchase Mandate immediately after the [REDACTED].

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the [REDACTED] falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business of our Group) have been entered into by members of our Group within the two years immediately preceding the date of this document and are or may be material:

(a) the Deed of Indemnity;

(b) the [REDACTED];

(c) [REDACTED]

(d) [REDACTED]

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2. Intellectual property rights of our Group

(a) Trademark

As at the Latest Practicable Date, our Group had registered the following trademark in Hong Kong which we believe is material to our business:

	Trademark	Applicant	Date of registration	Place of registration	Class
1.	 BBSB	BBSB Holdings	24 April 2025	Hong Kong	37, 42

(b) Domain name

As at the Latest Practicable Date, our Group had registered the following domain name:

Domain name	Registrant	Date of registration	Expiry date
bbsbholdings.com.my	BBSB Holdings	5 March 2021	5 March 2026

Information contained in the above websites does not form part of this document. The registration of the above domain name is expected to be renewed prior to its expiry date.

Save as disclosed herein, there are no other trade or service marks, patents, copyrights, other intellectual property rights which are or may be material to the business of our Group.

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C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Directors

(a) *Disclosure of interests of Directors and chief executive*

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme), the interests and short positions of our Directors and chief executive of our Company in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to Chapter 5 of the GEM Listing Rules, will be as follows:

(i) *Long position in the Shares*

Name of Director/ chief executive	Capacity	Number of Shares immediately following the Capitalisation Issue and the [REDACTED]	Approximate percentage of shareholding in our Company immediately following the Capitalisation Issue and the [REDACTED]
Datuk Tan (<i>Note</i>)	Interest in a controlled corporation	[REDACTED]	[REDACTED]%

(ii) *Long position in the ordinary shares of associated corporation*

Name of Director/ chief executive	Name of associated corporation	Capacity	Approximate percentage of shareholding
Datuk Tan (<i>Note</i>)	BBSB Overseas	Beneficial owner	70%

Note: BBSB Overseas is the registered and beneficial owner holding [REDACTED]% of the issued Shares of our Company. BBSB Overseas is owned as to 70% by Datuk Tan and 30% by Datin Pan, respectively. By virtue of the SFO, Datuk Tan is deemed to be interested in the Shares held by BBSB Overseas in our Company.

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(b) Particulars of service contracts

Each of our executive Directors has entered into a service contract with our Company for an initial fixed term of three years commencing from the [REDACTED] until terminated by not less than three months’ notice in writing served by either party. Commencing from the [REDACTED], each of our executive Directors is entitled to an annual salary set out below, such salary to be reviewed annually by our Board and the Remuneration Committee.

In addition, each of our executive Directors may be entitled to, if so recommended by the Remuneration Committee and approved by the Board at its absolute discretion, a discretionary bonus, the amount of which is determined with reference to the operating results of our Group and the performance of the executive Director, provided that the relevant executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of our Board approving the amount of annual salary, discretionary bonus and other benefits payable to him or her. Commencing from the [REDACTED], the basic annual salary of our executive Directors are as follows:

Name	Amount (HK\$)
Datuk Tan	480,000
Mr. Andy Tan	300,000
Ms. Tan Xin Yi	300,000

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for an initial term of service commencing from the [REDACTED] and shall continue thereafter subject to a maximum of three years unless terminated by either party giving not less than one month’s notice in writing. Commencing from the [REDACTED], the annual remuneration payable to our independent non-executive Directors under each of the letters of appointment is as follows:

	Amount (HK\$)
Mr. Lee Tuan Meng	180,000
Mr. Ooi Kim Chai	144,000
Ms. Norkamaliah Binti Hashim	120,000

Save as disclosed above, none of our Directors has or is proposed to enter into a service contract/letter of appointment with our Company or any of our subsidiaries (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

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(c) Directors’ remuneration

Our Company’s policies concerning the remuneration of our Directors are:

- (i) the amount of remuneration payable to our executive Directors will be determined on a case by case basis depending on the experience, responsibility, workload and the time devoted to our Group by the relevant Director;
- (ii) non-cash benefits may be provided to our Directors under their remuneration package; and
- (iii) our executive Directors may be granted, at the discretion of our Board, share options of our Company, as part of the remuneration package.

The aggregate amounts of remuneration (including fees, salaries, allowances and other benefits in kind, discretionary bonus and contributions to defined contribution plan) which are paid to our Directors for FY2023, FY2024 and 6M2025 were approximately RM758,000, RM991,000 and RM668,000, respectively.

An aggregate sum of approximately HK\$2.2 million is expected to be paid to our Directors (including the independent non-executive Directors) as Directors’ fees and other emoluments by our Group for the year ending 31 December 2025 under the arrangements in force at the date of this document excluding discretionary bonus.

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2. Substantial shareholders

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the [REDACTED] and taking no account of any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any option that may be granted under the Share Option Scheme, the following persons/entities (not being our Directors or chief executive of our Company) will have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of our Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Long position in the Shares, underlying Shares and debentures

Name	Capacity	Number of Shares immediately following the Capitalisation Issue and the [REDACTED]	Approximate percentage of shareholding in our Company immediately following the Capitalisation Issue and the [REDACTED]
BBSB Overseas (Note 1)	Beneficial owner	[REDACTED]	[REDACTED]%
Datin Pan (Note 2)	Interest of Spouse	[REDACTED]	[REDACTED]%

Notes:

- (1) BBSB Overseas is the registered and beneficial owner holding [REDACTED]% of the issued Shares of our Company. The issued share capital of BBSB Overseas is owned as to 70% by Datuk Tan and as to 30% by Datin Pan.
- (2) Datin Pan is the spouse of Datuk Tan. Accordingly by virtue of the SFO, Datin Pan is deemed to be interested in all the Shares held by Datuk Tan.

3. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this document as mentioned in note 27 of the Accountants’ Report set out in Appendix I to this document.

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4. Disclaimers

Save as disclosed in this Appendix and the sections headed “Substantial Shareholders” and “Relationship with Controlling Shareholders” of this document:

- (a) our Directors are not aware of any person who immediately following completion of the Capitalisation Issue and the [REDACTED] (without taking account of any Shares which may be taken up or acquired under the [REDACTED] or any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme) will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company or any other members of our Group;
- (b) none of our Directors and chief executive of our Company has for the purposes of Divisions 7 and 8 of Part XV of the SFO or the GEM Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, an interest or short position in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to Chapter 5 of the GEM Listing Rules once the Shares are [REDACTED] on the Stock Exchange;
- (c) none of our Directors nor the experts named in “E. Other information – 6. Qualifications of experts” in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for the [REDACTED] either in his/her name or in the name of a nominee;
- (d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;
- (e) none of the experts named in “E. Other information – 6. Qualifications of experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (f) none of our Directors, their close associate or any shareholders of our Company (which to the knowledge of our Directors owns more than 5% of our Company’s issued capital) has any interest in our Group’s five largest subcontractors and suppliers in each year/period during the Track Record Period, five largest customers in each of FY2023 and FY2024 and four largest customers in 6M2025.

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D. SHARE OPTION SCHEME

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally approved by all Shareholders on 16 December 2025.

For the purpose of this section, unless the context otherwise requires:

“Board”	means our board of Directors from time to time or a duly authorised committee thereof;
“Business Day”	means any day on which the Stock Exchange is open for the business of dealing in securities;
“Effective Date for Share Options”	means the date on which the Share Option Scheme shall take effect after certain conditions are fulfilled, including commencement of [REDACTED] the Shares on the Stock Exchange;
“Eligible Person”	means any Employee Participant and employee of the Related Entity and any Service Provider;
“Employee Participant(s)”	means directors and employees of our Group who in the sole discretion of our Board have contributed or will contribute to our Group;
“Exercise Period”	means in respect of any particular Option, the period to be determined and notified by our Board to each Participant but which shall not exceed 10 years from the date of grant of such option;
“Option”	means an option to subscribe for Shares granted pursuant to the Share Option Scheme;
“Other Schemes”	means any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for Shares may be granted;
“Participant(s)”	means any Eligible Person who accepts the offer of any Option in accordance with the terms of the Share Option Scheme and (where the context so permits) any person who is entitled to any such Option in consequence of the death of the original Participant;
“Related Entity”	means the holding companies, fellow subsidiaries or associated companies of our Company;

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“Service Provider(s)”

means any person providing services to our Group on a continuing and recurring basis in the ordinary and usual course of business of our Group, the grant of Options to whom is in the interests of the long-term growth of our Group as determined by the Board, namely: (a) any person providing advisory services and/or consultancy services to our Group after stepping down from an employment or director position with our Group; and (b) any person providing, among others, advisory services, consultancy services, sales and marketing services, technology services and/or administrative services to our Group as consultants, independent contractors or agents where the continuity and frequency of their services are akin to those of employees; but, for the avoidance of doubt, excluding (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions of our Company or its subsidiaries, and (ii) professional service providers such as the auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity;

“Shareholders”

means shareholders of our Company from time to time; and

“Subsidiary”

means a subsidiary for the time being and from time to time of our Company.

(a) Purpose of the Share Option Scheme

The Share Option Scheme enables our Company to grant Options to Eligible Persons as incentives or rewards for their contributions to our Group.

(b) Who may join

The eligibility of each of the Eligible Persons shall be determined by the Board (or if the Board so resolves by a committee of the Board) from time to time and on a case-by-case basis. Generally: (i) with respect to Employee Participants, the Board will consider, among others, their general working performance, time commitment (full-time or part-time), length of their service within our Group, working experience, responsibilities and/or employment conditions with reference to the prevailing market practice and industry standard; (ii) with respect to directors and employees of the Related Entities, the Board will consider, among others, their participation and contribution to the development of our Group and/or the extent of benefits and synergies brought to our Group; and (iii) with respect to Service Providers, the Board will consider, among others, their experience and expertise, continuity and frequency of their services to our Group, their involvement in promoting the business of our Group, or where appropriate, contribution or potential contribution to the long-term growth of our Group.

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(c) Grant an Option

Subject to the terms of the Share Option Scheme and the GEM Listing Rules, the Board shall be entitled at any time within the period of 10 years after the Effective Date for Share Options to make an Offer to any Eligible Person as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may determine at the Exercise Price.

An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when our Company receives the duplicate of the offer letter comprising acceptance of the Offer within ten(10) Business Days duly signed by the grantee, together with a payment in favour of our Company of HK\$1.00 or such other amount (if any) that may be determined by the Board as consideration for the grant thereof, is received by our Company.

Any offer of the grant of Options must not be made after inside information has come to the knowledge of our Company until such information has been announced pursuant to the relevant requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company’s results for any year, half-year, quarter-year period or any other interim period (whether or not required under the GEM Listing Rules), and (b) the deadline for our Company to publish an announcement of its results for any year, half-year, quarter-year period or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement, no Option may be granted; nor should any offer of the grant of Option be made to an Eligible Person during the periods or times stipulated by the GEM Listing Rules in relation to any restriction on the time of grant of options.

The total number of Shares issued and to be issued in respect of all options and awards granted to a Participant under the Share Option Scheme and Other Schemes (excluding any options and awards lapsed) in any 12-month period must not exceed 1% of the Shares in issue, but provided that if duly approved by Shareholders at general meeting with such Eligible Person and its close associates (or its associates if the participant is a connected person) abstaining from voting, our Board may make a further grant of Options to such Participant (the “**Further Grant**”). In relation to the Further Grant, our Company must send a circular to our Shareholders, in a manner complying with, and containing the information specified in the GEM Listing Rules. The number and terms (including the exercise price) of the Options which is the subject of the Further Grant shall be fixed before the general meeting of our Company at which the same are approved.

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(d) Exercise Price

The subscription price for the Shares subject to Options shall be a price determined by our Board and notified to an Eligible Person and shall be at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the Options, which must be a Business Day; and (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five Business Days immediately preceding the date of grant of the Options.

For the purpose of calculating the subscription price, in the event that on the date of grant, our Company has been [REDACTED] for less than five Business Days, the [REDACTED] shall be used as the closing price for any Business Day falling within the period before the [REDACTED].

(e) Maximum number of Shares

- (i) The maximum number of Shares which may be issued in respect of all options and awards to be granted under the Share Option Scheme and Other Schemes (the “**Scheme Mandate Limit**”) must not, in aggregate, exceed 10% of the Shares in issue as at the Effective Date for Share Options or the relevant date of approval of the refreshment of the Scheme Mandate Limit provided that Options or awards which have lapsed in accordance with the terms of the Share Option Scheme or Other Schemes will not be counted as utilised for the purpose of calculating the Scheme Mandate Limit. On the basis of [REDACTED] Shares in issue on the [REDACTED], the Scheme Mandate Limit will be equivalent to [REDACTED] Shares, representing 10% of the Shares in issue as at the [REDACTED].
- (ii) Within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted to the Service Providers under the Share Option Scheme and Other Schemes (the “**Service Provider Sublimit**”) must not in aggregate exceed 1% of the total number of Shares in issue as at the Effective Date for Share Options or the relevant date of approval of the refreshment of the Service Provider Sublimit. The Directors confirm the basis for determining the Service Provider Sublimit includes (a) the potential dilution effect arising from grants to the Service Providers; (b) the importance of striking a balance between achieving the purpose of the Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers; (c) the extent of use of Service Providers in our Group’s businesses, the current payment and/or settlement arrangement with the Service Providers; (d) the expected contribution to the development and growth of our Company attributable to the Service Providers; and (e) the fact that our Company expects that a majority of Options will be granted to the Employee Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants.

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- (iii) Subject to the approval of Shareholders in general meeting by ordinary resolution, our Company may renew the Scheme Mandate Limit and the Service Provider Sublimit once every three years from the date of the Shareholders’ approval for the last refreshment (or the Effective Date for Share Options) to the extent that the Scheme Mandate Limit so renewed must not exceed 10% and the Service Provider Sublimit so renewed shall not exceed 1%, respectively, of the total number of issued Shares as at the date of such Shareholders’ approval provided that options or awards lapsed will not be regarded as utilised and options or awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit as renewed. In relation to the Shareholders’ approval referred to in this paragraph, our Company must send a circular to our Shareholders containing the details and information required under the GEM Listing Rules.
- (iv) Subject to the approval of Shareholders in general meeting, our Company may also grant Options beyond the Scheme Mandate Limit or the Service Provider Sublimit provided that the Options in excess of the Scheme Mandate Limit or the Service Provider Sublimit are granted only to Eligible Persons specifically identified by our Company before such Shareholders’ approval is sought. In relation to the Shareholders’ approval referred to in this paragraph, our Company must send a circular to our Shareholders containing the information required by the GEM Listing Rules.

(f) Minimum vesting period and performance target

All Options granted under the Share Option Scheme will be subject to a vesting period of no less than 12 months from the date of grant. A shorter vesting period may be allowed for Employee Participants in certain specific circumstances set out in the Share Option Scheme subject to approval by the Board and/or the Remuneration Committee of our Company (for Options granted to the Directors or senior management) at the Board’s discretion, provided that such Participant has been specifically identified by the Board before granting such approval.

The Board may in its absolute discretion specify such condition as it thinks fit when making an offer of grant to an Eligible Person (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Person and/or our Company and/or its Subsidiaries, before an Option may be vested), provided that such conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme or the relevant requirements under applicable laws or the GEM Listing Rules. A Participant may be required to achieve any performance targets as the Board may then specify in the grant before any Options granted under the Share Option Scheme can be exercised. Such performance targets may include, among others, financial targets and management targets which shall be determined based on the (i) individual performance, (ii) performance of our Group and/or (iii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Participant. For the avoidance of doubt, subject to such terms and conditions as our Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no performance target which needs to be achieved by a Participant before the Option can be exercised.

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(g) Exercise of Option

An Option shall be vested after meeting the vesting period and vesting conditions. Subject to the terms of grant of any Option, an Option may be exercised in whole or in part by the Participant (or his/her personal representatives) at any time before the expiry of the Exercise Period by delivering to our Company a notice in writing in a form approved by the Board, stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Such notice must be accompanied by a remittance for the full amount of the exercise price for the Shares in respect of which the notice is given.

(h) Rights are personal to grantee

An Option shall be personal to the Participant and shall not be assignable or transferable and no Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option unless a waiver is granted by the Stock Exchange or otherwise permitted or required under the applicable laws and regulations.

(i) Rights on ceasing to be an Eligible Person

Subject to paragraph (j), if a Participant ceases to be an Eligible Person by any reason other than death, the outstanding Options shall lapse on the date of cessation and not be exercisable unless the Board otherwise determines. The date of such cessation shall be (i) if he/she is an employee of our Company, any Subsidiary or any Related Entity, his/her last actual working day at his/her work place with our Company, any Subsidiary or any Related Entity whether salary is paid in lieu of notice or not; or (ii) if he/she is not an employee of our Company, any Subsidiary or any Related Entity, the date on which his/her relationship with our Group which has constituted him/her an Eligible Person ceases. If a Participant is re-employed after retirement or has changed in position(s) but still be an Eligible Person before exercising the Option in full or at all, the Option may continue to be exercised by the Participant.

(j) Rights on death

If a Participant dies before exercising the Option in full or at all, his/her legal personal representative(s) may exercise the Option up to the Participant’s entitlement within a period of 12 months from the date of death.

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(k) Changes in capital structure

In the event of any alteration in the capital structure of our Company, and such event arises from a capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of our Company, such corresponding alterations (if any) shall be made in (i) the numbers of the Shares subject to any outstanding Options and/or (ii) the Exercise Price per Share as the independent financial adviser of our Company for the time being or the auditors of our Company shall at the request of our Company or any Participant certify in writing to be in their opinion fair and reasonable.

Any aforementioned adjustments required must give a Participant the same proportion of the equity capital as that to which that Participant was previously entitled and shall be made on the basis that the aggregate exercise price payable by a Participant on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser of our Company or the auditors of our Company must confirm to our Directors in writing that the adjustments satisfy the requirements mentioned above and those of the relevant provisions of the GEM Listing Rules from time to time.

(l) Rights on general offer

- (i) If a general offer by way of takeover as defined in the Takeovers Code has been made to all our Shareholders (or all such holders other than the offeror and/or any person acting in association or concert with the offeror), and such offer becomes or is declared unconditional, our Company shall give notice thereof to the Participant and the Participant shall be entitled to exercise his or her Option in full or to the extent specified in such notice. For the purposes of this subparagraph, “acting in concert” shall have the meaning ascribed to it under the Takeovers Code as amended from time to time.
- (ii) If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall give notice thereof to the Participant and the Participant may, by delivering a notice in writing to our Company within seven days of such Shareholders’ approval, exercise the Option to its full extent or to the extent specified in such notice.

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(m) Rights on winding up

In the event that a notice is given by our Company to our Shareholders to convene a Shareholders’ meeting for the purpose of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall on the same date as or soon after it give notice thereof to the Participants and the Participants may, by notice in writing to our Company accompanied by the remittance for the total exercise price payable in respect of the exercise of the relevant Options (such notice to be received by our Company not later than seven days prior to the proposed meeting), exercise the Options either in full or in part and our Company shall, as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed Shareholders’ meeting, allot and issue such number of Shares to the Participants credited as fully paid.

(n) Rights on a compromise or arrangement

In the event of a compromise or arrangement between our Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all Participants on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme of arrangement, and thereupon the Participants may exercise the Option either in full or in part and our Company shall, as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Participants which falls to be issued on such exercise.

(o) Lapse of Option

An Option shall lapse forthwith and not be exercisable (to the extent not already exercised) immediately on the earliest of:

- (i) the expiry of the Exercise Period of the Option;
- (ii) the expiry of any of the periods referred to in paragraphs (i) and (m);
- (iii) subject to paragraphs (m) and (n), the date of commencement of the winding up of our Company or the compromise or arrangement becoming effective;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (l)(ii);

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- (v) the date on which the Participant ceases to be an Eligible Person by reason of summary dismissal or being dismissed for misconduct or other breach of the terms of his/her employment contract or other contract constituting him/her an Eligible Person (including, among others, causing material misstatement of the financial statements of our Company), or the date on which he/she begins to appear to be unable to pay or has no reasonable prospect of being able to pay his/her debts or has become insolvent or has made any arrangements or composition with his/her creditors generally or has been convicted of any criminal offence involving his or her integrity or honesty. A determination of our Board or any person delegated by the Board as to whether such employment or contract has or has not been terminated on one or more grounds specified in this subparagraph shall be final, binding and conclusive; or
- (vi) the date on which the Participant commits a breach of paragraph (h).

(p) *Ranking of Shares*

Options do not carry any right to vote at any general meeting of our Company, nor any right to dividends, transfer or other rights, including those arising on the liquidation of our Company. No grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Option unless and until the Shares underlying an Option are issued and delivered or transferred to the grantee pursuant to the vesting and exercise of such Option.

Shares allotted and issued upon the exercise of an Option will be subject to our Memorandum and Articles of Association as amended from time to time and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date of such allotment or issue and accordingly will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment and issue. Any Share allotted upon the exercise of the Option shall not carry voting rights until the name of the Participant has been entered into the register of members of our Company as the holder thereof.

(q) *Cancellation of Options granted*

Any cancellation of Options granted but not exercised in accordance with the Share Option Scheme must be approved by the Participant concerned.

In the event that our Board elects to cancel any Options and issue new ones to the same Participant, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit and the Service Provider Sublimit.

(r) *Period of Share Option Scheme*

The Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Effective Date for Share Options, after which period no further Options will be issued but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

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(s) Alteration to and termination of Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of our Board, except that the provisions of a material nature and provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules shall not be altered to the advantage of the Participants or the prospective Participants without the prior approval of our Shareholders in general meeting (with the Eligible Persons and their respective associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Participants as would be required by our Shareholders under our Memorandum and Articles of Association (as amended from time to time) for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the Options granted to a Participant must be approved by the Board, the Remuneration Committee of our Company, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of the Options requires such approval, except where such alterations take effect automatically under the existing terms of the Share Option Scheme.

Our Company may, by a resolution of our Board, at any time terminate the operation of the Share Option Scheme before the end of its life and in such event no further Options will be offered but the provisions of the Share Option Scheme shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to our Shareholders seeking approval for the first new scheme to be established after such termination.

(t) Granting of Options to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates

Where Options are proposed to be granted to a Director, chief executive or substantial Shareholder of our Company or any of their respective associates, the proposed grant must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the Participant of the Options).

If a grant of Options to a substantial Shareholder of our Company or an independent non-executive Director, or any of their respective associates will result in the total number of the Shares issued and to be issued in respect of all options and awards already granted (excluding any options and awards lapsed) to such person under the Share Option Scheme or Other Schemes in any 12-month period up to and including the date of the grant representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue, then such further grant of Options must be approved by our Shareholders. The Participant, his/her associates and all core connected persons of our Company must abstain from voting at such general meeting. The circular despatched to the Shareholders must contain the information required under the GEM Listing Rules.

APPENDIX V STATUTORY AND GENERAL INFORMATION

In addition, Shareholders’ approval as described above will also be required for any change in terms of the Options granted to an Eligible Person who is a Director, chief executive or substantial Shareholder of our Company, or any of their respective associates if the initial grant of the Options requires such approval or if as a result of the change the grant would come to be subject to Shareholders’ approval (except where the changes take effect automatically under the existing terms of the Share Option Scheme).

For the avoidance of doubt, the requirements for the granting of Options to a Director or chief executive (as defined in the GEM Listing Rules) of our Company set out above do not apply where the Eligible Person is only a proposed Director or proposed chief executive of our Company.

(u) Conditions of Share Option Scheme

The Share Option Scheme is conditional on (i) the passing of a resolution to adopt the Share Option Scheme by our sole Shareholder; and (ii) the Stock Exchange granting approval for the [REDACTED] of and permission to [REDACTED] the Shares which may be issued pursuant to the exercise of Options and the commencement of [REDACTED] the Shares on the Stock Exchange.

Application has been made to the [REDACTED] Committee for the [REDACTED] of and permission to [REDACTED] the Shares which fall to be issued pursuant to the exercise of Options that may be granted under the Share Option Scheme.

(v) Required Disclosure

Our Company shall, for so long as the Share Option Scheme continues in operation, make disclosures as required under the GEM Listing Rules and all other applicable laws and requirements.

(w) Present status of the Share Option Scheme

As at the Latest Practicable Date, no options had been granted or agreed to be granted by our Company under the Share Option Scheme.

The terms of the Share Option Scheme are in compliance with Chapter 23 of the GEM Listing Rules.

APPENDIX V STATUTORY AND GENERAL INFORMATION

E. OTHER INFORMATION

1. Tax and other indemnities

Each of our Controlling Shareholders (collectively, the “**Indemnifiers**”) has entered into the Deed of Indemnity (being a material contract referred to in “B. Further information about the business of our Group – 1. Summary of material contracts – (a) the Deed of Indemnity” in this Appendix) with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) to provide indemnities on a joint and several basis in respect of, among other matters:

- (a) any tax (which includes estate duty) liabilities in whatever part of the world which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received, or of any transactions entered into, or the occurrence of any matters or things on or up to the date on which the [REDACTED] becomes unconditional (the “[REDACTED] Effective Date”), save for any taxation to the extent that:
 - (i) full provision has been made for such taxation in the audited accounts of our Group for FY2023, FY2024 and 6M2025 (the “**Accounts**”) as set out in Appendix I to this document;
 - (ii) falling on any member of our Group on or after the [REDACTED], unless the liability for such taxation would not have arisen but for any act or omission of, or delay by, or transactions voluntarily effected by any member of our Group (whether alone or in conjunction with some other act, omission, delay or transaction, whenever occurring) other than in the ordinary course of its business or in the ordinary course of acquiring or disposing of capital assets or pursuant to a legally binding commitment created before the [REDACTED];
 - (iii) such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Inland Revenue Department of Hong Kong or any other relevant authority (whether in Hong Kong, or the Cayman Islands, or any other part of the world) coming into force after the [REDACTED] Effective Date or to the extent such taxation claim arises or is increased by an increase in rates of taxation after the [REDACTED] Effective Date with retrospective effect;
 - (iv) any provisions or reserve made for taxation in the Accounts which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers’ liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to the Deed of Indemnity to reduce the Indemnifiers’ liability in respect of taxation shall not be available in respect of any such liability arising thereafter; or
 - (v) any member of our Group is primarily liable in respect of or in consequence of any event occurring or income, profits or gains earned, accrued or received or transactions in the ordinary course of its business after the [REDACTED]; and

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (b) all claims, actions, demands, liabilities, damages, costs, expenses, penalties, fines and of whatever nature suffered or incurred by any member of our Group directly or indirectly as a result of or in connection with the non-compliance or alleged non-compliance by any member of our Group with any applicable laws, rules and regulations in Hong Kong or any jurisdictions in the course of its business occurred and/or any material errors, discrepancies or missing documents in statutory records on or before the [REDACTED] and/or all claims and liabilities whatsoever which may be made, suffered or incurred by any subsidiary of our Group in respect of or arising directly or indirectly from or on the basis of or in connection with any litigation, arbitration, claim and/or legal proceedings, whether of criminal, administrative, contractual, tortious or otherwise nature instituted or threatened against any member of our Group and/or any act, non-performance, omission or otherwise of any member of our Group and/or any material errors, defects, discrepancies or missing documents in statutory records on or before the [REDACTED].

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries in the Cayman Islands, the BVI, Hong Kong and Malaysia, being jurisdictions in which one or more of the companies comprising our Group were incorporated.

2. Litigation

Save as disclosed in the sub-section headed “Business – Litigation and compliance” in this document, as at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to our Directors to be pending or threatened by or against our Company or any of our subsidiaries, that would have a material adverse effect on our Group’s results of operations or financial condition.

3. Sole Sponsor

The Sole Sponsor has made an application for and on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the Shares in issue and to be issued as mentioned in this document, including the [REDACTED] and any Shares which may fall to be allotted and issued pursuant to the Capitalisation Issue and the exercise of the [REDACTED] or any options that may be granted under the Share Option Scheme.

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately US\$4,870 and are payable by our Company.

5. Promoter

Our Company has no promoter.

APPENDIX V STATUTORY AND GENERAL INFORMATION

6. Qualifications of experts

The qualifications of the experts who have given reports, letters or opinions (as the case may be) in this document are as follows:

Name	Qualification
Lego Corporate Finance Limited	A corporation licensed under the SFO and permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Appleby	Legal advisers to our Company as to Cayman Islands law
China Insights Industry Consultancy Limited	Industry consultant
David Lai & Tan	Legal advisers to our Company as to Malaysia law
BDO Limited	Certified Public Accountants and Registered Public Interest Entity Auditor
CBRE WTW Valuation & Advisory Sdn Bhd	Independent property valuer

7. Consents of experts

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters, opinions or summaries thereof (as the case may be) and the references to its name included in this document in the form and context in which it respectively appears.

8. Sponsor’s fees

The Sole Sponsor will be paid by our Company a total fee of HK\$4.8 million to act as the sole sponsor to our Company in connection with the [REDACTED].

9. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

APPENDIX V STATUTORY AND GENERAL INFORMATION

10. Miscellaneous

- (a) Save as disclosed in this Appendix and the sections headed “History, Reorganisation and Corporate Structure” and “[REDACTED]” of this document, within the two years preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (iii) no commission has been paid or payable (excluding commission payable to [REDACTED]) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company.
- (b) No share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) No founder, management or deferred shares of our Company or any of our subsidiaries has been issued or agreed to be issued.
- (d) Our Directors confirm that, up to the date of this document, save as disclosed in “Summary – Recent developments and material adverse change”, there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2025 (being the date to which the latest audited combined financial statements of our Group were made up), and there had been no event since 30 June 2025 which would materially affect the information as shown in the Accountants’ Report.
- (e) There has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this document.
- (f) None of the experts named in “E. Other information – 6. Qualifications of experts” in this Appendix:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group;
or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.

APPENDIX V STATUTORY AND GENERAL INFORMATION

- (g) No company within our Group is presently listed on any stock exchange or traded on any trading system and no part of the Shares or loan capital of our Company is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek [REDACTED] of, or permission to [REDACTED], any part of its Shares or loan capital on any other stock exchange.
- (h) Our Company has no outstanding convertible debt securities.
- (i) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.
- (j) There are no arrangements under which future dividends are waived or agreed to be waived.

11. Bilingual document

The English language and the Chinese language versions of this document are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Taxation of holders of Shares

(a) *Hong Kong*

Dealings in Shares registered on our Company’s Hong Kong branch register of members will be subject to Hong Kong stamp duty.

Profits from dealings in Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) *Cayman Islands*

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) *Consultation with professional advisers*

Intending holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or [REDACTED] the Shares. It is emphasised that none of our Company, our Directors or parties involved in the [REDACTED] accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or [REDACTED] the Shares.

APPENDIX VI

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, among other documents, the written consents referred to in the paragraph headed “Statutory and General Information – E. Other information – 7. Consents of experts” in Appendix V to this document and copies of the material contracts referred to in the paragraph headed “Statutory and General Information – B. Further information about the business of our Group – 1. Summary of material contracts” in Appendix V to this document.

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (<https://bbsbholdings.com.my/>) up and including the date which is 14 days from the date of this document:

1. the Memorandum and the Articles of Association;
2. the accountants’ report prepared by BDO Limited, the text of which is set out in Appendix I to this document;
3. the audited consolidated financial statements of our Group for the two years ended 31 December 2024 and the six months ended 30 June 2025;
4. the report prepared by BDO Limited relating to the unaudited [REDACTED] financial information of our Group, the text of which is set out in Appendix II to this document;
5. the Property Valuation Report prepared by CBRE WTW Valuation & Advisory Sdn Bhd, the text of which is set out in Appendix III to this document;
6. the letter of advice prepared by Appleby, the legal advisers to our Company as to Cayman Islands law, summarising certain aspects of Cayman Islands company law referred to in Appendix IV to this document;
7. the Cayman Companies Act;
8. the legal opinion prepared by the Malaysia Legal Advisers in respect of certain aspects of our Group;
9. the material contracts referred to in the paragraphs headed “B. Further information about the business of our Group – 1. Summary of material contracts” in Appendix V to this document;
10. the service agreements and letters of appointment referred to in the paragraphs headed “C. Further information about Directors, management and staff – 1. Directors” in Appendix V to this document;

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DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG AND AVAILABLE ON DISPLAY

11. the written consents referred to the paragraphs headed “Statutory and General Information – E. Other information – 7. Consents of experts” in Appendix V to this document;
12. the Share Option Scheme; and
13. the CIC Report.