

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF SIGNATURE ALLIANCE GROUP BERHAD (“SAG” OR THE “COMPANY”) DATED 14 MAY 2025 (“ELECTRONIC PROSPECTUS”)

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

Website

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

Availability and Location of Paper/Printed Prospectus

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

Prospective investors should note that the Application Form is not available in electronic format.

Jurisdictional Disclaimer

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

Close of Application

Applications will be accepted from 10.00 a.m. on 14 May 2025 and will close at 5.00 p.m. on 21 May 2025.

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

The Electronic Prospectus made available on the Website after the closing of the application period is made available solely for informational and archiving purposes. No securities will be allotted or issued on the basis of the Electronic Prospectus after the closing of the application period.

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

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

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



SIGNATURE ALLIANCE GROUP BERHAD
(Registration No.: 202401001316 (1547167-T))
(Incorporated in Malaysia)

11, Jalan SC 6, Pusat Perindustrian Sungai Chua
43000 Kajang, Selangor Darul Ehsan

T: +603-8741 9066 E: info@sagrp.com.my

<https://www.sagrp.com.my>

PROSPECTUS

THIS PROSPECTUS IS DATED 14 MAY 2025



**SIGNATURE
ALLIANCE
GROUP**

SIGNATURE ALLIANCE GROUP BERHAD

(Registration No.: 202401001316 (1547167-T))
(Incorporated in Malaysia)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“**BURSA SECURITIES**”) COMPRISING PUBLIC ISSUE OF 260,000,000 NEW ORDINARY SHARES IN OUR COMPANY (“**SHARES**”) IN THE FOLLOWING MANNER:

- 50,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
 - 30,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP;
 - 20,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE ENTITLED SHAREHOLDERS OF SIGNATURE INTERNATIONAL BERHAD;
 - 125,000,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
 - 35,000,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,
- AT AN ISSUE PRICE OF RM0.62 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

**Adviser, Sponsor, Managing Underwriter,
Joint Underwriter and Joint Placement Agent**



M & A SECURITIES SDN BHD
(Registration No.: 197301001503 (15017-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

**Joint Underwriter
and Joint Placement Agent**



AFFIN HWANG INVESTMENT BANK BERHAD
(Registration No.: 197301000792 (14389-U))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

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

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE “RISK FACTORS” COMMENCING ON PAGE 221.

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

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

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

M & A Securities Sdn Bhd, being our Adviser, Sponsor, Managing Underwriter, Joint Underwriter and Joint Placement Agent to our IPO (as defined herein), acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of Affin Hwang IB (as defined herein) in our IPO is limited to being a Joint Underwriter and Joint Placement Agent.

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

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

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

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 23 January 2025. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares. Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

The SC (as defined herein) had on 5 February 2025 approved our application under the Bumiputera equity requirements for public listed companies pursuant to our Listing (as defined herein).

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

This Prospectus has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority or other relevant body of any jurisdiction other than Malaysia.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

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

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

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

No action has been or will be taken to ensure that this Prospectus complies with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/ or other professional adviser on the laws to which our IPO or you are or might be subjected to. Neither us nor our Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any country or jurisdiction.

ELECTRONIC PROSPECTUS

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

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

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

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

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

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

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

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

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

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INDICATIVE TIMETABLE

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

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

Events	Indicative date
Entitlement Date	29 April 2025
Issuance of this Prospectus/ Opening of Application	14 May 2025
Closing of Application	21 May 2025
Balloting of Application	23 May 2025
Allotment of IPO Shares to successful applicants	30 May 2025
Date of Listing	5 June 2025

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

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

All references to "**SAG**" and "**Company**" in this Prospectus are to Signature Alliance Group Berhad (202401001316 (1547167-T)). Unless otherwise stated, references to "**Group**" are to our Company and our subsidiaries taken as a whole; and references to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "**Management**" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

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

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

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

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

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

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

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FORWARD-LOOKING STATEMENTS

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

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other factors which may cause our actual results, our performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Management's current view with respect to future events and are not a guarantee of future performance.

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

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

- (a) demand for our products and services;
- (b) our business strategies;
- (c) our future plans;
- (d) our future earnings, cash flows and liquidity; and
- (e) our ability to pay future dividends.

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

- (a) the economic, political and investment environment in the countries which we operate; and
- (b) Government policy, legislation or regulation of the countries which we operate in.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 – "Risk Factors" and Section 12 – "Financial Information". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

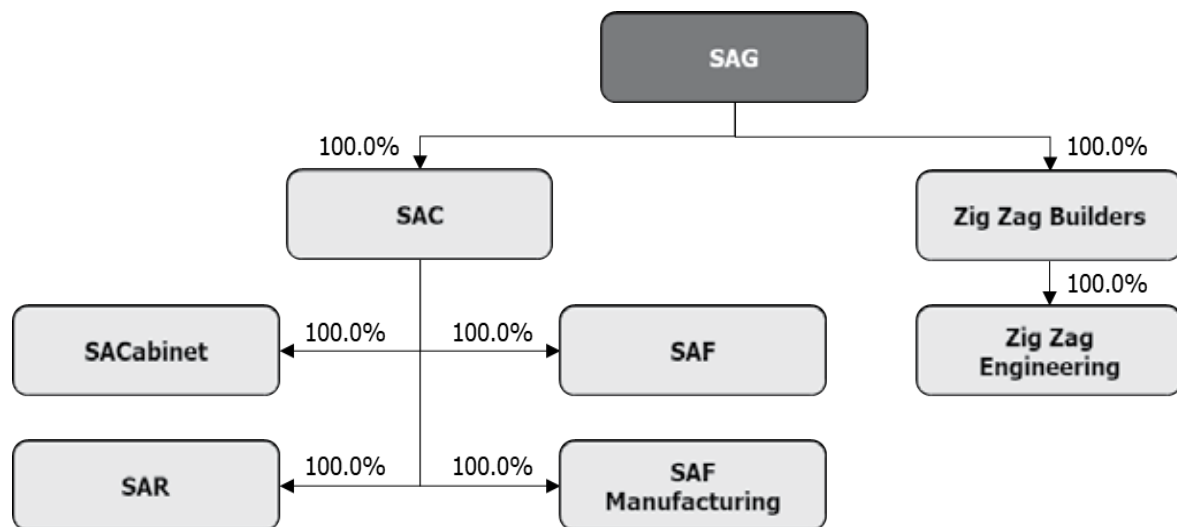
Should we become aware of any subsequent material change or development affecting matters disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment/transfer of our IPO Shares, we shall further issue a supplemental or replacement prospectus,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

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

"SAC"	: Space Alliance Contracts Sdn Bhd (200901033729 (876842-P))
"SACabinet"	: Space Alliance Cabinet Sdn Bhd (201401043467 (1119646-H))
"SAF"	: Space Alliance Furniture Sdn Bhd (201301030224 (1060054-K))
"SAF Manufacturing"	: SAF Manufacturing Sdn Bhd (200601033406 (753165-V))
"SAG" or "Company"	: Signature Alliance Group Berhad (202401001316 (1547167-T))
"SAG Group" or "Group"	: SAG and its subsidiaries, collectively
"SAR"	: Space Alliance Resources Sdn Bhd (201101038608 (966730-K))
"Zig Zag Builders"	: Zig Zag Builders (M) Sdn Bhd (201501015761 (1141094-M))
"Zig Zag Engineering"	: Zig Zag Engineering Sdn Bhd (202401009788 (1555638-H))



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DEFINITIONS (*Cont'd*)

GENERAL:

"ACE Market"	:	ACE Market of Bursa Securities
"Acquisition of SAC"	:	Acquisition by SAG of the entire equity interest of SAC for a purchase consideration of RM30.5 million which was wholly satisfied by the issuance of 591,999,998 new Shares at an issue price of RM0.0516 per Share, which was completed on 3 March 2025
"Acquisition of Zig Zag Builders"	:	Acquisition by SAG of the entire equity interest of Zig Zag Builders for a purchase consideration of RM7.6 million which was wholly satisfied by the issuance of 148,000,000 new Shares at an issue price of RM0.0516 per Share, which was completed on 3 March 2025
"Acquisitions"	:	Acquisition of SAC and Acquisition of Zig Zag Builders, collectively
"Act"	:	Companies Act 2016
"ADA"	:	Authorised Depository Agent
"Adviser" or "Sponsor" or "Managing Underwriter" or "Joint Underwriter" or "Joint Placement Agent"	:	M&A Securities
"Affin Hwang IB"	:	Affin Hwang Investment Bank Berhad (197301000792 (14389-U))
"AGM"	:	Annual general meeting
"Application(s)"	:	Application(s) for IPO Shares by way of Application Form(s), Electronic Share Application(s) or Internet Share Application(s)
"Application Form(s)"	:	Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"Areal"	:	Areal Interior Solutions Pte Ltd (201914845C)
"ATM"	:	Automated teller machine
"Best Stone"	:	Best Stone Sdn Bhd (formerly known as Signature Stone Solutions Sdn Bhd) (a former subsidiary of SAC) (202301004301 (1498220-K)), which ceased to be our subsidiary on 29 December 2023
"Best Stone Solutions"	:	Best Stone Solutions Sdn Bhd (formerly known as Signature Stone Sdn Bhd) (a former subsidiary of SAC) (202301037273 (1531196-W)), which ceased to be our subsidiary on 29 December 2023
"Board"	:	Board of Directors of SAG
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"CAGR"	:	Compound annual growth rate

DEFINITIONS (Cont'd)

"CCC"	:	Certificate of completion and compliance
"CCM"	:	Companies Commission of Malaysia
"CDS"	:	Central Depository System
"CDS Account"	:	Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"Central Depositories Act" or "SICDA"	:	Securities Industry (Central Depositories) Act 1991
"Chin Hin"	:	Chin Hin Group Berhad (201401021421 (1097507-W))
"CIDB"	:	Construction Industry Development Board
"CIDB Act"	:	Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994
"CMSA"	:	Capital Markets and Services Act 2007
"Constitution"	:	Our constitution
"Corten"	:	Corten Interior Solutions Pte Ltd (201408463R)
"Corten Group"	:	Corten, Areal and Woodcraft, collectively
"COVID-19"	:	Novel coronavirus disease 2019, an infectious respiratory disease which affects the respiratory system, and it is a global pandemic
"Deposited Security"	:	Securities standing to the credit of a securities account and includes a security in a securities account that is in suspense
"Director(s)"	:	An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"Divine Inventions"	:	Divine Inventions Sdn Bhd (201401043770 (1119952-P))
"EBIT"	:	Earnings before interest and tax
"EBITDA"	:	Earnings before interest, tax, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/ or an electronic storage medium
"Electronic Application(s)"	Share	: Application(s) for IPO Shares through a Participating Financial Institution's ATM
"Eligible Person(s)"	:	Eligible Director(s), employee(s), and person(s) who have contributed to the success of our Group who are eligible to participate in the Pink Form Allocations, collectively

DEFINITIONS (Cont'd)

"Entitled Shareholder(s) of SIB"	:	Shareholder(s) of SIB (save for Excluded Shareholders and Undertaking Shareholders) whose name(s) must appear in the record of depositors of SIB as at 5.00 p.m. on the Entitlement Date and who are eligible to apply for the Issue Shares under the Restricted Offering
"Entitlement Date"	:	29 April 2025, being the date as at the close of business on which the names of the Entitled Shareholders of SIB (save for the Excluded Shareholders) must appear on the record of depositors of SIB to be eligible to apply for the Issue Shares under the Restricted Offering
"EPS"	:	Earnings per share
"Excluded Shareholders"	:	Shareholders of SIB whose names appear on its record of depositors who fall under any one of the following categories as at 5.00 p.m. on the Entitlement Date: (i) persons with a registered address in jurisdictions outside Malaysia; (ii) persons located in jurisdictions outside Malaysia in which acceptance under the Restricted Offering would result in the contravention of the laws of such jurisdictions; or (iii) persons who are, in the opinion of our Board (on the advice of our legal advisers), necessary or expedient to be excluded from participating in the Restricted Offering by reason of legal or regulatory requirements
"FYE"	:	Financial year(s) ended/ ending 31 December, as the case may be
"Government"	:	Government of Malaysia
"GP"	:	Gross profit
"HR"	:	Human resource
"IFRS"	:	International Financial Reporting Standards
"IMR" or "Providence"	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A)), our Independent Market Researcher
"IMR Report"	:	Independent Market Research Report titled "Outlook of the Interior Fitting-out Industry in Malaysia" dated 29 April 2025
"Internet Participating Financial Institution(s)" or "Participating Securities Firm(s)"	:	Participating financial institution(s) or participating securities firm(s) for Internet Share Application as listed in Section 16.6
"Internet Share Application(s)"	:	Application(s) for IPO Shares through an online share application service provided by Internet Participating Financial Institution(s) or Participating Securities Firm(s)

DEFINITIONS (*Cont'd*)

"Initial Public Offering" or "IPO"	: Our initial public offering comprising the Public Issue
"IPO Price"	: Issue price of RM0.62 per Share under our Public Issue
"IPO Share(s)" or "Issue Share(s)"	: 260,000,000 new Share(s) to be issued under our Public Issue
"Issuing House"	: Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
"Joint Placement Agent(s)"	: M&A Securities and Affin Hwang IB, collectively
"Joint Underwriter(s)"	: M&A Securities and Affin Hwang IB, collectively
"Listing"	: Listing of and quotation for our entire enlarged share capital of RM199,384,002 comprising 1,000,000,000 Shares on the ACE Market
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities
"Listing Scheme"	: Comprising the Public Issue and Listing, collectively
"LPD"	: 16 April 2025, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	: M & A Securities Sdn Bhd (197301001503 (15017-H))
"MAICSA"	: Malaysian Institute of Chartered Secretaries and Administrators
"Main Market"	: Main Market of Bursa Securities
"Malaysian Public"	: Malaysian citizens and companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
"Market Day"	: A day on which the stock market of Bursa Securities is open for trading in securities, which may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"MCCG"	: Malaysian Code on Corporate Governance
"MFRS"	: Malaysian Financial Reporting Standards
"MIA"	: Malaysian Institute of Accountants
"MIDA"	: Malaysian Investment Development Authority
"MITI"	: Ministry of Investment, Trade and Industry
"MyIPO"	: Intellectual Property Corporation of Malaysia
"NA"	: Net assets

DEFINITIONS (*Cont'd*)

"NBV"	:	Net book value
"Official List"	:	A list specifying all securities which have been admitted for listing on Bursa Securities
"Participating Financial Institution(s)"	:	Participating financial institution(s) for Electronic Share Application(s) as listed in Section 16.5
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PE Multiple"	:	Price-to-earnings multiple
"Pink Form Allocations"	:	Allocation of 30,000,000 Issue Shares to Eligible Person(s), which forms part of our Public Issue
"PP Chin Hin Realty"	:	PP Chin Hin Realty Sdn Bhd (201101034966 (963099-V))
"Pro forma SIB Group"	:	SIB Group excluding SAG Group
"Promoter(s)"	:	SIB, Chang Chung Fei, Foo Khai Shin and Ng Mun Moh, collectively
"Prospectus"	:	This prospectus dated 14 May 2025 in relation to our IPO
"Public Issue"	:	Public issue of 260,000,000 Issue Shares at our IPO Price
"QA/ QC"	:	Quality assurance/ quality control
"QS"	:	Quantity surveyor
"Restricted Offering"	:	Offer of 20,000,000 Issue Shares to the Entitled Shareholders of SIB at the IPO Price
"ROC"	:	Registrar of Companies
"Rules of Bursa Depository" or "Depository Rules"	:	Rules of Bursa Depository and any appendices thereto
"SC"	:	Securities Commission Malaysia
"Share(s)"	:	Ordinary share(s) in SAG
"Shareholdings Reorganisation"	:	Reorganisation of the shareholdings of vendors of SAC and Zig Zag Builders after the Acquisitions but before the IPO
"SIB"	:	Signature International Berhad (200601034359 (754118-K))
"SIB Group"	:	SIB and its group of companies, collectively
"SOP"	:	Standard operating procedures
"Specified Shareholder(s)"	:	SIB, Chang Chung Fei, Foo Khai Shin and Ng Mun Moh, collectively
"UK"	:	United Kingdom

DEFINITIONS (*Cont'd*)

- “Undertaking Shareholders” : Chin Hin group of companies, Chang Chung Fei, Foo Khai Shin and Ng Mun Moh, collectively who have provided the respective undertakings that they will not subscribe for any of the Issue Shares under the Restricted Offering
- “Underwriting Agreement” : Underwriting agreement dated 15 April 2025 entered into between our Company, Managing Underwriter and our Joint Underwriters for the purpose of our IPO
- “Woodcraft” : Woodcraft Studio Sdn Bhd (201501007373 (1132706-T))

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DEFINITIONS (Cont'd)

MAJOR CLIENTS OF OUR GROUP:

The following are details of our Group's major clients whose names will be redacted in the Prospectus due to provisions of confidentiality in our Group's agreement(s) executed with these clients:

"Client A"	: A public company listed on the Main Market and based in Malaysia, which is principally involved in commercial banking activities and financial holding company of subsidiaries that offer financial products and services
"Client B"	: A public company listed on the Main Market and based in Malaysia, which is principally involved in all aspects of banking business including the provision of related financial services and financial holding company of subsidiaries that offer financial products and services
"Client C"	: A private limited company based in Malaysia, which is principally involved in real property investment. Client C is a subsidiary of a private limited company based in Malaysia, which is principally involved in property and investment holding as well as property development
"Client E"	: A private limited company based in Malaysia, which is principally involved in the provision of construction, installation of facilities and building services. Client E is an indirect subsidiary of a private limited company based in Germany, which is principally involved in planning, development and delivery of high-tech production facilities
"Client F"	: A private limited company based in Malaysia, which is principally involved in the provision of marketing and sale support services. Client F is an indirect subsidiary of an American corporation listed on the NASDAQ Stock Exchange, which is principally involved in the activities of social networking, advertising, and business insight solutions
"Client H"	: A private limited company based in Malaysia, which is principally involved in the provision of telecommunication equipment, devices, services, training, and network solutions. Client H is an indirect subsidiary of a private limited company based in China, which is principally involved in the provision of information and communications technology infrastructure and smart devices
"Client M"	: A management corporation established under the Strata Title Act 1985, which is principally involved in the provision of management and maintenance of the common property and buildings of the respective development as set out in the Strata Title Act 1985 and the relevant by-laws
"Client W"	: A private limited company based in Malaysia, which is principally involved in the business of builders and contractors for all kinds of construction works and demolition works. Client W is a subsidiary of a private limited company based in Malaysia, which is principally involved in construction of buildings

DEFINITIONS (*Cont'd*)

CURRENCIES:

"GBP"	:	Great Britain Pound
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RMB"	:	Renminbi
"SGD"	:	Singapore Dollars
"USD"	:	United State Dollars

UNIT OF MEASUREMENTS:

"sq ft"	:	Square feet

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TECHNICAL GLOSSARY

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

"A&A"	:	Addition and alteration, a type of interior fitting-out works involving additions, alterations, modification, fixtures and improvements to an existing building
"Audio visual and information technology works"	:	Installation, integration and maintenance of equipment and systems related to audio, video and digital communication technologies
"Built-in furniture"	:	Customised furniture units that are installed, fixed or integrated into the structure of a building or space
"Cabinetry"	:	Production and installation of storage units typically found in kitchens, bathrooms, and other areas of homes and commercial spaces, which are produced using wood, plywood, MDF or metal
"Carpentry/ joinery parts"	:	Components and elements crafted, assembled and installed in building projects which are produced using wooden materials and range from larger structural elements to detailed wood pieces and intricate woodwork such as wooden joints
"CMGD"	:	Certificate of Making Good Defects, a certification issued by the project's architect on behalf of the client to the contractor, after identified defects have been rectified upon expiry of the DLP
"CNC"	:	Computer numerical control, a technology that uses computers to automate the control, movement and precision of machinery and equipment in manufacturing processes
"CPC"	:	Certificate of Practical Completion, a certification issued upon the practical completion of a building in accordance with the contract requirements, and all contractual requirements between both parties have been fulfilled
"DLP"	:	Defects liability period, period of time after a construction project has been completed where the contractor is obliged to return to site to remedy defects, if any
"Drymix"	:	Pre-packaged dry mortar or concrete mixes that are formulated with specific proportions of cement, sand and additives
"F&B"	:	Food and beverage
"Floor finishing"	:	Final treatment applied to floors to enhance their durability, appearance and functionality, and may include the installation of tiles, carpets, vinyl and stones amongst others, as well as processes such as staining, sealing, polishing or applying coatings such as varnish or epoxy resin
"Integral fixtures"	:	Built-in or fixed elements that are designed, produced from wood, and installed as finishing parts of a building's interior, and can also be finished from other materials such as stone, glass or metal amongst others

TECHNICAL GLOSSARY (*Cont'd*)

"Interior design"	:	Process of planning, coordination and execution of design elements for the interior spaces of a building such as colour schemes, furniture, lighting and decorative accessories to fulfil clients' requirements
"Interior fitting-out"	:	Process of completing the interior spaces of a building by procurement, production and installation of design elements such as colour schemes, furniture, lighting, MEP and decorative accessories to fulfil clients' requirements
"Ironmongery"	:	Metal hardware and fittings used in interior fitting-out, furniture making and other applications. This includes items such as hinges, locks, handles, bolts and other fixtures made from various metals such as iron, steel, brass and aluminium products
"LAD"	:	Liquidated ascertained damages, damages due to client calculated at a rate as stated in the contract agreement when a construction contractor fails to deliver completed works within the period stipulated in the contract agreement
"Laminates"	:	Thin layers or sheets of material bonded together to create a composite material with enhanced properties which can create the effects of wood, colour, fabric and stone
"LOA"	:	Letter of award
"Loose furniture"	:	Movable and standalone furniture items that are not fixed to the structure of a building
"Masonry works" or "wet works"	:	Construction and assembly of stone structures, walls, façades and decorative elements using natural stone or manufactured stone veneers
"M&E works"	:	Mechanical and electrical works
"MDF(s)"	:	Medium-density fibreboard(s)
"MEP"	:	Mechanical, electrical and plumbing
"Mock-up"	:	A full-scale model or prototype of a portion of the interior space of a building or room, which principally simulates the actual design, materials, finishes and layout that will be used in the completed space
"Modular kitchen and wardrobe systems"	:	Kitchen and wardrobe systems which comprise prefabricated cabinet and compartment modules that can be easily assembled and configured to meet specific needs and space requirements
"Partitioning"	:	Division of a space into separate sections or rooms using walls, screens or panels, to meet clients' requirements
"Sanitaryware"	:	Plumbing fixtures and accessories installed in bathrooms and kitchens which include sinks, toilets, showers, faucets and other components essential for water supply and drainage
"Shop drawing"	:	A detailed and precise set of diagrams or plans produced by contractors, subcontractors, producers or fabricators, which provide specific fabrication, assembly and installation details for components according to the design and specifications provided by architects and engineers

TECHNICAL GLOSSARY (*Cont'd*)

"SOHO"	:	Shop office home office, a development concept where there is the sharing of office and residential space within the same unit
"Steel and metal works"	:	Production and installation of structures, components or fixtures using metals such as steel, aluminium or iron into frameworks, supports and decorative elements in buildings
"Stone and tile works"	:	Installation and finishing of natural stone, ceramic, porcelain or composite tiles in a building or space
"Variation order" or "VO"	:	Formal document issued during the course of a project that authorises changes to the original scope of works

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PROJECTS

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

ONGOING PROJECTS:

- "Avenue Project" : Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, M&E works, façade works and civil and structural works of a supporting structure of a sales gallery in Subang Jaya, Selangor for a total contract value of RM12.4 million

- "Bandar Enstek Project" : Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, M&E works, façade works and civil and structural works of an industrial factory in Bandar Enstek, Selangor for a total contract value of RM38.0 million

- "Bayan Lepas 1 Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes and waterproofing works for an industrial factory in Bayan Lepas, Pulau Pinang for a total contract value of RM23.7 million

- "Bayan Lepas 2 Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes and waterproofing works for an industrial factory in Bayan Lepas, Pulau Pinang for a total contract value of RM32.2 million

- "Bukit Tinggi Project" : Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes and customised furniture for a commercial hotel property in Klang, Selangor for a total contract value of RM5.7 million

- "Bukit Tunku Project" : Interior fitting-out works comprising renovation works in relation to structural works, architectural works, M&E works, façade works and landscaping for a residential bungalow property in Bukit Tunku, Kuala Lumpur for a total contract value of RM6.5 million

- "Cyberjaya Project" : Interior fitting-out works comprising A&A works relating to the refurbishment and upgrading of common areas of a hotel tower and retail areas of a commercial shopping mall property in Cyberjaya, Selangor for a total contract value of RM95.0 million

- "Damansara Project" : Interior fitting-out works comprising partition work, ceiling finishes, wall finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Damansara, Kuala Lumpur for a total contract value of RM16.4 million

- "Jalan Ampang 1 Project" : Interior fitting-out works comprising A&A works relating to the refurbishment and upgrading for residential and retail spaces at a commercial SOHO property in Jalan Ampang, Kuala Lumpur for a total contract value of RM82.1 million

- "Jalan Ampang 2 Project" : Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, plumbing works and M&E works for 14 floors of a corporate office at a commercial office property in Jalan Ampang, Kuala Lumpur for a total contract value of RM65.9 million

- "KL Project" : Interior fitting-out works comprising wall finishes, ceiling finishes and floor finishes for retail units at a commercial retail shopping mall property in Kuala Lumpur for a total contract value of RM9.0 million

PROJECTS (Cont'd)

"Melaka Project"		:	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, carpentry/ joinery parts, M&E works, façade works and civil and structural works for a sales gallery in Melaka for a total contract value of RM7.5 million
"Meru Raya Project"		:	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, customised loose furniture, and window finishes for a commercial rehabilitation centre for neurorobotics and cybernetics in Meru Raya, Perak for a total contract value of RM78.2 million
"Port Dickson Project"	Dickson	:	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, customised loose furniture, M&E works and civil and structural works for 2 commercial 2½-storey show units in Port Dickson, Negeri Sembilan for a total contract value of RM24.9 million
"Presint Project"	Merdeka	:	Interior fitting-out works comprising interior design works, MEP works and audio visual systems works for 15 levels of a corporate office at a commercial office property in Presint Merdeka 118, Kuala Lumpur for a total contract value of RM86.5 million
"Shah Alam Project"		:	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes and customised furniture for a commercial hotel property in Shah Alam, Selangor for a total contract value of RM35.3 million
"Sri Petaling Project"	1	:	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, customised loose furniture, and M&E works for a commercial office property in Bandar Baru Sri Petaling, Kuala Lumpur for a total contract value of RM83.1 million
"Sri Petaling Project"	2	:	Interior fitting-out works comprising interior design works for 4 levels of penthouses at a commercial mixed development property comprising corporate offices, retail shops, duplex lofts and serviced apartments in Bandar Baru Sri Petaling, Kuala Lumpur for a total contract value of RM30.1 million
"Sunway Project"		:	Interior fitting-out works comprising carpentry/ joinery parts for retail areas at a commercial retail property (i.e. upgrade of shopping mall) in Bandar Sunway, Selangor for a total contract value of RM8.5 million
"Telok Gong Project"		:	Interior fitting-out works comprising the supply of labour, tools, machinery and materials for main building works, fire protection services and electrical systems in relation to the design and build for a new plant extension of an industrial factory in Bandar Telok Gong, Selangor for a total contract value of RM7.4 million
"Tropicana Project"		:	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes and customised furniture for a high-rise residential condominium property in Tropicana, Selangor for a total contract value of RM8.0 million
"Tropicana Project"	Cenang	:	Interior fitting-out works comprising the design, fabrication, supply, installation and interior design works including kitchen cabinetry, joinery works, built-in furniture, loose furniture and other associated works for 2 blocks of serviced apartments at a commercial hotel property in Langkawi, Kedah for a total contract value of RM43.0 million

PROJECTS (*Cont'd*)

- "TRX6 – LL Project" : Interior fitting-out works comprising wall finishes, floor finishes, joinery and customised furniture as well as production of a mock-up room for a commercial hotel property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM49.3 million
- "TRX7 – TAG Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM18.2 million

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PROJECTS (Cont'd)

COMPLETED PROJECTS:

- "Bangsar Project" : Interior fitting-out works comprising the refurbishment and upgrading of common areas of the entire commercial office property in Bangsar, Kuala Lumpur for a total contract value of RM8.9 million
- "Bangsar 1 Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Bangsar, Kuala Lumpur for a total contract value of RM26.0 million
- "Bangsar 2 Project" : Interior fitting-out works comprising A&A works relating to the refurbishment and upgrading of common areas for a commercial office property in Bangsar, Kuala Lumpur for a total contract value of RM5.7 million
- "Bayan Lepas 3 Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes and waterproofing works for an industrial factory in Bayan Lepas, Pulau Pinang for a total contract value of RM4.1 million
- "Bukit Bintang Project" : Interior fitting-out works comprising the refurbishment of common areas in relation to ceiling finishes, floor finishes, window covering, lighting works and loose furniture for a residential property in Bukit Bintang, Kuala Lumpur for a total contract value of RM3.2 million
- "Bukit Jalil Project" : Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, display units, light fittings and M&E works for a retail outlet in Bukit Jalil, Kuala Lumpur for a total contract value of RM5.0 million
- "Bukit Jalil Residence Project" : Interior fitting-out works comprising furniture and fittings, façade and signage works, M&E works and mock-up show units for a sales gallery in Bukit Jalil, Kuala Lumpur for a total contract value of RM3.5 million
- "Damansara 1 Project" : Interior fitting-out works relating to the refurbishment and upgrading of wall finishes, ceiling finishes, floor finishes, display units, light fittings and M&E works for a commercial retail outlet in Damansara Heights, Kuala Lumpur for a total contract value of RM3.5 million
- "Damansara 2 Project" : Interior fitting-out works comprising partition work, ceiling finishes, wall finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Damansara, Kuala Lumpur for a total contract value of RM5.8 million
- "Eco City Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Eco City, Kuala Lumpur for a total contract value of RM27.4 million
- "Iskandar Puteri Project" : Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, carpentry/ joinery parts and customised furniture for serviced apartments at a commercial hospitality property in Iskandar Puteri, Johor for a total contract value of RM17.0 million

PROJECTS (Cont'd)

- "Jalan Dungun Project" : Interior fitting-out works comprising A&A works relating to the refurbishment works comprising mock-ups, demolition works, building works, signages, external building painting, office suites, M&E works and air conditioning works for 4 blocks of commercial office properties in Damansara Heights, Kuala Lumpur for a total contract value of RM2.4 million
- "KL Sentral Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in KL Sentral, Kuala Lumpur for a total contract value of RM8.0 million
- "Kota Damansara Project" : Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes and customised furniture for a sales gallery in Kota Damansara, Selangor for a total contract value of RM5.3 million
- "Mid Valley Project" : Interior fitting-out works comprising A&A works relating to the refurbishment and upgrading of wall finishes, ceiling finishes, floor finishes, display units, light fittings and M&E works for a commercial retail outlet in Mid Valley, Kuala Lumpur for a total contract value of RM5.1 million
- "TRX1 – IJM Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM19.3 million
- "TRX2 – Client A Project" : Comprising TRX C1 – Client A Project and TRX C2 – Client A Project
- "TRX3 – Client H Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM47.8 million
- "TRX4 – DNB Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM22.9 million
- "TRX5 – Client A Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM21.9 million
- "TRX8 – Client H Project" : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM24.4 million

PROJECTS (*Cont'd*)

"TRX C1 – Client A : Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM32.2 million

"TRX C2 – Client A : Interior fitting-out works comprising floor finishes and loose furniture for a commercial office property in Tun Razak Exchange, Kuala Lumpur for a total contract value of RM27.8 million

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Residential address	Nationality/ Profession	Gender
Datuk Wan Ahmad Satria Bin Wan Hussein	Independent Non- Executive Chairman	17, Jalan 14/52 46300 Petaling Jaya Selangor	Malaysian/ Director	Male
Chang Chung Fei	Executive Director/ Group Chief Executive Officer	778, Kampung Baru Sungai Chua 43000 Kajang Selangor	Malaysian/ Director	Male
Foo Khai Shin	Executive Director/ Chief Executive Officer – Northern Region	2000X, Jalan Yakin 5 Taman Darulaman Jalan Stadium 05100 Alor Setar Kedah	Malaysian/ Director	Male
Lau Kock Sang	Non-Independent Non-Executive Director	6, Jalan Anggerik Doritis 31/160 Kota Kemuning 40460 Shah Alam Selangor	Malaysian/ Director	Male
Dato' Boey Chin Gan	Independent Non- Executive Director	56, Jalan Jalil Perkasa 10 Taman Esplanad Bukit Jalil 57000 Kuala Lumpur	Malaysian/ Director	Male
Tan Poh Cheok	Independent Non- Executive Director	40, Lorong Hijau 1/3 Taman Hijau 48000 Rawang Selangor	Malaysian/ Director	Female
Lim Sook Yee	Independent Non- Executive Director	Z033, Zenia Parkhomes 3, Jalan Residen 2 Desa Parkcity 52200 Kuala Lumpur	Malaysian/ Director	Female

AUDIT COMMITTEE

Name	Designation	Directorship
Lim Sook Yee	Chairperson	Independent Non-Executive Director
Dato' Boey Chin Gan	Member	Independent Non-Executive Director
Tan Poh Cheok	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Dato' Boey Chin Gan	Chairperson	Independent Non-Executive Director
Tan Poh Cheok	Member	Independent Non-Executive Director
Lim Sook Yee	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (*Cont'd*)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

Name	Designation	Directorship
Tan Poh Cheok	Chairperson	Independent Non-Executive Director
Dato' Boey Chin Gan	Member	Independent Non-Executive Director
Lim Sook Yee	Member	Independent Non-Executive Director

COMPANY SECRETARIES :

Te Hock Wee (SSM Practising Certificate No.: 202008002124)
(MAICSA 7054787)
(Associate Member of MAICSA)

Chan Siow Mui (SSM Practising Certificate No.: 202408000504)
(MAICSA 7058742)
(Associate Member of MAICSA)

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: +603-2783 9191

REGISTERED OFFICE :

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone number: +603-2783 9191

HEAD OFFICE :

11, Jalan SC 6
Pusat Perindustrian Sungai Chua
43000 Kajang
Selangor

Telephone number: +603-8741 9066

EMAIL ADDRESS AND WEBSITE :

Website: <https://www.sagrp.com.my>
Email address: info@sagrp.com.my

AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING :

UHY Malaysia PLT (formerly known as UHY Malaysia)
(AF 1411)

Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Partner-in-charge: Yeoh Aik Chuan
Approval number: 02239/07/2026 J
(Chartered Accountant, Member of Malaysian Institute of Certified Public Accountants and MIA and Associate Member of Chartered Tax Institute of Malaysia)

Telephone number: +603-2279 3088

1. CORPORATE DIRECTORY (*Cont'd*)

ADVISER, SPONSOR, MANAGING UNDERWRITER, JOINT UNDERWRITER AND JOINT PLACEMENT AGENT	:	M & A Securities Sdn Bhd (197301001503 (15017-H)) 45 & 47, Levels 3 and 7 The Boulevard Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Telephone number: +603-2284 2911
JOINT UNDERWRITER AND JOINT PLACEMENT AGENT	:	Affin Hwang Investment Bank Berhad (197301000792 (14389-U)) Level 19, Menara Affin Lingkaran TRX Tun Razak Exchange 55188 Kuala Lumpur Telephone number: +603-2142 3700
SOLICITORS FOR OUR LISTING	:	Phang Tham Teoh & Co S-15-02, Wisma YNH, Kiara 163 8, Jalan Kiara, Mont Kiara 50480 Kuala Lumpur Telephone number: +603-9779 9418
ISSUING HOUSE AND SHARE REGISTRAR	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H)) Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South 8, Jalan Kerinchi 59200 Kuala Lumpur Telephone number: +603-2783 9299
INDEPENDENT MARKET RESEARCHER	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A)) 67-1, Block D, Jaya One Jalan Prof Diraja Ungku Aziz 46200 Petaling Jaya Selangor Telephone number: +603-7625 1769 Person-in-charge: Elizabeth Dhoss (<i>Bachelor of Business Administration from the University of Malaya</i>)
LISTING SOUGHT	:	ACE Market
SHARIAH STATUS	:	Approved by the Shariah Advisory Council of the SC

2. PROSPECTUS SUMMARY

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

2.1 PRINCIPAL DETAILS OF OUR IPO

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

	No. of Shares	(1)%
To be issued under Public Issue	260,000,000	26.0
- For application by the Malaysian Public	50,000,000	5.0
- For Pink Form Allocations	30,000,000	3.0
- For Entitled Shareholders of SIB via Restricted Offering	20,000,000	2.0
- For private placement to Bumiputera investors approved by MITI	125,000,000	12.5
- For private placement to selected investors	35,000,000	3.5
Enlarged number of Shares upon Listing	1,000,000,000	
IPO Price per Share	RM0.62	
Market capitalisation (calculated based on our IPO Price and enlarged number of Shares upon Listing)	RM620,000,000	

Note:

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

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

In compliance with Rule 3.19(1) of the Listing Requirements, our Specified Shareholders' entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our admission to the Official List. Thereafter, their shareholdings amounting to 45.0% of our share capital will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of their Shares held under moratorium upon expiry of the second 6-month period. The moratorium has been fully accepted by the Specified Shareholders, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during their moratorium periods.

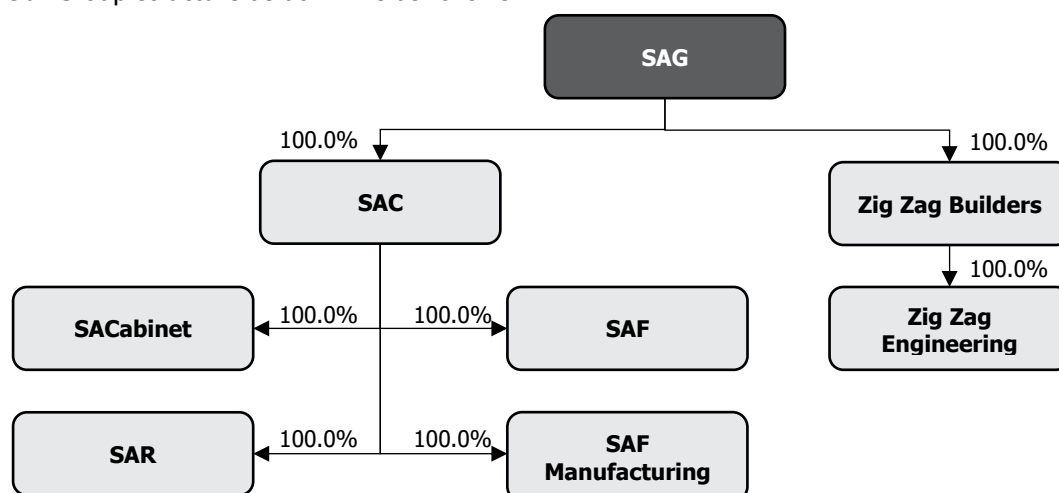
Further details on the moratorium on our Shares are set out in Section 3.2.

2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 10 January 2024 as a private limited company under the name of Signature Alliance Group Sdn Bhd. On 20 September 2024, our Company was converted into a public limited company and adopted our present name.

2. PROSPECTUS SUMMARY (Cont'd)

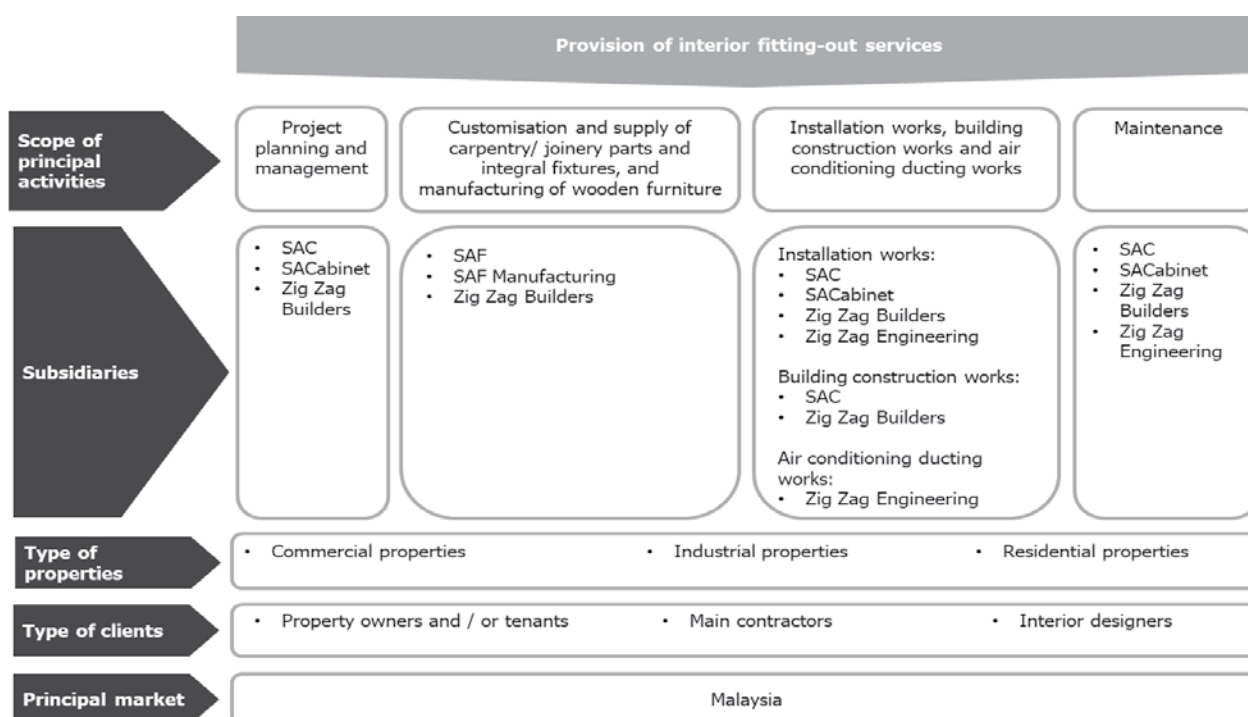
Our Group structure as at LPD is as follows:



Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the provision of interior fitting-out services and building construction works. Interior fitting-out services typically involve the process of actualisation of designs in the interior space. Our Group's interior fitting-out services include:

- (i) project planning and management of our Group's interior fitting-out projects;
- (ii) customisation and supply of carpentry/ joinery parts and integral fixtures, and manufacturing of wooden furniture;
- (iii) installation works, building construction works and provision of air conditioning ducting works; and
- (iv) maintenance of the projects that our Group undertakes on an ad-hoc basis.

The following diagram illustrates our business model:



2. PROSPECTUS SUMMARY (Cont'd)

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

Our Group's principal market is Malaysia, as we derived all our revenue from Malaysia for FYE 2021 to 2024. The breakdown of our Group's revenue by business activity for FYE 2021 to 2024 is as follows:

Business activity	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of interior fitting-out services ⁽¹⁾	73,401	100.0	139,414	100.0	173,383	100.0	386,016	100.0
Trading ⁽²⁾	11	<0.1	46	<0.1	-	-	-	-
	73,412	100.0	139,460	100.0	173,383	100.0	386,016	100.0

Notes:

- (1) Includes building construction works for certain projects. Our Group does not consider building construction works as a separate business segment as such works are normally awarded by our client as part of the interior fitting-out works under a single LOA.
- (2) We supply building materials such as tiles to our subcontractors in relation to the interior fitting-out projects that we engage them to undertake, on an ad-hoc basis.

Further details on the breakdown of our Group's revenue are set out in Section 12.2.2(i).

During FYE 2021 to 2024 and up to LPD, we have completed a total of 624 individual interior fitting-out projects with a combined project value of RM391.6 million. As at LPD, we also currently have a total of 69 ongoing projects with a total contract value of RM902.4 million and unbilled contract value of RM388.6 million or 43.1% of the total value. Please refer to Section 7.3.2 for further details on our ongoing and completed projects.

2.3 INTERRUPTIONS TO BUSINESS

Our Group did not experience any interruptions which has significantly affected our business during the past 12 months preceding LPD.

2.4 COMPETITIVE STRENGTHS

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

- (a) We offer clients comprehensive interior fitting-out services backed by our over 15-year track record in the interior fitting-out market. As our range of interior fitting-out services are comprehensive, we are able to manage and coordinate different aspects of an interior fitting-out project such as planning, sourcing, executing and coordinating with suppliers and subcontractors, striving to deliver results that meet or exceed clients' expectations;
- (b) We have established relationships with key industry players, including interior designers and multinational corporations. We believe that we can leverage on our existing relationships with these clients to further develop our reputation as an interior fitting-out service provider and create new business opportunities in the future;

2. PROSPECTUS SUMMARY (*Cont'd*)

- (c) We produce carpentry/ joinery parts, integral fixtures and wooden furniture through our own production facilities which enables us to achieve economies of scale and in turn lower our production cost. By having our own production facilities, we are able to actualise and realise the desired concepts of our clients or their consultants in a timely and efficient manner;
- (d) We are able to effectively and efficiently manage our projects and ensure projects are completed in a timely and efficient manner. In addition, to ensure the quality of our services, we have established a quality management system; and
- (e) Our Group has a qualified and experienced management team headed by our Executive Director/ Group Chief Executive officer, Chang Chung Fei, who has contributed to our growth and development. He is supported by our Executive Director/ Chief Executive Officer – Northern Region, Foo Khai Shin, Chief Executive Officer – Central Region, Ng Mun Moh as well as other key senior management who have relevant experience in their respective fields covering finance, project tendering, project management and implementation, contract matters and production.

Further details of our competitive strengths are set out in Section 7.18.

2.5 BUSINESS STRATEGIES

Our business objectives are to maintain sustainable growth and create long-term shareholder value. To achieve our business objectives, we will implement the following business strategies:

- (a) We intend to centralise our corporate offices and production operations through setup of a new corporate office and production facility in Selangor. As at LPD, our 2 production facilities are located in Bandar Baru Bangi and Puchong, Selangor, while our headquarters and office are located in Kajang, Selangor and Kuchai Lama, Kuala Lumpur respectively. The proposed new corporate office and production facility will enable us to centralise our offices and production activities each from 2 locations to a single location which will improve the overall efficiency of our operations and production process. In addition, we intend to acquire additional machinery and equipment from local suppliers for this proposed new production facility;
- (b) We intend to expand our existing branch office in Pulau Pinang and establish a new branch office in Johor to strengthen our presence regionally in Peninsular Malaysia. The expansion/ establishment of these branch offices in Pulau Pinang and Johor will allow us to meet the demands of commercial, industrial and residential clients in the northern and southern regions as we are able to respond more promptly to business opportunities from clients in these regions. Further, we will be able to create awareness for our solutions in the northern and southern regions;
- (c) We intend to increase our market share within the interior fitting-out industry in Malaysia by tendering for more projects with larger contract sums as we are aware that a steady pipeline of ongoing projects would be key in ensuring the sustainability and versatility of our business operations. For FYE 2024, we secured 453 projects for interior fitting-out services with total contract sum of approximately RM436.4 million. Specifically, out of 453 projects secured in FYE 2024, our Group had completed 421 projects with combined project value of RM68.1 million and remaining 32 projects with combined project value of RM368.3 million are still on-going. With the inclusion of the 32 projects amounting to RM368.3 million secured in FYE 2024, we have a total of 69 ongoing projects with total contract value of RM902.4 million as at LPD; and

2. PROSPECTUS SUMMARY (*Cont'd*)

- (d) We intend to expand our business through strategic investments, mergers and acquisitions opportunities that are aligned with and synergistic to our principal business activities. In particular, we are exploring the potential of venturing into upstream businesses such as the fabrication of stone and steel products, which are complementary to our interior-fitting out business. However, as at LPD, we have not entered into any binding agreement for any acquisition.

Further details of our business strategies are set out in Section 7.19.

2.6 RISK FACTORS

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

- (a) Our business is dependent on our ability to secure new projects and replenish our order book. As we provide our interior fitting-out services to our clients on a project-by-project basis, our clients are under no obligation to continue to award contracts to us and there is no guarantee that we will be able to secure new contracts from the same clients in the future;
- (b) We rely on certain approvals, licences and permits to undertake our business. Any revocation and/ or failure to obtain renewals for such approvals, licences and permits may affect our business operations;
- (c) We are dependent on our suppliers and subcontractors for the delivery of materials or completion of works in a timely and reliable manner. As we do not sign any long-term agreement with our suppliers and subcontractors, there is no assurance that they will be able to continue to provide materials and services at acceptable price to our Group or that our Group can maintain our relationship with them in the future;
- (d) We may incur cost overrun which are not recoverable from our clients due to failure to accurately estimate time and control costs. In addition, we are liable at our own expense for any rectification works for defects identified during the DLP. Although we have the experience in project budgeting to estimate the costs that we would incur up to completion of the project for the submission of tenders or quotation proposals, we are still subject to unanticipated cost which are beyond our control;
- (e) We may not be adequately insured as we are responsible for the safety of our employees and subcontractors at our production facilities and our project sites. Although we have procured and maintained the relevant insurance policies for our projects, there is no assurance that our current insurance policies will sufficiently protect us against all potential liabilities arising from any claims or losses;
- (f) We are dependent on our Executive Directors and key senior management who have provided significant contributions to our Group. Any loss of our Executive Directors and key senior management simultaneously without timely replacement could impair our ability to operate and make it difficult to execute our internal growth strategies; and
- (g) We may be subject to disruptions in operations or unplanned shutdowns at our production facilities. If production disruptions extend over a prolonged period, we could incur significant financial losses due to idle labour, increased operating costs, and the potential need to expedite orders or find alternative solutions at a higher cost.

Further details of our risk factors are set out in Section 9.

2. PROSPECTUS SUMMARY (*Cont'd*)

2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
<u>Directors</u>	
Datuk Wan Ahmad Satria Bin Wan Hussein	Independent Non-Executive Chairman
Chang Chung Fei	Executive Director/ Group Chief Executive Officer
Foo Khai Shin	Executive Director/ Chief Executive Officer – Northern Region
Lau Kock Sang	Non-Independent Non-Executive Director
Dato' Boey Chin Gan	Independent Non-Executive Director
Tan Poh Cheok	Independent Non-Executive Director
Lim Sook Yee	Independent Non-Executive Director
<u>Key senior management</u>	
Ng Mun Moh	Chief Executive Officer – Central Region
Saw Gee Kai	Group Chief Financial Officer
Kwan Yik Chuan	Head of Project
Mah Chee Tiam	Head of Production

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

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2. PROSPECTUS SUMMARY (Cont'd)

2.8 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

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

Name	Country of incorporation/ Nationality	⁽¹⁾ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<u>Promoters and substantial shareholders</u>									
SIB	Malaysia	375,046,960	50.7	-	-	375,046,960	37.5	-	-
Chang Chung Fei	Malaysian	164,143,050	22.2	-	-	164,143,050	16.4	-	-
Foo Khai Shin	Malaysian	130,462,970	17.6	-	-	130,462,970	13.1	⁽³⁾ 205,070	<0.1
Ng Mun Moh	Malaysian	70,347,020	9.5	-	-	70,347,020	7.0	-	-
<u>Substantial shareholders</u>									
Chin Hin	Malaysia	-	-	⁽⁴⁾ 375,046,960	50.7	-	-	⁽⁴⁾ 375,046,960	37.5
Divine Inventions	Malaysia	-	-	⁽⁵⁾ 375,046,960	50.7	-	-	⁽⁵⁾ 375,046,960	37.5
PP Chin Hin Realty	Malaysia	-	-	⁽⁶⁾ 375,046,960	50.7	-	-	⁽⁶⁾ 375,046,960	37.5
Datuk Seri Chiau Beng Teik, JP	Malaysian	-	-	⁽⁷⁾ 375,046,960	50.7	-	-	⁽⁷⁾ 375,046,960	37.5
Chiau Haw Choon	Malaysian	-	-	⁽⁷⁾ 375,046,960	50.7	-	-	⁽⁷⁾ 375,046,960	37.5

Notes:

- ⁽¹⁾ Based on our share capital of 740,000,000 Shares before our IPO.
- ⁽²⁾ Based on our enlarged share capital of 1,000,000,000 Shares after our IPO.
- ⁽³⁾ Deemed interested by virtue of his spouse's interest pursuant to Section 59 of the Act and assuming his spouse will fully subscribe for her entitlements under the Pink Form Allocations.
- ⁽⁴⁾ Deemed interested by virtue of its shareholdings in SIB pursuant to Section 8 of the Act.
- ⁽⁵⁾ Deemed interested by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act.
- ⁽⁶⁾ Deemed interested by virtue of its shareholdings in Divine Inventions pursuant to Section 8 of the Act.
- ⁽⁷⁾ Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

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

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

The estimated gross proceeds to be raised from our Public Issue of RM161.2 million shall be utilised in the following manner:

Utilisation of proceeds	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Setup of corporate office and production facility in Selangor	88,000	54.6	Within 36 months
Purchase of machinery and equipment	4,000	2.5	Within 36 months
Expansion/ establishment of branch offices in Pulau Pinang and Johor	12,000	7.4	Within 36 months
Working capital	30,140	18.7	Within 12 months
Repayment of bank borrowings	20,000	12.4	Within 6 months
Estimated listing expenses	7,060	4.4	Within 1 month
	161,200	100.0	

Note:

⁽¹⁾ From the date of our Listing.

There is no minimum subscription to be raised from IPO.

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

2.10 FINANCIAL HIGHLIGHTS**2.10.1 Combined statements of profit or loss and other comprehensive income**

The following table sets out the financial highlights based on our combined statements of profit or loss and other comprehensive income for FYE 2021 to 2024:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Revenue	73,412	139,460	173,383	386,016
GP	13,412	17,949	29,304	81,700
PBT	2,824	7,116	13,908	54,329
PAT	2,717	5,764	10,423	40,559
GP margin (%) ⁽¹⁾	18.3	12.9	16.9	21.2
PAT margin (%) ⁽²⁾	3.7	4.1	6.0	10.5
Basic EPS (sen) ⁽³⁾	0.37	0.78	1.41	5.48
Diluted EPS (sen) ⁽⁴⁾	0.27	0.58	1.04	4.06

Notes:

⁽¹⁾ Calculated based on GP over revenue.

⁽²⁾ Calculated based on PAT divided by revenue.

⁽³⁾ Calculated based on PAT over share capital of 740,000,000 Shares before our IPO.

⁽⁴⁾ Calculated based on PAT over enlarged share capital of 1,000,000,000 Shares after our IPO.

2. PROSPECTUS SUMMARY (Cont'd)

There were no exceptional items during the financial years under review. Our audited combined financial statements for the past financial years under review were not subject to any audit qualifications. Further details on the financial information are set out in Sections 12 and 13.

2.10.2 Pro forma combined statements of financial position

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

		I	II	III
	As at 31 December 2024	After Acquisitions and subsequent event⁽⁴⁾	After I and Public Issue	After II and utilisation of proceeds
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Total non-current assets	-	25,160	25,160	25,160
Total current assets	275	237,744	398,944	371,884
TOTAL ASSETS	275	262,904	424,104	397,044
EQUITY AND LIABILITIES				
Share capital/ Invested equity	⁽¹⁾ -	38,184	199,384	196,705
Merger reserve	-	(35,684)	(35,684)	(35,684)
Revaluation reserve ⁽⁵⁾	-	3,673	3,673	3,673
Retained earnings	(1,323)	49,962	49,962	45,581
TOTAL EQUITY	(1,323)	56,135	217,335	210,275
Total non-current liabilities	-	14,450	14,450	5,594
Total current liabilities	1,598	192,319	192,319	181,175
TOTAL LIABILITIES	1,598	206,769	206,769	186,769
TOTAL EQUITY AND LIABILITIES	275	262,904	424,104	397,044
No. of Shares in issue ('000)	⁽²⁾ -	740,000	1,000,000	1,000,000
NA per Share (RM)	(661,476.00)	0.08	0.22	0.21
Borrowings ⁽³⁾	-	45,842	45,842	25,842
Gearing (times)	-	0.82	0.21	0.12

Notes:

(1) Representing RM2.00.

(2) Representing 2 shares.

(3) Excluded lease liabilities arising from lease of offices and hostels.

(4) Subsequent event relates to dividends declared and paid as set out in Section 2.11 below.

2. PROSPECTUS SUMMARY (Cont'd)

- (5) Revaluation reserve arose after the property assets have been valued by independent professional valuer. For clarity, the valuation of the property assets was prepared in accordance with the Malaysian Valuation Standards and not Asset Valuation Guidelines issued by the SC as the valuation was conducted pursuant to our adoption of the revaluation model to be in line with the accounting policies of our ultimate holding company and immediate holding company and not pursuant to our Listing.

2.11 DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. It is our intention to pay dividends to shareholders in the future, however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, general financial condition and any other factors considered relevant by our Board.

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

	FYE 2021	FYE 2022	FYE 2023	FYE 2024	1 January 2025 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	-	-	-	(1)(3)16,325	(2)(3)10,000
SIB	-	-	-	8,106	5,100
Chang Chung Fei	-	-	-	3,543	3,430
Foo Khai Shin	-	-	-	3,094	-
Ng Mun Moh	-	-	-	1,582	1,470
Dividends paid	-	-	-	8,219	11,503
SIB	-	-	-	-	6,603
Chang Chung Fei	-	-	-	3,543	3,430
Foo Khai Shin	-	-	-	3,094	-
Ng Mun Moh	-	-	-	1,582	1,470

Notes:

- (1) Dividends of RM0.3 million were declared in respect of FYE 2023 and dividends of RM16.0 million were declared in respect of FYE 2024.
- (2) Dividends of RM10.0 million were declared to shareholders of SAC in respect of FYE 2024.
- (3) The balance RM6.6 million dividends will be paid subsequent to LPD but prior to Listing.

The above dividends were funded by internally generated funds of the respective subsidiaries. The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the proceeds from the Public Issue, we believe that we have sufficient cash from operations and bank borrowings to fund our operations and expansion plans. Our Group has no intention to declare any dividends from LPD up to Listing.

Further details of our dividend policy are set out in Section 12.16.

3. APPROVALS AND CONDITIONS**3.1 APPROVALS AND CONDITIONS****3.1.1 Bursa Securities approval**

Bursa Securities had, vide its letter dated 23 January 2025, approved our admission to the Official List of the ACE Market, the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

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

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

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

The SC had, vide its letter dated 5 February 2025, approved our application under the Bumiputera equity requirement for public listed companies pursuant to our Listing. The approval from the SC is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(a)	SAG to allocate Shares equivalent to 12.5% of its enlarged number of issued shares to Bumiputera investors to be approved by MITI in conjunction with the Listing; and	Complied
(b)	SAG to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	Complied

In addition, the Shariah Advisory Council of the SC had on 27 January 2025 classified our Shares as shariah-compliant based on our audited financial statements for FYE 2024.

3.1.3 MITI approval

The MITI had, vide its letter dated 26 November 2024, taken note and has no objection to our Listing.

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3. APPROVALS AND CONDITIONS (Cont'd)

3.2 MORATORIUM ON OUR SHARES

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

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

Details of our Shares which will be subject to the abovesaid moratorium, are set out below:

Specified Shareholders	Year 1				Year 2		Year 3	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium					
					Moratorium shares		Moratorium shares	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(1)%
SIB	375,046,960	37.5	228,069,100	22.8	152,046,000	15.2	76,023,000	7.6
Chang Chung Fei	164,143,050	16.4	99,816,700	10.0	66,544,500	6.7	33,272,000	3.3
Foo Khai Shin	130,462,970	13.1	79,335,600	7.9	52,890,400	5.3	26,445,000	2.7
Ng Mun Moh	70,347,020	7.0	42,778,600	4.3	28,519,100	2.8	14,260,000	1.4
	740,000,000	74.0	450,000,000	45.0	300,000,000	30.0	150,000,000	15.0

Note:

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

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

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

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

Under the Listing Requirements, where the specified shareholder is an unlisted corporation, all direct and indirect shareholders of the unlisted corporation (whether individuals or other unlisted corporations) up to the ultimate individual shareholders are required to provide undertakings that they will not sell, transfer or assign their securities in the unlisted corporation during the moratorium period. As SIB is listed on the Main Market, the shareholders of SIB are not required to provide such undertakings.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 14 May 2025 and will remain open until 5.00 p.m. on 21 May 2025. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Indicative date
Entitlement Date	29 April 2025
Issuance of this Prospectus/ Opening of Application	14 May 2025
Closing of Application	21 May 2025
Balloting of Application	23 May 2025
Allotment of IPO Shares to successful applicants	30 May 2025
Date of Listing	5 June 2025

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

4.3 DETAILS OF OUR IPO

4.3.1 Listing scheme

(a) Public Issue

A total of 260,000,000 Issue Shares, representing 26.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

50,000,000 Issue Shares, representing 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (aa) 25,000,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to public investors; and
- (bb) 25,000,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to Bumiputera public investors.

(ii) Eligible Persons

30,000,000 Issue Shares, representing 3.0% of our enlarged share capital, are reserved for our Eligible Persons under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2.

(iii) Restricted Offering

20,000,000 Issue Shares, representing 2.0% of our enlarged share capital, are reserved for application by the Entitled Shareholders of SIB under the Restricted Offering in the following manner:

- (aa) each Entitled Shareholder of SIB who applies for at least 100 Issue Shares is guaranteed an allocation of 100 Issue Shares;

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

- (bb) any balance Issue Shares after the allocation under item (aa) above shall be allocated to the Entitled Shareholders of SIB who applied in excess of 100 Issue Shares on a pro-rata basis, computed based on their respective shareholdings in SIB as at the Entitlement Date. For clarification, the allocation under item (bb) prioritises the Entitled Shareholders of SIB in proportion of their shareholdings held in SIB; and
- (cc) any balance Issue Shares after the allocation under items (aa) and (bb) above shall be allocated to the Entitled Shareholders of SIB on a pro-rata basis, computed based on the quantum of their respective Issue Shares under application. For clarification, the allocation under item (cc) distributes balance Issue Shares from item (bb) above to remaining applicants for excess Issue Shares in proportion to the size of their application.

In the event there are any balance Issue Shares under the Restricted Offering after the above sequence of processes (aa) to (cc) of allocations are completed, the balance Issue Shares subsequently will be allocated in the processes set out in (bb) to (cc) above repeatedly until all Issue Shares are allocated.

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

Nevertheless, our Board reserves the right to allot any balance Issue Shares applied for in such manner as our Board deems fit and expedient as well as in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out above is achieved.

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

The entitlement of the Entitled Shareholders of SIB to participate in the Restricted Offering is non-renounceable and non-tradable. Entitled Shareholders of SIB are not allowed to submit multiple applications for the Issue Shares made available under the Restricted Offering and our Board has the absolute discretion to reject multiple applications. The Restricted Offering does not preclude the Entitled Shareholders of SIB from making additional applications for the Issue Shares made available under the Malaysian Public category. The last date of acceptance and payment in relation to the Restricted Offering by the Entitled Shareholders of SIB is 21 May 2025.

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

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

The shareholders of SIB had approved the listing scheme, which includes the Restricted Offering at the extraordinary general meeting of SIB held on 14 April 2025. The Entitlement Date is 29 April 2025, being the date as at the close of business on which the names of the Entitled Shareholders of SIB (save for the Excluded Shareholders and Undertaking Shareholders, which had voluntarily provided their undertaking not to participate in the Restricted Offering) must appear on the record of depositors of SIB to be eligible to apply for the Issue Shares under the Restricted Offering.

(iv) Private placement to Bumiputera investors approved by MITI

125,000,000 Issue Shares, representing 12.5% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

(v) Private placement to selected investors

35,000,000 Issue Shares, representing 3.5% of our enlarged share capital, are reserved for private placement to selected investors.

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

Upon completion of our Public Issue, our share capital will increase from RM38.2 million comprising 740,000,000 Shares to RM199.4 million comprising 1,000,000,000 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

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

(b) Listing

Upon completion of our IPO, our Company's entire enlarged share capital of RM199.4 million comprising 1,000,000,000 Shares shall be listed on the ACE Market.

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4. DETAILS OF OUR IPO (Cont'd)**4.3.2 Pink Form Allocations**

We have allocated 30,000,000 Issue Shares under the Pink Form Allocations to our Eligible Persons as follows:

Category	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Eligible Directors	5	1,100,000
Eligible employees	89	6,172,400
Persons who have contributed to the success of our Group	70	22,727,600
	164	30,000,000

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

(a) Allocation to eligible Directors

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group.

Chang Chung Fei (our Executive Director/ Group Chief Executive Officer) and Foo Khai Sin (our Executive Director/ Chief Executive Officer – Northern Region) have opted not to participate in the Pink Form Allocations as they are already our substantial shareholders.

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

Name	Designation	No. of Issue Shares allocated
Datuk Wan Ahmad Satria Bin Wan Hussein	Independent Non-Executive Chairman	300,000
Lau Kock Sang	Non-Independent Non-Executive Director	200,000
Dato' Boey Chin Gan	Independent Non-Executive Director	200,000
Tan Poh Cheok	Independent Non-Executive Director	200,000
Lim Sook Yee	Independent Non-Executive Director	200,000
		1,100,000

(b) Allocation to our eligible employees

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

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

4. DETAILS OF OUR IPO (Cont'd)

Ng Mun Moh (our Chief Executive Officer – Central Region) has opted not to participate in the Pink Form Allocations as he is already our substantial shareholder.

Details of the proposed allocation to our key senior management are as follows:

Name	Designation	No. of Issue Shares allocated
Saw Gee Kai	Group Chief Financial Officer	200,000
Kwan Yik Chuan	Head of Project	500,000
Mah Chee Tiam	Head of Production	500,000
		1,200,000

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

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

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

4.3.3 Placement and underwriting arrangement

Our Joint Underwriters will underwrite 100,000,000 Issue Shares made available for application by the Malaysian Public, Pink Form Allocations and Entitled Shareholders of SIB. The balance 160,000,000 Issue Shares available for application by Bumiputera investors approved by MITI and selected investors will not be underwritten and will be placed out by our Joint Placement Agents.

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

- (a) If any Issue Shares allocated to the Malaysian Public are undersubscribed, the balance portion will be allocated for excess application by the Eligible Persons (subject always that public spread requirements are met). Likewise, any Issue Shares which are not taken up by the Eligible Persons, will be allocated to the Malaysian Public in the event of an oversubscription.
- (b) After (a) above, the remaining portion will be made available for application by way of private placement to selected investors to be identified.
- (c) If any Issue Shares allocated to the Entitled Shareholders of SIB under the Restricted Offer are undersubscribed, the balance will be allocated to the Malaysian Public (in the event of an oversubscription) or will be made available for application by way of private placement to selected investors to be identified, the proportion of which will be determined by our Board or Joint Placement Agents.
- (d) Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Joint Underwriters based on the terms and conditions of the Underwriting Agreement.

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

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

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

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

4.3.4 Minimum and oversubscription

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

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

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

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

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

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

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

Details	No. of Shares	RM
Share capital		
As at date of incorporation	2	2
Issued pursuant to the Acquisitions	739,999,998	38,184,000
As at date of this Prospectus	740,000,000	38,184,002
To be issued under our Public Issue	260,000,000	⁽¹⁾ 161,200,000
Enlarged share capital upon our Listing	1,000,000,000	199,384,002

Note:

- ⁽¹⁾ Prior to the capitalisation of estimated listing expenses of approximately RM2.7 million, being the listing expenses that are directly attributable to new issuance of Shares, which will be capitalised against the share capital of our Group.

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

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

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

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

4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- To enable our Group to raise funds for the purposes specified in Section 4.9 herein;
- To gain recognition through our listing status to enhance our reputation in terms of marketing our services and to retain and attract new employees;
- To provide an opportunity for the Malaysian Public, including our Eligible Persons to participate in our equity; and
- To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4. DETAILS OF OUR IPO (Cont'd)

In addition to the above, SIB, our Promoter will benefit in the following manner:

- (a) SIB will be able to unlock and crystallise the value of its investment in SAG Group and enhance SIB's shareholders' value; and
- (b) SIB's shareholders will be able to directly participate in the equity of SAG Group via the Restricted Offering.

4.6 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price was determined and agreed upon by us and our Adviser, Sponsor, Joint Underwriters and Joint Placement Agents, after taking into consideration the following factors:

- (a) Our pro forma NA per Share of RM0.21, calculated based on our pro forma NA after our Acquisitions, IPO and utilisation of proceeds as at 31 December 2024 of approximately RM210.3 million and enlarged share capital of 1,000,000,000 Shares upon Listing;
- (b) The PE Multiple of our IPO Price of 15.3 times, calculated based on our PAT for FYE 2024 of RM40.6 million and market capitalisation of RM620.0 million upon Listing;
- (c) Our historical financial track record as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Revenue	73,412	139,460	173,383	386,016
GP	13,412	17,949	29,304	81,700
PAT	2,717	5,764	10,423	40,559

- (d) Our Group's unbilled order book of RM388.6 million as at LPD, which will be realised progressively over the next 1 to 2 financial years.

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

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and enlarged share capital of 1,000,000,000 Shares upon Listing, our total market capitalisation will be RM620.0 million.

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

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

	RM
IPO Price	0.62
Pro forma NA per Share as at 31 December 2024 after Acquisitions and subsequent event but before Public Issue	0.08
Pro forma NA per Share as at 31 December 2024 after Acquisitions, subsequent event, Public Issue and utilisation of proceeds	0.21
Increase in pro forma NA per Share attributable to existing shareholders	0.13
Dilution in pro forma NA per Share to our new public investors pursuant to our IPO	0.41
Dilution in pro forma NA per Share as a percentage of our IPO Price	66.1%

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

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

Shareholders	(1)No. of Shares received	(2)Total consideration	Average effective cost per Share
		RM	RM
SIB	375,046,960	19,404,088	0.0517
Chang Chung Fei	164,143,050	10,438,779	0.0636
Foo Khai Shin	130,462,970	3,867,374	0.0296
Ng Mun Moh	70,347,020	4,473,761	0.0636
	740,000,000	38,184,002	

Notes:

- (1) Issued under the Acquisitions and after the Shareholdings Reorganisation.
- (2) Being the consideration for the Acquisitions. In relation to the Shareholdings Reorganisation, the consideration paid by Foo Khai Shin in respect of the Shares received by him was a nominal amount of RM0.001 per Share.

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

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

The estimated gross proceeds from our Public Issue of RM161.2 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	⁽¹⁾Estimated timeframe for utilisation
Setup of corporate office and production facility in Selangor	(a)	88,000	54.6	Within 36 months
Purchase of machinery and equipment	(b)	4,000	2.5	Within 36 months
Expansion/ establishment of branch offices in Pulau Pinang and Johor	(c)	12,000	7.4	Within 36 months
Working capital	(d)	30,140	18.7	Within 12 months
Repayment of bank borrowings	(e)	20,000	12.4	Within 6 months
Estimated listing expenses	(f)	7,060	4.4	Within 1 month
		161,200	100.0	

Pending the deployment of the proceeds raised from our Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

Note:

⁽¹⁾ From the date of our Listing.

(a) Setup of corporate office and production facility in Selangor

As part of our business growth strategy, we intend to centralise our offices and production activities for the customisation of carpentry/ joinery parts and integral fixtures as well as manufacturing of wooden furniture to improve the overall efficiency of our production process.

As at LPD, our manufacturing activities are carried out at our production facilities in (i) Bandar Baru Bangi, Selangor, which has a built-up area of approximately 19,704 sq ft; and (ii) Puchong, Selangor, which has a built-up area of approximately 4,200 sq ft. In addition, we currently operate primarily in our headquarters located in Kajang, Selangor, which has a built-up area of approximately 9,155 sq ft, as well as in an office located in Jalan Kuchai Lama, Kuala Lumpur, which has a built-up area of approximately 1,700 sq ft.

Upon completion of the new corporate office and production facility, we intend to:

- (i) centralise our production activities to improve the overall efficiency of our production process, by relocating both the production facilities in Bandar Baru Bangi and Puchong, Selangor to the new production facility; and
- (ii) relocate both the headquarters located in Kajang, Selangor and office located in Jalan Kuchai Lama, Kuala Lumpur to the new corporate office.

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

With the ongoing growth and expansion of our business, we intend to allocate RM88.0 million, representing 54.6% of our gross proceeds from the Public Issue to acquire a parcel of vacant land in Selangor, and subsequently construct the following on this parcel of land:

- (i) a production facility for the customisation of carpentry/ joinery parts and integral fixtures as well as manufacturing of wooden furniture (with built-up area of approximately 50,000 sq ft) as well as an adjoining storage space (with built-up area of approximately 15,000 sq ft); and
- (ii) a corporate office, which will be used as our Group's new headquarters (with built-up area of approximately 52,000 sq ft).

With regards to the new production facility, we intend to equip the production facility with additional machinery and equipment to support the expansion of our overall production capacity and increase the level of automation for our customisation and manufacturing activities. Our Group does not anticipate significant recruitment of manpower for our production team as our production team is mainly responsible for overseeing production operations, supervising our subcontractors and maintenance of our existing machinery and equipment.

Additionally, we are investing in automated machinery and equipment for our new production facility that can minimise human labour requirements. Further, it is our practice to engage subcontractors who have experienced and skilled workers for the customisation and manufacture of carpentry/ joinery parts and integral fixtures as well as wooden furniture and these subcontractors will carry out such manufacturing activities at our production facilities. We expect to continue with this practice of engaging subcontractors to customise and manufacture carpentry/ joinery parts and integral fixtures as well as wooden furniture at our new production facility. Nevertheless, we anticipate recruiting 5 additional employees in our production team with relevant skills to operate the new machinery and equipment that we intend to acquire for our new production facility.

With regards to the new corporate office, our headquarters in Kajang, Selangor and our office in Jalan Kuchai Lama, Kuala Lumpur are presently fully utilised and there is no vacant space for us to increase our headcount in these respective offices. Thus, the expansion of office space in our new corporate office will provide:

- (i) the necessary working space to centralise in the same location, all of our finance and accounting, project, contracts, HR and administration employees that are presently working in separate offices (specifically in our headquarters in Kajang, Selangor and our office in Jalan Kuchai Lama, Kuala Lumpur); and
- (ii) additional space for expansion and recruitment of manpower to support the anticipated growth of our business, which we will carry out progressively in tandem with the growth of our business.

The new corporate office and production facility will be constructed adjoining to each other.

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

On 4 February 2025, SAR made an application to Jabatan Ketua Pengarah Tanah dan Galian (Persekutuan) ("**JKPTG**") to secure a piece of industrial land with an approximate land area of 1.5 million sq ft held under Geran 97545, Lot 51, Mukim Kapar, Daerah Klang, Negeri Selangor ("**Klang Land**"). Subject to JKPTG's approval of our application, JKPTG will issue Form 5A to SAR which indicates the total amount of land premium payable for the land. The premium is estimated to be up to RM74.0 million, on the basis of RM50 per sq ft.

Upon payment of the land premium, SAR will be registered as the proprietor of the Klang Land, whereby the expected leasehold tenure of the Klang Land is 99 years, subject to the terms and conditions of the lease to be granted by JKPTG.

The decision to proceed with the acquisition of Klang Land was made after careful consideration of the following factors:

- (i) comparative price of Klang Land compared to other similarly sized parcels of land in Klang Valley;
- (ii) proximity of Klang Land to our principal market in the central region; and
- (iii) our ability to obtain sufficient financing.

Based on factors (i) and (ii) as stated above, we believe that the acquisition of the Klang Land is in our Group's long term best interest.

The construction of our new production facility and new corporate office will collectively take up approximately 117,000 sq ft of Klang Land, leaving us with additional land space for our Group's future expansion purposes. For clarification, we will only develop the remaining portion of land at Klang Land for any expansion of our production facility and/ or corporate office in line with the future growth of our business.

While our Group presently does not have any plans for the remaining land, we believe that our business will continue to grow supported by our:

- (i) historical financial performance;
- (ii) remaining order book value; and
- (iii) replenishment of projects from our tender book. If these tenders are awarded to our Group, these new projects will increase our spatial requirements to carry out the customisation and/ or manufacturing of carpentry/ joinery parts, integral fixtures and wooden furniture.

Thus, our Group will be in a position to scale up our production operations of carpentry/ joinery parts, integral fixtures and wooden furniture in tandem with business opportunities without being limited by space.

Depending on business growth, we will also have sufficient space to expand our headquarters to cater to any increase in employee headcount to support our anticipated business growth.

4. DETAILS OF OUR IPO (Cont'd)

The breakdown of our land acquisition and construction cost is estimated as follows:

Description	Estimated cost RM'000
Land acquisition ⁽¹⁾	74,000
Construction works ⁽²⁾	44,000
	118,000

Notes:

- (1) The land acquisition cost will be partially funded via our gross proceeds from the Public Issue (RM44.0 million), and the remaining RM30.0 million will be funded via bank borrowings. The drawdown of bank borrowings to fund the land acquisition cost will further increase our pro forma gearing level from 0.1 times (after Acquisitions, subsequent event, Public Issue and utilisation of proceeds) as set out in Section 12.4 to 0.3 times. As at LPD, we have yet to commence negotiation with any financial institutions on such bank borrowings as we have yet to obtain a decision from JKPTG on the Klang land. Nevertheless, we are optimistic in procuring the bank borrowings in view of our healthy financial position. In the unlikely case where we are unable to procure bank borrowings, our Group intends to utilise our internally generated funds and/ or reallocate the earmarked funds for general working capital requirements towards partial payment of our land acquisition cost.
- (2) The estimated costs for construction works for the new corporate office and production facility will be fully funded via our gross proceeds from the Public Issue. The approximate construction costs for our new corporate office and production facility are as follows:

Description^(b)	(a) Estimated cost	
	RM'000	%
Construction works		
- Main building works	17,436	39.6
- Infrastructure works	4,533	10.3
- MEP works ^(c)	4,069	9.3
- Piling and foundation	1,162	2.6
- Landscaping works	116	0.3
	27,316	62.1
Interior fitting-out and furniture		
- Interior design works	8,101	18.4
- MEP works ^(d)	5,137	11.7
- Loose and system furniture	1,633	3.7
	14,871	33.8
Preliminaries	1,813	4.1
	44,000	100.0

Notes:

- (a) Based on fees estimation by our professional consultants.
- (b) Upon acquiring the parcel of vacant land, we will appoint a third-party contractor to undertake the construction works for our new corporate

4. DETAILS OF OUR IPO (Cont'd)

office and production facility via tender process. However, the interior fitting-out works and internal furnishing will be undertaken by our Group.

- (c) Comprises core MEP works that are carried out during the phase of civil and structural works, which includes the installation of cables and wiring for electricity supply into the building, water and sewerage piping and plumbing works within the structure of the building.
- (d) Comprises MEP works that are undertaken during the interior fitting-out phase, which includes the installation of MEP fittings such as light fixtures, air conditioning systems, sanitaryware, switches and other accessories.

In the event there are any excess available from the above land acquisition and construction cost, such excess of proceeds will be allocated for our general working capital requirements. Conversely, if the allocated proceeds are insufficient for the above land acquisition and construction cost, such shortfall will be funded via internally generated funds and/ or bank borrowings.

The indicative timeline for the setup of our new corporate office and production facility is as follows:

Timeline	Estimated timeline	Details
	February 2025	Submitted application to JKPTG for the leasing of a piece of leasehold land⁽¹⁾
T	June 2025	Date of our Listing
T + 10 months	April 2026	Issuance of Form 5A by JKPTG for the payment of land premium
T + 11 months	May 2026	- Payment of land premium and completion of application for acquisition - Submission of building plan to local council
T + 17 months	November 2026	- Approved building plan obtained from local council - Commencement of construction of our new corporate office and production facility
T + 32 months	February 2028	- Completion of construction - Application for CCC, manufacturing licence from MITI and other relevant licences⁽²⁾
T + 34 months	April 2028	- Obtained CCC, manufacturing licence from MITI and other relevant licences - Testing and commissioning of machinery and equipment (as set out in Section 4.9(b) below)
T + 36 months	June 2028	- Commence relocation of existing headquarters, office and production facilities⁽³⁾ - Commencement of operations of the corporate office and production facility

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

- (1) For clarity, SAR is applying for a 99-year lease on a piece of leasehold industrial land, and not purchasing it on a freehold basis. Upon payment of land premium, SAR will be registered as the proprietor of the leasehold land.
- (2) Other relevant licences include business premise licence from local authority, wood-based industry factory licence from State Forestry Department, certificate of registration from Malaysian Timber Industry Board and fire certificate from Fire and Rescue Department of Malaysia.
- (2) Upon receiving the necessary certifications and licences, we will relocate our existing headquarters, office and production facilities as mentioned above to our new corporate office and production facility. We will give sufficient notice to the landlord for our office in Jalan Kuchai Lama, Selangor of our intention to cease the rental of our office, and to time the cessation of the rental to accommodate our expected date of completion.

Presently, we are unable to customise and/ or manufacture sufficient carpentry/ joinery parts, integral fixtures and wooden furniture for all of our existing projects via our own production facilities in view of the number of interior fitting-out projects that we secure and deliver, level of customisation and differing profiles of carpentry/ joinery parts and integral fixtures as well as wooden furniture given the space constraints in our existing production facilities. As such, we engage third-party producers to produce such products to supplement our projects' requirements, as stated in the table depicting the level of internal and external production in Section 7.14. Although historically, the external production accounted for only 9.6%, 12.1%, 15.9% and 26.0% of our total cost of sales for FYE 2021 to 2024 respectively, the level of external production has been increasing year-on-year given our business growth and is expected to continue to increase moving forward. As such, we intend to construct our own production facility and upon commencing operations of this new production facility, we intend to produce all carpentry/ joinery parts, integral fixtures and wooden furniture required internally for all projects undertaken by us in Peninsular Malaysia.

Similarly, the new corporate office will enable us to centralise our staff force in Klang Valley under one location and provide space for future hires in line with our expected business growth.

As at LPD, we have submitted 53 tenders with a total tender sum of RM1.1 billion, which are still pending decision from clients. These tendered projects, if awarded to us, will further increase the necessity of additional carpentry/ joinery parts, integral fixtures and wooden furniture required.

In the event we are unsuccessful with our application to JKPTG for the Klang Land, we will continue to identify a suitable land for our new corporate office and production facility, to be funded from the proceeds earmarked above coupled with bank borrowings, the proportion of which will be determined later.

Please refer to Section 7.19.1 for further details.

4. DETAILS OF OUR IPO (Cont'd)**(b) Purchase of machinery and equipment**

In line with our plans to expand our overall production capacity and automate certain processes for our customisation and manufacturing activities, we intend to acquire additional machinery and equipment for the production facility to be set up as detailed in Section 4.9(a). As such, we intend to utilise RM4.0 million or 2.5% of the proceeds from our Public Issue for the purchase of additional machinery and equipment as detailed below:

Description	Purpose	No. of units	Total estimated cost
			RM'000
CNC cutting machines	Used to cut, drill, groove and engrave various patterns on wood	8	1,499
Edge banding machines	Used to cover the exposed sides of wood products to increase its durability and aesthetic value	6	770
Conveyor system	Used to move heavy or bulky wood products from one location to another in a production line	1	17
Air compressor	Used to convert power into kinetic energy by compressing and pressurising air. The compressed air can then be used for a variety of applications, such as powering tools or operating pneumatic equipment	3	189
Spray machine	Used to paint and coat exposed wood surfaces	1	425
Dust collection system	Used to remove particulate contaminants from the air	1	700
Electrical wiring system	Used for power distribution within a premise	1	400
		21	4,000

Save for the air compressor, our Group does not presently use any of the abovementioned equipment and machinery in our present production facilities. These new machinery and equipment will be purchased from local suppliers, and the estimated cost of which has been obtained from such suppliers.

4. DETAILS OF OUR IPO (Cont'd)

We presently carry out our manufacturing activities by utilising our existing machinery and machinery at our current production facilities located in Bandar Baru Bangi and Puchong, Selangor. At these production facilities, our machinery and equipment include air compressors, air blow guns, air dryers, drills such as bench drills, drill presses and battery drills, saws such as table saws and angle saws. These existing machinery and equipment which were previously purchased by our Group, have been in use for approximately 10 years. For clarity, these existing machinery and equipment are semi-automated and require a higher degree of human labour to operate compared to the machinery and equipment that we intend to acquire for our new production facility. For our new production facility, we intend to acquire machinery and equipment that have a higher degree of automation that will enable us to increase our production capacity and capabilities for the supply of parts and components for our interior fitting-out projects.

The manufacturing of our carpentry/ joinery parts and integral fixtures as well as wooden furniture are currently carried out by the workers of our subcontractors with relevant experience and skills in carpentry and woodworking, and we will continue engaging subcontractors to carry out these works at our new production facility. Nevertheless, we anticipate recruiting 5 additional employees, who are skilled machine operators, as part of our production team to operate the machinery and equipment that we plan to acquire for our new production facility. The recruitment of these 5 additional employees will be funded via internally generated funds.

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

Please refer to Section 7.19.1 for further details.

(c) Expansion/ establishment of branch offices in Pulau Pinang and Johor

We currently operate primarily in the central region, where our headquarters and production facilities are based. In addition, we have a corporate office in Pulau Pinang to cater for our clients in the northern region. Our offices in Selangor and Pulau Pinang allow us to build brand presence and market our interior fitting-out services especially to clients in the central and northern regions of Peninsular Malaysia.

We intend to capture more business opportunities for interior fitting-out services in Pulau Pinang and Johor and strengthen our market presence in the northern and southern regions of Peninsular Malaysia by expanding our existing branch office in Pulau Pinang and establishing a new branch office in Johor. The expansion/ establishment of both branch offices in Pulau Pinang and Johor will allow us to meet the demands of commercial, industrial and residential clients in the northern and southern regions. This will also allow us to create awareness for our solutions in the northern and southern regions. In addition, we will be able to respond more promptly to business opportunities as from clients in these regions.

Taken into account the additional branch offices space, we also intend to expand our headcount to scale up our operations in these regions, particularly our project management team. The size of the new branch offices in Pulau Pinang and Johor will allow us to accommodate up to 50 employees and 25 employees per office respectively. Upon commencement of our branch office in Pulau Pinang, we will relocate our existing office at Simpang Ampat, Pulau Pinang to this branch office.

4. DETAILS OF OUR IPO (Cont'd)

As at LPD, we are in the midst of identifying a suitable premise with approximate built-up area of 12,000 sq ft and 5,000 sq ft to rent for our branch offices in Pulau Pinang and Johor respectively. The exact location and size of the intended premise are subject to the changes on prevailing property prices and availability of premises. Our Group intends to allocate RM12.0 million for the expansion/ establishment of branch offices in Pulau Pinang and Johor, the breakdown of which are as follows:

Expansion/ establishment of branch offices

Description	Estimated cost RM'000
Branch office in Pulau Pinang	
- Rental expenses ⁽¹⁾	530
- Renovation expenses ⁽²⁾	2,095
Branch office in Johor	
- Rental expenses ⁽¹⁾	180
- Renovation expenses ⁽²⁾	950
	3,755

Notes:

(1) To be utilised over a period of 30 months from the commencement of operations of the branch offices.

(2) Comprising M&E works, of which the estimated costs are based on quotations obtained from contractors.

Recruitment of employees for branch offices

Description	No. of pax	Estimated cost RM'000
Recruitment of employees for branch office in Pulau Pinang ⁽¹⁾		
- Project	13	3,150
- Finance and accounting	1	240
	14	3,390
Recruitment of employees for branch office in Johor ⁽¹⁾		
- Project	15	3,820
- Contracts	3	795
- Finance and accounting	1	240
	19	4,855
		8,245

Note:

(1) To be utilised over a period of 30 months from the commencement of operations of our new branch offices.

4. DETAILS OF OUR IPO (Cont'd)

In the event that we have identified suitable premises for our branch offices and are required to execute the tenancy agreements prior to our Listing, we will fund the rental and renovation expenses using our internally generated funds and/ or bank borrowings. Upon completion of our Listing, we will replenish our internally generated funds and/ or repay our bank borrowings from the earmarked proceeds of the Public Issue. Further, in the event the allocated proceeds are insufficient for the expansion/ establishment of branch offices in Pulau Pinang and Johor, any shortfall will be funded via internally generated funds and/ or bank borrowings. Conversely, if the actual cost is lower than the amount budgeted above, the excess will be allocated for our working capital requirements.

Please refer to Section 7.19.2 for further details.

(d) Working capital

Our working capital requirements are expected to increase in tandem with the growth in our business operations. Our Group intends to allocate RM30.1 million, representing 18.7% of our gross proceeds from the Public Issue to meet our working capital requirements for our interior fitting-out projects, the breakdown of which is as follows:

Description	Estimated cost RM'000
Collateral and fees for bank guarantees obtained for performance bonds	5,140
Payment to suppliers and/ or subcontractors	25,000
	30,140

The number and size of interior fitting-out projects that we can undertake at any point in time depend largely on the availability of our working capital as:

- (i) A portion of our capital is locked up during the duration of a contract to match the bank guarantee issued as performance bond for the project. The amount of performance bond required for each project is generally 5.0% of the total contract sum. As the bank guarantee is usually secured by way of a pledge of fixed deposit to the financial institution, this affects our liquidity for the duration of the bank guarantee. In addition, the fees for the bank guarantee are also paid upfront to the financial institution; and
- (ii) During the course of our interior fitting-out works, there may be instances of mismatch in the timing of our cash flows due to time lags between making payments to our subcontractors and suppliers and receiving payments from our clients.

For FYE 2024, we have secured 453 interior fitting-out projects with total contract sum of approximately RM436.4 million. As at LPD, we have submitted 53 tenders with a total tender sum of RM1.1 billion, which are still pending decision from clients. These tendered projects, if awarded to us, will further increase our working capital requirements.

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

Please refer to Section 7.19.3 for further details.

4. DETAILS OF OUR IPO (Cont'd)**(e) Repayment of bank borrowings**

Our Group intends to allocate RM20.0 million, representing 12.4% of our gross proceeds from the Public Issue to repay our borrowings, details of which are as follows:

Financier/ Type of facility	Purpose	Interest rate per annum %	Maturity date	Balance as at LPD RM'000	Amount to be repaid RM'000
CIMB Islamic Bank Berhad/ Term loan	Acquisition of production facility located in Puchong, Selangor	3.8	May 2027	3,311	3,300
CIMB Islamic Bank Berhad/ Term loan	Working capital requirements	3.5	April 2029	317	300
AmBank (M) Berhad/ Term loan	Acquisition of production facility located in Bandar Baru Bangi, Selangor	4.5	March 2038	2,087	2,020
AmBank (M) Berhad/ Term loan	Acquisition of headquarters located in Kajang, Selangor	4.5	March 2038	2,079	2,000
AmBank (M) Berhad/ Term loan	Acquisition of investment property located in Kajang, Selangor	4.5	March 2035	975	960
AmBank (M) Berhad/ Term loan	Purchase of keyman insurance	6.7	May 2033	426	420
CIMB Bank Berhad/ Bankers' acceptance	Working capital requirements	5.6 - 5.8	120 days	15,820	11,000
				25,015	20,000

The repayment of the borrowings is expected to result in annual interest savings of RM0.5 million based on the abovementioned interest rates. However, the actual interest savings may vary depending on the then applicable interest rates. For clarity, an one-off early repayment charges of approximately RM0.2 million will be incurred for the repayment of abovementioned borrowings, of which the charges will be funded via our internally generated funds.

Our selection to repay the above financing facilities was determined after taking into consideration the following factors:

- (i) interest cost of such financing facilities; and
- (ii) outstanding loan amount.

4. DETAILS OF OUR IPO (Cont'd)

Our total outstanding borrowings (excluding lease liabilities arising from lease of offices and hostels of RM0.2 million) as at 31 December 2024 stood at RM45.8 million. After the proposed repayment, our Group's total borrowings will amount to RM25.8 million. The proposed repayment of bank borrowings coupled with the increase in total equity from the issuance of new Shares under our Public Issue will reduce our pro forma gearing level from 0.21 times (after our Public Issue but prior to utilisation of proceeds) to 0.12 times (after the utilisation of proceeds) as set out in Section 12.4.

(f) Estimated listing expenses

An amount of RM7.1 million, representing 4.4% of our gross proceeds from the Public Issue, is allocated to meet the estimated expenses of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Estimated listing expenses	RM'000
Professional fees ⁽¹⁾	2,345
Fees payable to authorities	86
Underwriting, placement and brokerage fees	4,089
Printing and contingencies ⁽²⁾	540
	7,060

Notes:

- (1) Includes advisory/ professional fees for, amongst others, our Adviser, solicitors, reporting accountants, IMR, internal control reviewer and Issuing House.
- (2) Other incidental or related expenses in connection with our IPO.

Any variations from the amounts budgeted above, save for item (d), shall be adjusted towards or against, as the case may be, the proceeds allocated for our working capital requirements. Any further shortfall will be funded via our internally generated funds and/ or bank borrowings. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation to the intended utilisation of proceeds.

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

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

4.10.2 Placement fees

Our Joint Placement Agents will place out a total of 160,000,000 Issue Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Joint Placement Agents a placement fee of 2.0% of our IPO Price multiplied by the number of Issue Shares placed out by our Joint Placement Agents.

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

4.10.3 Underwriting commission

Our Joint Underwriters have agreed to underwrite 100,000,000 Issue Shares made available for application by the Malaysian Public, Pink Form Allocations and Entitled Shareholders of SIB. We will pay our Joint Underwriters an underwriting commission of 2.0% of our IPO Price multiplied by the number of Shares underwritten.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

We have entered into the Underwriting Agreement with our Managing Underwriter, M&A Securities and Joint Underwriters, M&A Securities and Affin Hwang IB, to underwrite 100,000,000 Issue Shares ("**Underwritten Shares**") as set out in Section 4.3.3.

The salient terms in the Underwriting Agreement are as follows:

4.11.1 The obligations of the Managing Underwriter and Joint Underwriters under the Underwriting Agreement shall further be conditional upon ("**Conditions Precedent**"):

- (a) the acceptance of the listing proposal and the clearance of registrable prospectus from Bursa Securities and SC respectively, and the lodgement of registrable prospectus with the CCM prior to the issuance of the Prospectus to the public;
- (b) the issuance of the Prospectus required under Section 154 of the Act to the public;
- (c) no material adverse change in the condition, financial or otherwise of our Group from that set forth in the Prospectus, nor the occurrence of any event nor the discovery of any fact rendering inaccurate, untrue or incorrect to an extent which is or will be material in any of the representations, warranties and undertakings contained in the Underwriting Agreement;
- (d) the issue, offering and subscription of the Issue Shares not being prohibited by any statute, order, rule, regulation, directive or guideline promulgated or issued by any authority of Malaysia (including Bursa Securities);
- (e) the approvals granted by Bursa Securities and SC dated 23 January 2025 and 5 February 2025 respectively together with the letter of no objection issued by MITI dated 26 November 2024, remain valid and all the conditions imposed therein have been complied by our Company, and all other necessary approvals and consents required in relation to the IPO having been obtained and are in full force and effect, as at the date of Listing and that all conditions of the approvals (except for any which can only be complied with after the IPO has been completed) have been complied with;
- (f) the Managing Underwriter and Joint Underwriters having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement;
- (g) the delivery to M&A Securities prior to the date of registration of the Prospectus of (i) a copy certified as a true copy by an authorised officer of the Company of all the resolutions of the Directors of the Company and the shareholders in general meeting approving the Underwriting Agreement, the Prospectus, the Public Issue and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus; (ii) a certificate dated the date of the Prospectus signed by our duly authorised officers stating that, after having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in the Underwriting Agreement;

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

- (h) the delivery to M&A Securities on the Closing Date of such reports and confirmations that there is no material change that will adversely affect the performance or financial position of our Group nor the occurrence of any event rendering, untrue or incorrect, to a material extent any representations and/ or warranties contained in the Underwriting Agreement as though they have been given and/ or made on such date;
- (i) the Managing Underwriter and Joint Underwriters being satisfied that we will, following completion of the Public Issue be admitted to the official list and its issued share capital listed and quoted on the ACE Market without undue delay; and
- (j) there not being any investigation, directions or actions by any judicial, governmental or regulatory authority in relation to the Listing or in connection with our Group which is still subsisting or unresolved to the satisfaction of the Managing Underwriter and Joint Underwriters.

4.11.2 In the event any of the Condition Precedent is not satisfied by the Closing Date, the Managing Underwriter and Joint Underwriters shall be entitled to terminate the Underwriting Agreement and upon such termination, the parties shall be released and discharged from their obligations provided that our Company shall remain liable, subject always to the Underwriting Agreement for the payment of the sum stated therein and of all other costs and expenses including but not limited to those referred to in the Underwriting Agreement. The Managing Underwriter and Joint Underwriters reserve the right to waive or modify any of the conditions aforesaid and such waiver or modification shall not prejudice the Joint Underwriters' rights under the Underwriting Agreement.

4.11.3 Subject to the terms and conditions set out in the Underwriting Agreement, and relying upon each of our representations, warranties and undertakings set out in the Underwriting Agreement, the Managing Underwriter and Joint Underwriters shall underwrite, subscribe and pay for or procure subscriptions and payment at the IPO Price for the Underwritten Shares not subscribed and paid for in full in accordance with their agreed proportion.

4.11.4 Notwithstanding anything contained in the Underwriting Agreement, the Managing Underwriter and Joint Underwriters may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if any of the following events happened ("**Events of Termination**"):

- (a) there is any breach by our Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to our Company, or by the Closing Date, whichever is earlier; or
- (b) there is withholding of information of a material nature from the Managing Underwriter and Joint Underwriters, which, if capable of remedy, is not remedied within such number of days as stipulated within the notice after notice of such breach shall be given to the Company, which, in the opinion of the Joint Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group and the success of the Public Issue, or the distribution of the Issue Shares; or
- (c) there shall have occurred, happened or come into effect in the opinion of the Joint Underwriters any material and/ or adverse change to the business or financial condition of the Company or any of its subsidiaries; or

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

- (d) there shall have occurred, or happened any of the following force majeure events, if the success of the Public Issue is, in the opinion of the Managing Underwriter and Joint Underwriters, seriously jeopardised by:
 - (i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or
 - (ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of our Company and/ or the Managing Underwriter and Joint Underwriters which would have or can reasonably be expected to have, a material adverse effect on and/ or materially prejudice our Group's business or the operations and the success of the Public Issue, or the distribution of the Issue Shares, or which has or is likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
 - (iii) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day on or after the date of the Underwriting Agreement and prior to the allotment of the Issue Shares, lower than 90% of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for at least 3 Market Days; or
 - (iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency; or
 - (v) in the event of IPO is terminated or delayed by our Company, Bursa Securities, the SC or any other relevant authorities for any reason (unless such delay has been approved by the Managing Underwriter and Joint Underwriters); or
- (e) there is failure on our part to perform any of our respective obligations contained in the Underwriting Agreement; or
- (f) any matter which arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the Public Issue; or
- (g) any event, act or omission which gives or is likely to give rise to any liability which will have a material and adverse effect on our Company pursuant to the indemnities contained under the Underwriting Agreement.

4.11.5 Upon such termination due to the occurrence of any of the Events of Termination, the Managing Underwriter and Joint Underwriters shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that our Company shall remain liable in respect of its obligations and liabilities for the payment of the costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees as set out in the Underwriting Agreement, and for any antecedent breach, and its undertaking to indemnify the Managing Underwriter and Joint Underwriters in accordance with the terms of the Underwriting Agreement.

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

- 4.11.6** In the event our Company unilaterally terminates the Underwriting Agreement for reasons not attributable to the Managing Underwriter and Joint Underwriters' willful default or gross negligence, the full underwriting commission as well as the advisory and brokerage fees, out of pocket expenses and all other sums due and payable under the Underwriting Agreement shall be paid to the Managing Underwriter and Joint Underwriters.

4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET

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

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

Upon our Listing, transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS Account being debited with the number of Shares sold and the buyer's CDS Account being credited with the number of Shares acquired.

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

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

5.1 PROMOTERS AND/ OR SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and/ or substantial shareholders' shareholdings

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

Name	Place of incorporation/ Nationality	⁽¹⁾ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders									
SIB	Malaysia	375,046,960	50.7	-	-	375,046,960	37.5	-	-
Chang Chung Fei	Malaysian	164,143,050	22.2	-	-	164,143,050	16.4	-	-
Foo Khai Shin	Malaysian	130,462,970	17.6	-	-	130,462,970	13.1	⁽³⁾ 205,070	<0.1
Ng Mun Moh	Malaysian	70,347,020	9.5	-	-	70,347,020	7.0	-	-
Substantial shareholders									
Chin Hin	Malaysia	-	-	⁽⁴⁾ 375,046,960	50.7	-	-	⁽⁴⁾ 375,046,960	37.5
Divine Inventions	Malaysia	-	-	⁽⁵⁾ 375,046,960	50.7	-	-	⁽⁵⁾ 375,046,960	37.5
PP Chin Hin Realty	Malaysia	-	-	⁽⁶⁾ 375,046,960	50.7	-	-	⁽⁶⁾ 375,046,960	37.5
Datuk Seri Chiau Beng Teik, JP	Malaysian	-	-	⁽⁷⁾ 375,046,960	50.7	-	-	⁽⁷⁾ 375,046,960	37.5
Chiau Haw Choon	Malaysian	-	-	⁽⁷⁾ 375,046,960	50.7	-	-	⁽⁷⁾ 375,046,960	37.5

Notes:

- (1) Based on our share capital of 740,000,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 1,000,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of his spouse's interest pursuant to Section 59 of the Act and assuming his spouse will fully subscribe for her entitlements under the Pink Form Allocations.
- (4) Deemed interested by virtue of its shareholdings in SIB pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act.

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

- (6) Deemed interested by virtue of its shareholdings in Divine Inventions pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

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

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

5.1.2 Profiles of Promoters and/ or substantial shareholders

The profiles of our Promoters and/ or substantial shareholders are set out below:

(a) SIB

SIB was incorporated in Malaysia on 23 November 2006 under the Companies Act, 1965 and is deemed registered under the Act. SIB was listed on the second board of Bursa Securities on 24 January 2008 and was transferred to the Main Market on 3 August 2009. The principal activity of SIB is investment holding, with its subsidiaries principally involved in (i) design, manufacture and distribution of kitchen wardrobe systems (e.g. kitchen cabinets and wardrobes), fitting-out of home and living spaces; (ii) marketing and distribution of home appliances including white goods (e.g. washing machines, hoods, hobs, ovens, fridges, etc.); (iii) interior fitting-out works and installation of modular kitchen and wardrobe systems and furnishings in Singapore through Corten Group; and (iv) interior design and build service (via SAG Group). SIB is a subsidiary of Chin Hin since 10 May 2024.

As at LPD, the issued capital of SIB is RM160,722,849 comprising 645,497,370 ordinary shares.

As at LPD, the directors of SIB and their respective shareholdings in SIB are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	(1)%	No. of shares	(1)%
Datuk Seri Chiau Beng Teik, JP	Non-Independent Non-Executive Chairman	Malaysian	-	-	(2)455,227,472	70.5
Chiau Haw Choon	Managing Director	Malaysian	-	-	(2)455,227,472	70.5
Shelly Chiau Yee Wern	Executive Director	Malaysian	-	-	-	-
Dato' Che Halin Bin Mohd Hashim	Independent Non-Executive Director	Malaysian	6,000,000	0.9	-	-
Rozahan Bin Osman	Independent Non-Executive Director	Malaysian	-	-	-	-
Chee Jee Kong	Independent Non-Executive Director	Malaysian	-	-	-	-

Notes:

(1) Based on issued share capital of 645,497,370 ordinary shares as at LPD.

(2) Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

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

As at LPD, the substantial shareholders of SIB and their respective shareholdings in SIB are as follows:

Name	Country of incorporation/ Nationality	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Chin Hin	Malaysia	455,227,472	70.5	-	-
Divine Inventions	Malaysia	-	-	(2)455,227,472	70.5
PP Chin Hin Realty	Malaysia	-	-	(3)455,227,472	70.5
Datuk Seri Chiau Beng Teik, JP	Malaysian	-	-	(4)455,227,472	70.5
Chiau Haw Choon	Malaysian	-	-	(4)455,227,472	70.5

Notes:

- (1) Based on issued share capital of 645,497,370 ordinary shares as at LPD.
- (2) Deemed interested by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of its shareholdings in Divine Inventions pursuant to Section 8 of the Act.
- (4) Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

(b) Chang Chung Fei

Chang Chung Fei, a Malaysian male aged 49, is our Promoter, substantial shareholder and Executive Director/ Group Chief Executive Officer. He was appointed to our Board since incorporation on 10 January 2024 and is responsible for formulating the strategic direction of our Group, as well as overseeing our Group's overall strategic planning and business growth.

He obtained his Diploma in Quantity Surveying from Institut Teknologi Pertama in 1997 and furthered his academic pursuits with a Bachelor of Science in Building Economics and Quantity Surveying from Heriot-Watt University, UK in 2005. He has more than 28 years of experience in the interior fitting-out industry.

In 1997, he started his career with LCL Furniture Sdn Bhd, a subsidiary of LCL Corporation Berhad (then listed on Main Market) as an Assistant Quantity Surveyor where he was involved in preparing project budgets and cost estimations. He was promoted to Assistant Contracts Manager in 2004 where he was responsible for preparing and revising contracts, handling payment certificates as well as liaising with potential and appointed suppliers and subcontractors on contract matters. In 2005, he was promoted to Contracts Manager (Overseas division) and tasked to oversee the group's operations in India, Kazakhstan, Qatar (Doha) and United Arab Emirates (Dubai). As a Contracts Manager, he was responsible for the preparation, evaluation and execution of contracts and was involved in negotiations with suppliers and subcontractors as well as review of project budgets and cost estimations. In 2006, he was further promoted to Senior Contracts Manager (Overseas division) where he assumed his previous roles. In 2007, he was seconded to Dubai under LCL Interiors Contracting LLC, a subsidiary of LCL Corporation Berhad (then listed on Main Market) as a General Manager, where he was responsible for overseeing the daily business operations and leading business development. He was later promoted to Executive Director in 2008, where he was responsible for developing business plans and strategies to further grow the business of the company, up to his departure in 2009.

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

Upon his return to Malaysia in 2009, he co-founded SAC to undertake the business of interior fitting-out services and was appointed as a Director, where he was responsible for formulating the strategic direction of SAC, as well as overseeing SAC's overall strategic planning and business growth. He continues to hold this position to-date.

Kindly refer to Section 5.2.3(b) for his involvement in other business activities outside our Group.

(c) Foo Khai Shin

Foo Khai Shin, a Malaysian male aged 41, is our Promoter, substantial shareholder and Executive Director/ Chief Executive Officer – Northern Region. He was appointed to our Board since incorporation on 10 January 2024 and is mainly responsible for directing and managing the day-to-day business activities and development strategies of our Group in the northern region of Malaysia.

He obtained his Bachelor of Computing (Computer Science and Software Development) from Deakin University, Australia in 2006. He has more than 18 years of experience in the interior fitting-out industry.

In 2007, he started his career with Ipimuda Berhad (presently known as Jentayu Sustainables Berhad, a company listed on Main Market) as a Sales Designer up to 2012. He was then responsible for managing sales within the showroom unit and providing customised design solutions to customers. In 2012, he founded Zig Zag Marketing (a sole proprietorship) to carry out renovation works, interior decoration, trading of furniture and building materials for the construction industry.

In 2015, he incorporated Zig Zag Marketing Sdn Bhd (presently known as Zig Zag Builders) as the business expanded. He subsequently ceased the sole proprietorship of Zig Zag Marketing in 2022. Upon incorporation of Zig Zag Builders, he was also appointed as a Director, where he was responsible for directing and managing the day-to-day business activities and development strategies of Zig Zag Builders. He continues to hold this position to-date.

Kindly refer to Section 5.2.3(c) for his involvement in other business activities outside our Group.

(d) Ng Mun Moh

Ng Mun Moh, a Malaysian male aged 51, is our Promoter, substantial shareholder and Chief Executive Officer – Central Region. He is mainly responsible for directing and managing the day-to-day business activities and development strategies of our Group in the central region of Malaysia.

He obtained his Diploma in Building Technology from Institut Teknologi Pertama in 1995 and Master of Business Administration from Honolulu University, United States of America in 2017. He has more than 29 years of experience in the interior fitting-out industry.

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

In 1996, he started his career with Jalex Sdn Bhd as an Assistant Quantity Surveyor and later promoted to Quantity Surveyor in 1997. Subsequently in 2008, he left Jalex Sdn Bhd and moved to Dubai whilst joining LCL Interiors LLC, a subsidiary of LCL Corporation Berhad (then listed on Main Market), as a Senior Contracts Manager where he was mainly responsible for overseeing both pre- and post-contract activities and managing tender exercises, presentations as well as project collections, up to 2009. In 2010, he rejoined Jalex Sdn Bhd as Head of Contracts, spearheading strategic direction and growth initiatives, overseeing its commercial operations, tender processes and post-contract activities.

In 2012, he resigned from Jalex Sdn Bhd and assumed the role of Director at B-Tods Sdn Bhd, focusing on interior renovation works. He ceased his directorship in the company in 2014.

In 2013, he was appointed as a Director of SAC (non-board member), where he was responsible for directing and managing the day-to-day business activities and development strategies of SAC. In 2014, he was appointed to the Board of Directors of SAC, where he assumed his previous roles. He continues to hold this position to-date.

He does not have any involvement in any business activities or directorships outside our Group.

(e) Chin Hin

Chin Hin was incorporated in Malaysia on 12 June 2014 under the Companies Act, 1965 and is deemed registered under the Act. Chin Hin is a public company listed on Main Market. The principal activities of Chin Hin are investment holding and management services, with subsidiaries principally involved in manufacturing, trading, distribution and wholesale of building materials, provision of logistic services, manufacturing and trading of commercial vehicles, property development and construction as well as home and living solutions.

As at LPD, the issued capital of Chin Hin is RM381,850,595 comprising 3,540,327,984 ordinary shares.

As at LPD, the directors of Chin Hin and their respective shareholdings in Chin Hin are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	(1)%	No. of shares	(1)%
Datuk Seri Chiau Beng Teik, JP	Executive Chairman	Malaysian	798,929,800	22.6	(2)1,323,080,400	37.4
Chiau Haw Choon	Group Managing Director	Malaysian	203,567,200	5.8	(2)1,323,080,400	37.4
Shelly Chiau Yee Wern	Executive Director	Malaysian	11,300,000	0.3	-	-
Datuk Cheng Lai Hock	Independent Non-Executive Director	Malaysian	391,700	<0.1	-	-
Yeoh Chin Hoe	Senior Independent Non-Executive Director	Malaysian	100,000	<0.1	-	-
Datuk Hj Mohd Yusri Bin Md Yusof	Independent Non-Executive Director	Malaysian	-	-	-	-
Chang Hui Yuin	Independent Non-Executive Director	Malaysian	-	-	-	-

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

Notes:

- (1) Based on issued share capital of 3,538,827,384 ordinary shares (excluding 1,500,600 treasury shares) as at LPD.
- (2) Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

As at LPD, the substantial shareholders of Chin Hin and their respective shareholdings in Chin Hin are as follows:

Name	Country of incorporation/ Nationality	Direct		Indirect	
		No. of shares	(1)%	No. of shares	(1)%
Divine Inventions	Malaysia	1,323,080,400	37.4	-	-
PP Chin Hin Realty	Malaysia	-	-	(2)1,323,080,400	37.4
Datuk Seri Chiau Beng Teik, JP	Malaysian	798,929,800	22.6	(3)1,323,080,400	37.4
Chiau Haw Choon	Malaysian	203,567,200	5.8	(3)1,323,080,400	37.4

Notes:

- (1) Based on issued share capital of 3,538,827,384 ordinary shares (excluding 1,500,600 treasury shares) as at LPD.
- (2) Deemed interested by virtue of its shareholdings in Divine Inventions pursuant to Section 8 of the Act.
- (3) Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

(f) Divine Inventions

Divine Inventions was incorporated in Malaysia on 26 November 2014 under the Companies Act 1965 and is deemed registered under the Act. Divine Inventions is an investment holding company in shares.

As at LPD, the issued capital of Divine Inventions is RM1,000,002 comprising 1,000,002 ordinary shares.

As at LPD, the directors of Divine Inventions and their respective shareholdings in Divine Inventions are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Datuk Seri Chiau Beng Teik, JP	Director	Malaysian	-	-	(1)1,000,002	100.0
Chiau Haw Choon	Director	Malaysian	-	-	(1)1,000,002	100.0

Note:

- (1) Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

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

As at LPD, the substantial shareholders of Divine Inventions and their respective shareholdings in Divine Inventions are as follows:

Name	Country of incorporation/ Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
PP Chin Hin Realty	Malaysia	1,000,002	100.0	-	-
Datuk Seri Chiau Beng Teik, JP	Malaysian	-	-	⁽¹⁾ 1,000,002	100.0
Chiau Haw Choon	Malaysian	-	-	⁽¹⁾ 1,000,002	100.0

Note:

⁽¹⁾ Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

(g) PP Chin Hin Realty

PP Chin Hin Realty was incorporated in Malaysia on 6 October 2011 under the Companies Act, 1965 and is deemed registered under the Act. PP Chin Hin Realty is an investment holding company.

As at LPD, the issued capital of PP Chin Hin Realty is RM88,000,000 comprising 88,000,000 ordinary shares.

As at LPD, the directors of PP Chin Hin Realty and their respective shareholdings in PP Chin Hin Realty are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Datuk Seri Chiau Beng Teik, JP	Director	Malaysian	48,399,999	55.0	-	-
Chiau Haw Choon	Director	Malaysian	26,400,000	30.0	-	-

As at LPD, the substantial shareholders of PP Chin Hin Realty and their respective shareholdings in PP Chin Hin Realty are as follows:

Name	Nationality	Direct		Indirect	
		No. of shares	%	No. of shares	%
Datuk Seri Chiau Beng Teik, JP	Malaysian	48,399,999	55.0	-	-
Chiau Haw Choon	Malaysian	26,400,000	30.0	-	-
Datin Seri Wong Mee Ling	Malaysian	6,600,000	7.5	-	-

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

(h) Datuk Seri Chiau Beng Teik, JP

Datuk Seri Chiau Beng Teik, JP, a Malaysian male aged 64, is our substantial shareholder by virtue of his indirect interest held through SIB. In 1974, Datuk Seri Chiau Beng Teik, JP completed his primary education at SJK (C) Pei Min, Padang Setar in Alor Setar, Kedah.

He started working at his father's hardware shop at the young age of 13 in 1975. After many years of experience gained from working with his father in the hardware shop, he took over the business and ventured into the business of trading building materials and cement transportation under the name of Chop Chin Hin in 1994. In 1995, he incorporated a cement distributor trading company named Syarikat Perniagaan dan Pengangkutan Chin Hin Sdn Bhd (now known as PP Chin Hin Sdn Bhd). Over the years, he has played an instrumental role in the growth of Chin Hin group, expanding the business from a single office in Alor Setar, Kedah to a group of companies with an extensive network of branch offices and factories throughout Peninsular Malaysia.

Datuk Seri Chiau Beng Teik, JP is currently the Executive Chairman of Chin Hin and Ajiya Berhad, which are public companies listed on Main Market. In addition, he is the Non-Independent Non-Executive Chairman of SIB, Chin Hin Group Property Berhad and Fiamma Holdings Berhad, which are public companies listed on Main Market. He is also the father of Chiau Haw Choon.

(i) Chiau Haw Choon

Chiau Haw Choon, a Malaysian male aged 41, is our substantial shareholder by virtue of his indirect interest held through SIB. In 2009, Chiau Haw Choon obtained his Bachelor's of Commerce in Finance from Deakin University, Australia.

Upon graduation, he joined his family business, Chin Hin as Group Managing Director. In 2017, he was awarded the EY Entrepreneur of the Year 2017 Malaysia.

Chiau Haw Choon is currently the Group Managing Director of Chin Hin, Managing Director of SIB, Executive Director of Fiamma Holdings Berhad, Executive Director of Chin Hin Group Property Berhad and Managing Director of Ajiya Berhad, which are all public companies listed on the Main Market. He is also the son of Datuk Seri Chiau Beng Teik, JP.

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

5.1.3 Changes in Promoters' and/ or substantial shareholders' shareholdings

The changes in our Promoters and/ or substantial shareholders' respective shareholdings in our Company since our incorporation on 10 January 2024 are as follows:

Name	As at incorporation				⁽¹⁾ Before IPO				⁽²⁾ After IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and substantial shareholders												
SIB	-	-	-	-	375,046,960	50.7	-	-	375,046,960	37.5	-	-
Chang Chung Fei	2	100.0	-	-	164,143,050	22.2	-	-	164,143,050	16.4	-	-
Foo Khai Shin	-	-	-	-	130,462,970	17.6	-	-	130,462,970	13.1	⁽³⁾ 205,070	<0.1
Ng Mun Moh	-	-	-	-	70,347,020	9.5	-	-	70,347,020	7.0	-	-
Substantial shareholders												
Chin Hin	-	-	-	-	-	-	⁽⁴⁾ 375,046,960	50.7	-	-	⁽⁴⁾ 375,046,960	37.5
Divine Inventions	-	-	-	-	-	-	⁽⁵⁾ 375,046,960	50.7	-	-	⁽⁵⁾ 375,046,960	37.5
PP Chin Hin Realty	-	-	-	-	-	-	⁽⁶⁾ 375,046,960	50.7	-	-	⁽⁶⁾ 375,046,960	37.5
Datuk Seri Chiau Beng Teik, JP	-	-	-	-	-	-	⁽⁷⁾ 375,046,960	50.7	-	-	⁽⁷⁾ 375,046,960	37.5
Chiau Haw Choon	-	-	-	-	-	-	⁽⁷⁾ 375,046,960	50.7	-	-	⁽⁷⁾ 375,046,960	37.5

Notes:

- (1) Based on our share capital of 740,000,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 1,000,000,000 Shares after our IPO.
- (3) Deemed interested by virtue of his spouse's interest pursuant to Section 59 of the Act and assuming his spouse will fully subscribe for her entitlements under the Pink Form Allocations.
- (4) Deemed interested by virtue of its shareholdings in SIB pursuant to Section 8 of the Act.
- (5) Deemed interested by virtue of its shareholdings in Chin Hin pursuant to Section 8 of the Act.

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

- (6) Deemed interested by virtue of its shareholdings in Divine Inventions pursuant to Section 8 of the Act.
- (7) Deemed interested by virtue of their shareholdings in PP Chin Hin Realty pursuant to Section 8 of the Act.

5.1.4 Persons exercising control over the corporation

Save for our Promoters as set out in Section 5.1.1, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company. As at LPD, there is no arrangement between our Company, the Promoters and our substantial shareholders with any third party which may result in a change in control of our Company at a date subsequent to our Listing.

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

Save for the issuance of our Shares as consideration for the Acquisitions, dividends paid or intended to be paid to our Promoters and/ or substantial shareholders as disclosed below, aggregate remuneration and benefits paid or proposed to be paid for services rendered to our Group in all capacities as disclosed in Section 5.2.4, and repayment of advances provided by our Promoters as disclosed in Section 10.1, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and/or substantial shareholders within the 2 years preceding the date of this Prospectus:

	Dividends declared				
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	1 January 2025
	RM'000	RM'000	RM'000	RM'000	up to LPD RM'000
Promoters and/ or substantial shareholders					
SIB	-	-	-	8,106	5,100
Chang Chung Fei	-	-	-	3,543	3,430
Foo Khai Shin	-	-	-	3,094	-
Ng Mun Moh	-	-	-	1,582	1,470
	-	-	-	(1)16,325	(1)(2)10,000

Notes:

- (1) The balance of RM6.6 million dividends will be paid subsequent to LPD but prior to Listing.
- (2) Dividends of RM10.0 million were declared to shareholders of SAC in respect of FYE 2024.

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

	Dividends paid				1 January 2025 up to LPD
	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	
Promoters and/ or substantial shareholders					
SIB	-	-	-	-	6,603
Chang Chung Fei	-	-	-	3,543	3,430
Foo Khai Shin	-	-	-	3,094	-
Ng Mun Moh	-	-	-	1,582	1,470
	-	-	-	8,219	11,503

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

5.2 DIRECTORS

5.2.1 Directors' shareholdings

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

Name	Designation/ Nationality	⁽¹⁾ As at LPD/ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Datuk Wan Ahmad Satria Bin Wan Hussein	Independent Non-Executive Chairman/ Malaysian	-	-	-	-	⁽³⁾ 300,000	<0.1	-	-
Chang Chung Fei	Executive Director/ Group Chief Executive Officer/ Malaysian	164,143,050	22.2	-	-	164,143,050	16.4	-	-
Foo Khai Shin	Executive Director/ Chief Executive Officer – Northern Region/ Malaysian	130,462,970	17.6	-	-	130,462,970	13.1	⁽⁴⁾ 205,070	<0.1
Lau Kock Sang	Non-Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽³⁾ 200,000	<0.1	-	-
Dato' Boey Chin Gan	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽³⁾ 200,000	<0.1	-	-
Tan Poh Cheok	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽³⁾ 200,000	<0.1	-	-
Lim Sook Yee	Independent Non-Executive Director/ Malaysian	-	-	-	-	⁽³⁾ 200,000	<0.1	-	-

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

Notes:

- (1) Based on our share capital of 740,000,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 1,000,000,000 Shares after our IPO.
- (3) Assuming he/ she fully subscribes for his/ her entitlement under the Pink Form Allocations.
- (4) Deemed interested by virtue of his spouse's interest pursuant to Section 59 of the Act and assuming his spouse will fully subscribe for her entitlements under the Pink Form Allocations.

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

5.2.2 Profiles of Directors

The profiles of Chang Chung Fei, our Executive Director/ Group Chief Executive Officer and Foo Khai Shin, our Executive Director/ Chief Executive Officer – Northern Region are set out in Section 5.1.2. The profiles of our other Directors are as follows:

(a) **Datuk Wan Ahmad Satria Bin Wan Hussein**

Datuk Wan Ahmad Satria Bin Wan Hussein, a Malaysian male aged 62, is our Independent Non-Executive Chairman. He was appointed to our Board on 12 July 2024.

He obtained his Bachelor of Accounting (Honours) from Universiti Kebangsaan Malaysia in 1987. He also attended and completed the INSEAD Leadership Course – Leading Successful Change Programme in 2014. He has been a Certified Financial Planner under the Financial Planning Association of Malaysia since 2003.

He began his career in July 1987 at PTM Thompson Advertising Sdn Bhd as a Client Serving Executive, where he was involved in developing and implementing client advertising strategies as well as client relationship management activities. He resigned from the company in December 1987.

In 1988, he joined The Hongkong and Shanghai Banking Corporation Limited as a Trainee, where he was involved in current account operating, management and maintenance activities. In the same year, he was promoted to Executive, Officer in Charge of current accounts at the bank's branch in Kuala Terengganu, where he was involved in current account management, client relationship management, financial analysis and risk management. In 1990, he was promoted to Foreign Exchange Dealer, where he was responsible for foreign exchange transactions, market analysis, risk management, compliance and reporting.

In 1993, he resigned from the bank and joined K&N Kenanga Berhad as a Remisier, where he was responsible for managing and executing equity transactions on behalf of clients, client management, market research, risk management, compliance and reporting. He resigned from the company in 2001.

In 2002, he joined Mayban Securities Sdn Bhd as General Manager, Dealing, where he was responsible for overseeing trading operations, client management, market analysis, risk management, compliance and reporting, development of marketing and sales strategies as well as team management. His contract with Mayban Securities Sdn Bhd expired in 2005.

In 2006, he was appointed as Chief Executive Officer of Zaid Ibrahim Management Services Sdn Bhd, focusing on the provision of client management, consulting and advisory services, marketing and sales as well as risk management. He resigned from the company in 2008.

In 2008, he founded AsiaWerk Sdn Bhd as a Director, Business Process Outsourcing, focusing on the provision of HR services such as HR outsourcing and management consulting for corporate entities. He ceased his directorship in the company in 2009 and the business registration of the company was subsequently terminated.

In 2009, he joined Malaysian Industrial Development Finance ("**MIDF**") Berhad as a Senior Vice President II, Business Development Division, where he was responsible for sales management, overseeing sales management, distribution channels, performance monitoring as well as client management and acquisition.

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

In 2011, he was appointed by MIDF Amanah Investment Bank Berhad, a subsidiary of MIDF Berhad as a Senior Vice President II, Sales and Distribution Department, where he led the sales team in promoting the products of the bank. In 2014, he was promoted to Head of Sales and Distribution Department, where he assumed his previous responsibilities. In 2018, he was further promoted to Chief Commercial Officer, where he was responsible for overseeing product and service development, client management and acquisition as well as implementing commercial strategies to achieve commercial targets determined by the bank. In 2020, he assumed the role of Head, Client Advisory Solutions and Share Margin Financing, where he was responsible for product and service development, client management and acquisition, sales and business development, strategic planning and execution for client advisory, team management, compliance and reporting. In 2021, he was redesignated to Senior Vice President, Share Margin Financing and Proprietary Investment Desk, where he was responsible for investment strategy and management, market analysis, risk management, performance monitoring and reporting. In 2022, he was promoted to Head, Share Margin Financing and Proprietary Investment Desk, until his departure in 2023.

During his tenure in MIDF Amanah Investment Bank Berhad, he was appointed as a Member of the Board of Trustees at Yayasan Orang Kurang Upaya Kelantan (YOKUK) in 2012, where he principally contributes to charitable endeavours organised by the foundation. He ceased his directorship in January 2025. In 2017, he was also appointed as a Director of Amanah Butler Malaysia Sdn Bhd (presently known as ICAP (Malaysia) Sdn Bhd), and he ceased his directorship in 2020.

In 2023, he became a Marketing Representative under CGS-CIMB Wealth Management Sdn Bhd (now known as CGS International Wealth Management Sdn Bhd), where he is responsible for designing, implementing and monitoring the marketing campaigns of the company. He continues to hold this position to-date. In the same year, he concurrently became a Marketing Representative under CGS-CIMB Securities Sdn Bhd (now known as CGS International Securities Sdn Bhd), where he is responsible for designing, implementing and monitoring the marketing campaigns of the company. He continues to hold this position to-date.

In 2024, he was appointed as a Business Adviser, Prime Equity and Margin Business at Phillip Capital Sdn Bhd, where he provides guidance and advisory in relation to the prime equity and margin business segments of the company. He continues to hold this position to-date.

Kindly refer to Section 5.2.3(a) for his involvement in other business activities outside our Group.

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

(b) Lau Kock Sang

Lau Kock Sang, a Malaysian male aged 54, is our Non-Independent Non-Executive Director. He was appointed to our Board on 12 July 2024. He is the corporate representative of SIB on our Board.

He obtained his Bachelor in Business Administration from University of Paisley (currently known as University of the West of Scotland), UK in 1997.

Upon his graduation, he began his career in Inyaco Timber Industry Sdn Bhd as a Marketing Executive in 1998, where he was involved in the marketing, sales and development of furniture products, identification and development of business opportunities in overseas markets as well as liaising with subcontractors and production employees. In 1998, he was promoted to Marketing Manager, where he maintained his previous responsibilities.

In 1999, he left Inyaco Timber Industry Sdn Bhd and joined FTG Furniture Sdn Bhd as a Sales and Marketing Manager, where he was responsible for overseeing the company's overseas sales and marketing functions and business development. He resigned from the company in 2002.

In 2003, he relocated to UK and was subsequently appointed as a Director of Eurasia Furnishings Limited (a company based in UK), and was responsible for overseeing the distribution of furniture products that were primarily imported from Malaysia. He resigned from the company in 2004.

In 2005, he joined Homelife (UK) Limited (a company based in UK) as a Managing Director, where he was responsible for managing company's business development and marketing and sales strategies, until his departure in 2008.

In 2008, he joined Furniturehouse Limited (a company based in UK) as a General Manager, and was responsible for the company's marketing and sales operations. He resigned from the company in 2009.

In 2010, he returned to Malaysia and joined S.H.E Flooring Concepts Sdn Bhd as a General Manager, where he was responsible for overseeing the company's daily operations in the flooring industry as well as marketing and sales strategies of the company. He resigned from his position in 2011.

In 2011, he was appointed as a Sales Director – Retail Division of Signature Cabinet Sdn Bhd, a subsidiary of SIB (listed on the Main Market), where he was responsible for leading the retail business unit and developing Signature Kitchen showroom locally and internationally. He was further assigned to group marketing and operational roles in 2017, and subsequently redesignated as Chief Executive Officer – Project Business Unit of Signature Cabinet Sdn Bhd in 2021, where he was responsible for setting the strategic direction of the project business unit. He then assumed the position of Group Chief Executive Officer of SIB in 2023. As Group Chief Executive Officer of SIB, he is responsible for overseeing the overall strategic direction of SIB, a position that he continues to hold to-date.

Kindly refer to Section 5.2.3(d) for his involvement in other business activities outside our Group.

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

(c) Dato' Boey Chin Gan

Dato' Boey Chin Gan, a Malaysian male aged 60, is our Independent Non-Executive Director. He was appointed to our Board on 12 July 2024.

He obtained his Bachelor of Arts in Political Science (Honours) from Universiti Kebangsaan Malaysia in 1992.

In 1993, he commenced his career at the Ministry of Housing and Local Government of Malaysia as Press Secretary, where he was involved in urban development policy development, implementation, management and administrative activities. He left the civil service in 2004.

In 2004, he was appointed as a State Assemblyman of the Kedah State Legislative Assembly, where he was responsible for state legislative responsibilities, constituency services, policy development, public communications and advocacy. He stepped down as State Assemblyman in 2008.

In 2009, he was appointed as an Independent Non-Executive Director of Ecofirst Consolidated Berhad (listed on the Main Market). Subsequently in 2023, he was redesignated to the position of Non-Independent Non-Executive Director of the company, a position he continues to hold to-date.

In 2013, he was appointed as a Special Officer to the Menteri Besar of Kedah, where he was responsible for legislative support, constituency services, administrative activities, public relations, media management, strategic planning and advisory. He resigned from this position in 2016.

In 2016, he was appointed as a Director of Star Media Radio Group Sdn Bhd, a wholly-owned subsidiary of Star Media Group Berhad (listed on Main Market). He ceased his directorship in the company in 2019.

In 2022, he was appointed as the Independent Non-Executive Director of Ajiya Berhad (listed on the Main Market), a position he continues to hold to-date.

In 2024, he was appointed as the Independent Non-Executive Director of Widad Group Berhad (listed on the ACE Market), a position he continues to hold to-date.

Kindly refer to Section 5.2.3(e) for his involvement in other business activities outside our Group.

(d) Tan Poh Cheok

Tan Poh Cheok, a Malaysian female aged 63, is our Independent Non-Executive Director. She was appointed to our Board on 12 July 2024.

In 1980, she obtained her Sijil Pelajaran Malaysia at Sekolah Menengah Horley Methodist, Perak. In 2012, she obtained her Bachelor of Laws (Honours) from International Islamic University Malaysia.

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

She commenced her career at the Royal Malaysia Police in 1981 as a Constable in the Melaka Tengah Police District Head Office Malacca, where she was involved in performing administrative and general duties. In 1986, she was appointed as a member of the Public Order Reserve Unit, Police Field Force, Central Brigade, Cheras, Selangor, where she was involved in performing law enforcement activities in relation to dispersing illegal assembly, riot suppression and other functions relating to public order.

In 1987, she was subsequently transferred to the Criminal Investigation Department, Royal Malaysian Police headquarters (Bukit Aman) and promoted to the rank of Corporal, where she was responsible for the management of criminal records. In 1994, she was transferred to the Criminal Investigation Department, Sabah Contingent Police Headquarters and later promoted to the rank of Inspector. In August 1995, she underwent additional training at the Kuala Kubu Bharu Police Academy until December 1995.

In December 1995, she was transferred to the information technology ("IT") department, Bukit Aman where she assumed the position of IT officer in programming. In 1998, she was transferred to the Criminal Investigation Department, Gombak Police District Head Office, Selangor as Criminal Investigation Officer, where she was responsible for all crime cases. In 2004, she was promoted to the rank of Assistant Superintendent Police and assumed the position of Senior Investigation Officer, where she was responsible for supervising all workforce in Criminal Investigation Department of Gombak Police District Head Office, Selangor. In 2007, she returned to Bukit Aman and assumed the role of Administrative Officer at the Narcotics Crime Investigation Department, where she was responsible for collecting of drug-related information and administrative functions.

In 2008, she temporarily left her role at the Royal Malaysia Police to pursue her Bachelor of Laws at the International Islamic University Malaysia. Upon her graduation in 2012, she reprised her position at the Royal Malaysia Police as an Assistant Superintendent Police at the Commercial Crimes Investigation Department, where she was responsible for prevention on crime activities. In 2014, she was transferred to the Commercial Crime Investigation Department, Kuala Lumpur Police Contingent Headquarters as Senior Investigation Officer. Subsequently in 2019, she was appointed as the Deputy Head of Commercial Crime Investigation Department, and was subsequently promoted to the rank of Superintendent Police in the same year, a position she held until her retirement in 2022.

In 2023, she was appointed as an Independent Non-Executive Director of Mieco Chipboard Berhad (listed on the Main Market), a position she continues to hold to-date.

In March 2025, she assumed the role of Security and Safety Consultant on a contractual basis in Nirvana Memorial Park Sdn Bhd where she is mainly responsible for providing guidances and recommendations on implementation of safety and security enhancements and conducting evaluations of the company's security and safety measures.

Kindly refer to Section 5.2.3(f) for her involvement in other business activities outside our Group.

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

(e) Lim Sook Yee

Lim Sook Yee, a Malaysian female aged 37, is our Independent Non-Executive Director. She was appointed to our Board on 12 July 2024.

In 2005, she obtained her Sijil Pelajaran Malaysia at Sekolah Menengah Kebangsaan Puteri Titiwangsa, Kuala Lumpur. In 2013, she obtained her Bachelor of Arts in Business Administration (Accounting and Finance) from University of Wales, UK and furthered her academic pursuits with Advanced Diploma in Accounting and Business from the Association of Chartered Certified Accountants ("**ACCA**") in 2017. She has been a Member of the ACCA and MIA since 2024.

Before commencing her higher education, Lim Sook Yee commenced her career in 2008 as an Accounts Assistant at Kah Bintang Auto Sdn Bhd, a subsidiary of Oriental Holding Berhad (listed on Main Market), where she was responsible for the company's preparation of financial reports and management reporting. She resigned from the company in 2009.

In 2009, she joined Consolidated Leasing (M) Sdn Bhd, a subsidiary of Malaysia AICA Berhad (now known as Sunsuria Berhad, listed on Main Market) as an Accounts Executive, where she was involved in the preparation of financial reports and management reporting of the company.

In 2013, she left Consolidated Leasing (M) Sdn Bhd and joined eTEC E&C (M) Sdn Bhd as an Assistant Accountant, where she was involved in the preparation of financial reports and management reporting of the company as well as sourcing of subcontractors and materials for engineering, procurement and construction projects. She resigned from the company in 2014.

In 2015, she joined Axcelasia Global Business Services Sdn Bhd as a Managing Consultant, where she was responsible for reviewing and presenting financial reports, drafting financial commentaries, compliance matters, accounting systems and financial audit activities, until her departure in 2019.

In 2019, she joined Maybank Investment Bank Berhad as a Capital Markets Services Representative – (Remisier), where she was responsible for arranging business expansion facilities such as mergers and acquisitions, share dealing and trading, market research as well as client advisory and investment decisions. She resigned from Maybank Investment Bank Berhad in March 2024.

In June 2024, she was appointed as Non-Executive Director of Akru Now Sdn Bhd, a position she continues to hold to-date.

In April 2025, she was appointed as Independent Non-Executive Director of Tex Cycle Technology (M) Berhad (listed on the ACE Market), a position she continues to hold to-date.

Kindly refer to Section 5.2.3(g) for her involvement in other business activities outside our Group.

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

5.2.3 Principal business performed outside our Group

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

(a) Datuk Wan Ahmad Satria Bin Wan Hussein

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
GoodMorning Berhad	Group	Investment holding in shares with subsidiaries involved in (i) product formulation, bio-processing, marketing and sales of plant-based nutrition products; and (ii) supply a range of plant-based functional bio-processed active ingredients and biotechnology solutions	Independent Non-Executive Director	20 December 2024	-	-
<u>Past involvement</u>						
Yayasan Orang Kurang Upaya Kelantan (YOKUK)	A charitable foundation established to alleviate the plight of people with disabilities	Director	27 August 2012	24 January 2025	-	-
MIDF Amanah Investment Nominees (Asing) Sdn Bhd	Nominee agent and registration services	Director	3 January 2012	9 November 2023	-	-
MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd	Nominee agent and registration services	Director	3 January 2012	9 November 2023	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Selat Abadi Sdn Bhd	General trading in goods, manufacturing and real estate investments	Director	30 November 2023	26 February 2024	-	-
ICAP (Malaysia) Sdn Bhd	Money broking business	Director	19 July 2017	22 July 2020	-	-

(b) Chang Chung Fei

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Puncak Setiamas Sdn Bhd	Property development	Director and shareholder	23 August 2013	-	81.0	-
DCSL Property Sdn Bhd (formerly known as Space Alliance Interiors Sdn Bhd)	Dormant, previously involved in the provision of interior fitting-out works, with property investment as the intended future principal activities	Director and shareholder	11 September 2008	-	70.0	⁽¹⁾ 30.0
Fah Khiu Educational and Cultural Centre Bhd	A non-profit entity, to promote and contribute towards educational, cultural and other social activities and charitable works	Director	23 August 2022	-	-	-
Boston Properties Sdn Bhd	Property investment	Shareholder	-	-	3.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Past involvement</u>						
Best Stone	Supply stone products	Director	9 February 2023	17 January 2024	-	-
Best Stone Solutions	Cutting, shaping and finishing of stone products	Director	21 September 2023	17 January 2024	-	-

Note:

⁽¹⁾ Deemed interested by virtue of his spouse's shareholdings in the company.

(c) Foo Khai Shin

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Mars Food Sdn Bhd (formerly known as Zig Zag F&B Sdn Bhd)	Franchising of F&B outlets	Director and shareholder	8 May 2014	18 May 2023	-	⁽¹⁾ 100.0
Mars IT Sdn Bhd (formerly known as Zig Zag Design & Build Sdn Bhd) ⁽³⁾	Dormant, previously involved in the provision of interior fitting-out works	Director and shareholder	23 February 2022	26 March 2023	-	⁽¹⁾ 100.0
<u>Past involvement</u>						
Mexous Design & Build Sdn Bhd	Previously involved in building construction works and dissolved on 4 September 2023	Director and shareholder	18 May 2016	4 September 2023	⁽²⁾ 50.0	⁽¹⁾ 50.0

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
LA Conexion Sdn Bhd	Previously providing payment gateway system and dissolved on 15 July 2020	Director and shareholder	18 September 2017	15 July 2020	⁽²⁾ 25.0	-

Notes:

- (1) Deemed interested by virtue of his spouse's shareholdings in the company.
- (2) Foo Khai Shin ceased to be a shareholder of the company upon the dissolution of the company.
- (3) Upon collecting remaining receivables of approximately RM0.2 million from a debtor, the shareholder of Mars IT Sdn Bhd intends to close down the company. The remaining receivables are expected to be collected by June 2025.

(d) Lau Kock Sang

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Woodcraft (a subsidiary of SIB)	Manufacturing of modular kitchen and wardrobe systems as well as wooden and cane furniture	Director	3 July 2023	-	-	-
Signature Cabinet Sdn Bhd (a subsidiary of SIB)	Design, marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances	Director	1 August 2022	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Corten (a subsidiary of SIB)	Interior design and build services (which consists of (i) interior fitting-out works comprising project planning and management of Corten's interior fitting-out projects, installation works and maintenance of the projects that Corten Group undertakes on an ad-hoc basis; and (ii) installation of modular kitchen and wardrobe systems (e.g. kitchen cabinets and wardrobe) and furnishings	Director	17 May 2023	-	-	-
Areal (a subsidiary of SIB)	Interior design and build services (focusing on fabrication and finishing of stone and metal products)	Director	17 May 2023	-	-	-
Signature Home Living Sdn Bhd (a subsidiary of SIB)	Manufacture of furniture except for stone, concrete or ceramic and export and import of fittings and fixtures	Director	23 September 2024	-	-	-
Signature Smartverse Sdn Bhd (a subsidiary of SIB)	Retail sale of household appliances, security systems and articles for lighting	Director	13 February 2025	-	-	-
<u>Past involvement</u>						
Best Stone	Supply of stone products	Director	9 February 2023	17 January 2024	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Best Stone Solutions	Cutting, shaping and finishing of stone products	Director	21 September 2023	17 January 2024	-	-

(e) Dato' Boey Chin Gan

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Pharma LBL Sdn Bhd	Manufacturing of food products	Director	24 August 2009	-	-	-
Ajiya Berhad (listed on Main Market)	Investment holding in shares with subsidiaries involved in the manufacturing and trading of roofing materials, various kinds of glass and trading of building materials	Independent Non-Executive Director	4 November 2022	-	-	-
Ecofirst Consolidated Berhad (listed on Main Market)	Investment holding in shares with subsidiaries involved in the property development, investment holding and provision of management services	Non-Independent Non-Executive Director	1 April 2009	-	-	-
Green Mileage Sdn Bhd	Agricultural activities for animal production on a fee or contract basis; forest plantation	Director and shareholder	22 July 2019	-	25.0	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
Widad Group Berhad (listed on ACE Market)	Investment holding in shares with subsidiaries involved in construction activities, integrated facilities management services and concession	Independent Non-Executive Director	17 July 2024	-	-	-

Past involvement

Star Media Radio Group Sdn Bhd	Investment holding in shares with subsidiaries involved in operating wireless radio broadcasting stations, provision of administration and general management services	Director	11 August 2016	19 September 2019	-	-

(f) Tan Poh Cheok

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Mieco Chipboard Berhad (listed on Main Market)	Investment holding company of subsidiaries principally involved in manufacturing and distribution of particle boards or sometimes known as chipboards, with primary focus on plainboards, melamine faced boards and MDFs	Independent Non-Executive Director	28 July 2023	-	-	-

Past involvement

Nil

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

(g) Lim Sook Yee

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Akru Now Sdn Bhd	Digital investment management	Non-Executive Director	7 June 2024	-	-	-
Tex Cycle Technology (M) Berhad (listed on ACE Market)	Investment holding company of subsidiaries principally involved in providing comprehensive waste management solutions including waste treatment, recovery, and disposal across various sectors, and also renewable energy, utilising solar, biomass, and biogas technologies	Independent Non-Executive Director and shareholder	7 April 2025	-	0.1	-

Past involvement

Nil

The involvement of our Directors as disclosed above excludes shares in public listed companies which are held by them as minority shareholders (less than 5.0% of the total number of issued shares of a public listed company), and for which they do not hold any directorship. Such shares are held by them only for trading and personal investment purposes.

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

Save as disclosed in Section 11, the involvement of our Directors in those business activities outside our Group does not give rise to any conflict of interest situation with our business. The involvement of our Executive Directors in the business outside our Group does not preclude them from allocating or committing their time and effort to our Group as they are not involved in the day-to-day operations of the companies. Therefore, their involvement in the companies do not require a significant amount of time, and hence does not affect their ability to fulfil their executive roles and responsibilities to our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.2.4 Directors' remuneration and benefits**

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

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2022 to 2025 are as follows:

	Directors' fees	Salaries	Bonuses	Other emoluments	Benefits-in-kind	Total
	RM'000					
FYE 2022 (Paid)						
Chang Chung Fei	20	360	-	44	16	440
FYE 2023 (Paid)						
Chang Chung Fei	-	450	-	55	19	524
Foo Khai Shin	-	125	-	16	-	141
FYE 2024 (Paid)						
Datuk Wan Ahmad Satria Bin Wan Hussein	-	-	-	-	-	-
Chang Chung Fei	-	450	250	84	28	812
Foo Khai Shin	-	300	-	36	-	336
Lau Kock Sang	-	-	-	-	-	-
Dato' Boey Chin Gan	-	-	-	-	-	-
Tan Poh Cheok	-	-	-	-	-	-
Lim Sook Yee	-	-	-	-	-	-

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

	Directors' fees	Salaries	Bonuses	Other emoluments	Benefits-in-kind	Total
	RM'000					
FYE 2025 (Proposed)						
Datuk Wan Ahmad Satria Bin Wan Hussein	(1)35	-	-	-	-	35
Chang Chung Fei	-	573	(2)-	68	28	669
Foo Khai Shin	-	440	(2)-	54	25	519
Lau Kock Sang	(1)28	-	-	-	-	28
Dato' Boey Chin Gan	(1)28	-	-	-	-	28
Tan Poh Cheok	(1)28	-	-	-	-	28
Lim Sook Yee	(1)28	-	-	-	-	28

Notes:

- (1) The Non-Independent Non-Executive Director's and Independent Non-Executive Directors' fees will commence upon the date of our Listing. Such Directors' fees will be subject to shareholders' approval at a general meeting pursuant to Section 230 of the Act.
- (2) The bonuses for FYE 2025 are not included. Such bonuses, if any, will be determined at a later date based on the individual's performance as well as our Group's performance, and will be subject to recommendation of our Nomination and Remuneration Committee and approval by our Board.

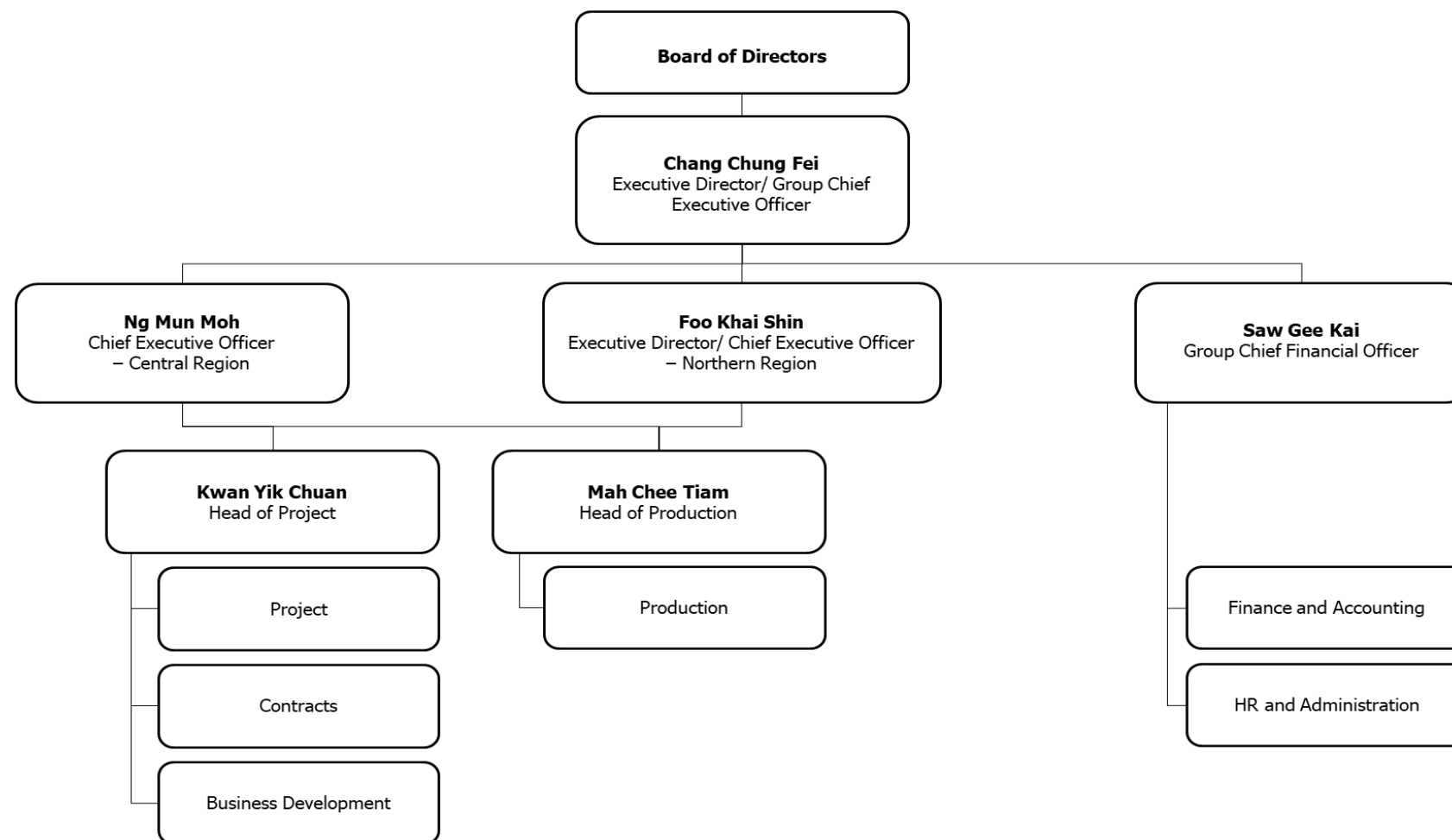
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5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(Cont'd)*

5.3 KEY SENIOR MANAGEMENT

5.3.1 Management structure

The management reporting structure of our Group is as follows:



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

5.3.2 Key senior management shareholdings

The shareholdings of our key senior management in our Group before and after our IPO (assuming they fully subscribe for their Pink Form Allocations), save for Chang Chung Fei (our Executive Director/ Group Chief Executive Officer) and Foo Khai Shin (our Executive Director/ Chief Executive Officer – Northern Region) which are disclosed in Section 5.2.1, are set out below:

Name	Designation/ Nationality	⁽¹⁾ As at LPD/ Before IPO				⁽²⁾ After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Ng Mun Moh	Chief Executive Officer – Central Region/ Malaysian	70,347,020	9.5	-	-	70,347,020	7.0	-	-
Saw Gee Kai	Group Chief Financial Officer/ Malaysian	-	-	-	-	⁽³⁾ 200,000	<0.1	-	-
Kwan Yik Chuan	Head of Project/ Malaysian	-	-	-	-	⁽³⁾ 500,000	0.1	-	-
Mah Chee Tiam	Head of Production/ Malaysian	-	-	-	-	⁽³⁾ 500,000	0.1	-	-

Notes:

- ⁽¹⁾ Based on our share capital of 740,000,000 Shares before our IPO.
- ⁽²⁾ Based on our enlarged share capital of 1,000,000,000 Shares after our IPO.
- ⁽³⁾ Assuming he fully subscribes for his entitlement under the Pink Form Allocations.

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

5.3.3 Profiles of key senior management

Save for the profiles of Chang Chung Fei (our Executive Director/ Group Chief Executive Officer), Foo Khai Shin (our Executive Director/ Chief Executive Officer – Northern Region) and Ng Mun Moh (our Chief Executive Officer – Central Region), which are set out in Section 5.1.2, the profiles of the other key senior management of our Group are as follows:

(a) Saw Gee Kai

Saw Gee Kai, a Malaysian male aged 33, is our Group Chief Financial Officer. He is responsible for our Group's overall finance and accounting as well as HR and administration functions.

He obtained his Bachelor of Accounting (Honours) from Universiti Tunku Abdul Rahman in 2015, and has been a Member of the ACCA since 2019 and subsequently became a Fellow since 2024. He was admitted as a Member of MIA since 2022.

He commenced his career in 2015 at Crowe Malaysia PLT (formerly known as Crowe Horwath) as an Associate 1, Audit and Assurance and was subsequently promoted to Senior Associate in 2017, followed by a promotion to Manager, Audit and Assurance in 2021. During his tenure in the firm, he was involved in various statutory and special audit engagements of private companies, public listed companies and multinational companies. He resigned from the firm in 2022.

In 2022, he joined SAC as Financial Manager and was later promoted to Financial Controller in 2023, where he oversaw the finance and accounting functions of SAC. In 2024, he was appointed as our Group Chief Financial Officer where he assumed his current responsibilities.

He does not have any involvement in any business activities or directorships outside our Group.

(b) Kwan Yik Chuan

Kwan Yik Chuan, a Malaysian male aged 44, is our Head of Project. He is responsible for our Group's project planning and management, resource planning, procurement and engagement of subcontractors, quality control and site safety functions.

He obtained his Diploma in Accounting under the London Chamber of Commerce and Industry Examinations from KLC School of Accountancy, Malaysia in 2001.

In 2002, he started his career with LCL Furniture Sdn Bhd, a subsidiary of LCL Corporation Berhad (then listed on Main Market) as a Site Supervisor, where he was involved in site supervision and inspection, materials handling, preparation of daily reports, site records and documentation. In 2005, he was promoted to Assistant Project Manager where he was responsible for the management of workers, worker's schedules, coordination of delivery of materials, site inspections and reporting activities to the project manager.

In 2006, he was seconded to United Arab Emirates (Dubai) under LCL Interiors LLC, a subsidiary of LCL Corporation Berhad (then listed on Main Market) as a Project Manager based in United Arab Emirates, where he was responsible for managing client requirements, conceptualising project plans, preparing and monitoring of project time schedules, as well as coordinating interior fitting-out projects undertaken by the company.

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

In October 2009, he was then re-assigned to LCL Furniture Sdn Bhd, where he held the role as Project Manager and assumed his previous responsibilities. Concurrently, he was also appointed as a Project Manager by LCL Furniture (S) Pte Ltd, a subsidiary of LCL Corporation Berhad (then listed on Main Market) for Marina Bay Sands project in Singapore. He left both LCL Furniture Sdn Bhd and LCL Furniture (S) Pte Ltd in November 2009.

In 2010, he joined JL Interiors Sdn Bhd as a Project Manager, where he was responsible for managing client requirements, conceptualising project plans, preparation and monitoring of project time schedules, as well as coordinating interior fitting-out projects undertaken by the company until his departure in 2012.

In 2013, he joined SAC as Senior Project Manager, where he was responsible for project management and IT functions. In 2024, he was appointed as our Head of Project, where he assumed his current responsibilities.

He does not have any involvement in any business activities or directorships outside our Group.

(c) Mah Chee Tiam

Mah Chee Tiam, a Malaysian male aged 49, is our Head of Production. He is responsible for our Group's production, procurement, resources planning in the production team, logistics management and coordination with the Group's project team on their required customised carpentry/ joinery parts and integral fixtures requirements.

He obtained his Diploma in Quantity Surveying from Institut Teknologi Pertama in 1997.

Upon graduation in 1997, he joined LCL Furniture Sdn Bhd, a subsidiary of LCL Corporation Berhad (then listed on Main Market) as an Assistant Quantity Surveyor, where he was responsible for cost management, estimation, preparation of tender documents, cost control, procurement, valuations, contract administration, documentation and client liaison. He was promoted to Assistant Manager (Quantity Surveyor) in 2002 and subsequently promoted to Manager (Cost Estimator) in 2006 where he was tasked to manage the cost estimations of the interior fitting-out activities of the company. In 2008, he was further promoted to Senior Contracts Manager, retaining his previous responsibilities. He resigned from the company in 2009.

In 2009, he was appointed as a Director of JL Interiors Sdn Bhd, focusing on interior design, renovation and related civil engineering works. He ceased his directorship in the company in 2011.

In 2010, he co-founded Genesis Garden Sdn Bhd as a Director to carry out interior design and related contracting works. He ceased his directorship in the company in 2016.

In 2014, he joined SAC as a General Manager, where he was responsible for managing production facility operations. While assuming his position as General Manager in SAC, he was appointed as a Director of SAR in 2015, and subsequently ceased his directorship in SAR in 2021. In 2024, he was appointed as our Head of Production, where he assumed his current responsibilities.

Kindly refer to Section 5.3.4(a) for his involvement in other business activities outside our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)**5.3.4 Principal business performed outside our Group**

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

(a) Mah Chee Tiam

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholdings held	
					Direct	Indirect
<u>Present involvement</u>						
Jawil Industrial Sdn Bhd	Distributor of sensors and safety products for oil and gas industries	Non-Executive Director and shareholder	31 January 2013	-	30.0	-

Past involvement

Nil

The involvement of our key senior management in those business activities outside our Group does not give rise to any conflict of interest situation with our business. He is not directly involved in the management and day-to-day operations of Jawil Industrial Sdn Bhd, which are managed by the company's other shareholders and own management team. As such, his involvement in other directorship or business activities outside our Group are not expected to affect his contribution to our Group, and hence does not affect his ability to fulfil his roles and responsibilities to our Group.

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

5.3.5 Key senior management remuneration and benefits

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

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Directors which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYE 2022 to 2025 are as follows:

	⁽¹⁾ Remuneration band			
	FYE 2022 (Paid)	FYE 2023 (Paid)	FYE 2024 (Paid)	⁽²⁾ FYE 2025 (Proposed)
	RM'000			
Ng Mun Moh	400 - 450	500 - 550	750 - 800	550 - 600
Saw Gee Kai	50 - 100	200 - 250	200 - 250	250 - 300
Kwan Yik Chuan	200 - 250	300 - 350	300 - 350	250 - 300
Mah Chee Tiam	150 - 200	150 - 200	150 - 200	250 - 300

Notes:

- (1) The remuneration for key senior management includes salaries, bonuses (except for FYE 2025), allowances and other emoluments.
- (2) The bonuses for FYE 2025 are not included. Such bonuses, if any, will be determined at a later date based on the individual's performance as well as our Group's performance, and will be subject to recommendation of our Nomination and Remuneration Committee and approval by our Board.

5.4 BOARD PRACTICE

5.4.1 Board

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

- (a) together with management, to promote good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;
- (b) to review and set a strategic plan for our Group to ensure that the strategic plan of our Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (c) to review, challenge and decide on management's proposals for our Group, and monitor its implementation by management;
- (d) to oversee the conduct of our Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour, management performance and conduct of the business of our Group;
- (e) to identify the principal risks and ensure implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to our shareholders;

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

- (f) to review the information and risk management and internal control system and the effectiveness of the management;
- (g) to ensure there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. Our Board delegates to our Nomination and Remuneration Committee to review succession plans and remuneration packages for our Directors respectively as well as our Group's policies and procedures on remuneration for the consultants who are employees of our Group. Our Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
- (h) to develop and implement an investor relations programme or shareholders' communications policy for our Group to enable effective communication with stakeholders;
- (i) to review and approve financial statements;
- (j) to review and approve the Audit Committee and Nomination and Remuneration Committee reports at the end of each financial year;
- (k) to review and approve our Company's annual report;
- (l) to ensure the integrity of our Company's financial and non-financial reporting; and
- (m) to undertake a formal and objective annual evaluation to determine the effectiveness of our Board, Board committees and each individual Director.

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

As at the date of this Prospectus, the details of the date of expiration of the current term of office for each of our Directors and the period that each of our Directors has served in office are as follows:

Name	Designation	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of years in office as at LPD
Datuk Wan Ahmad Satria Bin Wan Hussein	Independent Non-Executive Chairman	12 July 2024	At the first AGM of our Company	Less than 1 year
Chang Chung Fei	Executive Director/ Group Chief Executive Officer	10 January 2024	At the first AGM of our Company	1 year, 3 months
Foo Khai Shin	Executive Director/ Chief Executive Officer – Northern Region	10 January 2024	At the first AGM of our Company	1 year, 3 months
Lau Kock Sang	Non-Independent Non-Executive Director	12 July 2024	At the first AGM of our Company	Less than 1 year

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

Name	Designation	Date of appointment as Director	Date of expiration of the current term in office	Approximate no. of years in office as at LPD
Dato' Boey Chin Gan	Independent Non-Executive Director	12 July 2024	At the first AGM of our Company	Less than 1 year
Tan Poh Cheok	Independent Non-Executive Director	12 July 2024	At the first AGM of our Company	Less than 1 year
Lim Sook Yee	Independent Non-Executive Director	12 July 2024	At the first AGM of our Company	Less than 1 year

The members of our Board are set out in Section 5.2. Our Board takes note of the recommendations under the MCCG released in April 2021 and intends to have our Group adhere to its recommendations. Specifically, on Practice Note 5.9, where it is recommended that our Board comprises at least 30% women directors. As at the date of this Prospectus, our Board comprises 2 women Board members out of a total of 7 Board members, which represents 29% of our Board, and is a departure from Practice Note 5.9. We undertake to secure the appointment of 1 additional woman Director within a year after our Listing to meet the recommendation of 30% women Board members.

Save for Practice Note 5.9, the composition of our Board presently adheres to the other recommendations of the MCCG, details of which are as follows:

- (a) at least half of our Board comprised Independent Non-Executive Directors;
- (b) the position of our Chairman who is responsible for leading our Board in its collective oversight of management, and our Group Chief Executive Officer who focuses on the business and day-to-day operations of our Group are held by different individuals;
- (c) our Independent Non-Executive Chairman is not a member of our Board Committees namely, Audit Committee, Nomination and Remuneration Committee, as well as Risk Management and Sustainability Committee; and
- (d) our Board Committees comprised solely Independent Non-Executive Directors.

5.4.2 Audit Committee

The members of our Audit Committee are as follows:

Name	Designation	Directorship
Lim Sook Yee	Chairperson	Independent Non-Executive Director
Dato' Boey Chin Gan	Member	Independent Non-Executive Director
Tan Poh Cheok	Member	Independent Non-Executive Director

The main function of our Audit Committee is to assist our Board in fulfilling its oversight responsibilities. Our Audit Committee has full access to internal and external auditors who in turn have access at all times to the Chairperson of our Audit Committee.

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

The key duties and responsibilities of our Audit Committee as stated in its terms and reference include, amongst others, the following:

(i) Financial Reporting and Compliance

- (a) to review the quarterly unaudited financial results and audited financial statements, prior to recommending to our Board for approval, focusing particularly on:
 - any changes in or implementation of major accounting policies;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions and how these matters are being addressed;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements; and
 - major areas;
- (b) to monitor any related party transaction that may arise within our Group including any transaction, procedure or course of conduct that raises question of management integrity;
- (c) to review and report any conflict of interest that arose or persist (in addition to those that may arise) within our Group, and the measures taken to resolve, eliminate or mitigate the conflict of interest;
- (d) to obtain regular updates from the management, the internal and external auditors regarding compliance matters of our Group;
- (e) review findings, queries or investigations by the regulatory agencies (if any); and
- (f) to report any suspected frauds/ irregularities, serious internal control deficiencies, suspected infringement of laws, rules and regulations that warrants the attention of our Board.

(ii) External Audit

- (a) to review with the external auditors:
 - the audit plan;
 - its evaluation of the system of internal controls;
 - the audit report;
 - the assistance given by the employees and the management of our Group to the external auditors;
 - the management letter of the external auditors and the management's response; and
 - the statement on risk management and internal control;
- (b) to nominate and recommend, consider the appointment and/ or re-appointment of the external auditors, to consider the adequacy of experience, resources, audit fee and any issues regarding resignation or dismissal of the external auditors and to review the letter of resignation from the external auditors if applicable and report the same to our Board;
- (c) to consider the performance of the external auditors and its independence;

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

- (d) to review the competency and performance of the external auditors and whether there is any reason, supported by ground, to believe that the external auditors is not suitable for re-appointment;
- (e) to review the circumstances under which contracts and nature for the provision of non-audit services can be entered into by our Group with the external auditors or its affiliates and procedures that must be followed by the external auditors to ensure that the objectivity and independence of the external auditors are not impaired; and
- (f) to discuss problems and reservations arising from the interim and final audits, and any matter that the external auditors may wish to discuss (in the absence of management where necessary).

(iii) Internal Audit

- (a) to review with the internal auditors the internal audit plan, processes, the results of the internal audit assessments, investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (b) to review the adequacy of the scope of the internal audit function including the internal audit plan, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (c) to ensure the internal audit function is independent of the activities it audits and the internal auditors report directly to our Audit Committee;
- (d) to review and assess the performance of members of the internal audit function;
- (e) to approve the appointment or termination of the internal auditors;
- (f) to ensure that appropriate action is taken upon the recommendations of the internal auditors, where necessary;
- (g) to discuss problems and reservations arising from the internal audits, and any matter that the internal auditors may wish to discuss (in the absence of management where necessary); and
- (h) to take cognisance of resignations of internal audit staff members (for in-house internal audit function) or the internal audit service provider (for out-sourced internal audit) and provide the resigning staff member or the internal audit service provider an opportunity to submit his reasons for resigning.

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

5.4.3 Nomination and Remuneration Committee

The members of our Nomination and Remuneration Committee are as follows:

Name	Designation	Directorship
Dato' Boey Chin Gan	Chairperson	Independent Non-Executive Director
Tan Poh Cheok	Member	Independent Non-Executive Director
Lim Sook Yee	Member	Independent Non-Executive Director

The key duties and responsibilities of our Nomination and Remuneration Committee as stated in its terms and reference, amongst others, the following:

(i) Nomination

- (a) to develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors;
- (b) to identify, consider and recommend to our Board, candidates for directorships of our Company;
- (c) to recommend to our Board the appointment of our Chairman, Group Chief Executive Officer, Directors and members of each Board Committees, including an assessment of the time commitment expected and recognising the need for availability in the event of crises;
- (d) to conduct annual performance appraisal on our Board as a whole, our Board Committees and contribution of each individual Director as well as the performance of our Group Chief Executive Officer and key management personnel in addressing the Company's material sustainability risks and opportunities;
- (e) to assess annually the independence of our Independent Directors;
- (f) to identify the training needs of each Director, review the fulfilment of such training and disclose the details in our annual report;
- (g) to review our Board and senior management's succession plans;
- (h) to review annually the required mix of skills, experience and other qualities of our Board, including core competencies which Non-Executive Directors should bring to our Board;
- (i) to recommend to our Board on the retirement and re-election of retiring Directors to our Board pursuant to our Constitution and contingent on satisfactory evaluation of retiring Director's tenure, performance, contribution to our Board and the current composition of our Board; and
- (j) to assess the term of office and performance of our Audit Committee and each of its members annually to determine whether our Audit Committee and its members have carried out their duties in accordance with its terms of reference.

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

(ii) Remuneration

- (a) to establish a formal and transparent procedure for developing policy on the remuneration of our Group Chief Executive Officer, Executive Directors and senior management;
- (b) to recommend to our Board the remuneration packages including performance related pay schemes for our Group Chief Executive Officer, Executive Director and senior management;
- (c) to recommend to our Board the remuneration packages of Non-Executive Directors, including Non-Executive Chairman;
- (d) to recommend to our Board the remuneration packages/ allowances of members of our Board Committees; and
- (e) to review the fees of our Directors and any benefits payable to our Directors including any compensation for loss of employment of director or former director.

5.4.4 Risk Management and Sustainability Committee

The members of our Risk Management and Sustainability Committee are as follows:

Name	Designation	Directorship
Tan Poh Cheok	Chairperson	Independent Non-Executive Director
Dato' Boey Chin Gan	Member	Independent Non-Executive Director
Lim Sook Yee	Member	Independent Non-Executive Director

The key duties and responsibilities of our Risk Management and Sustainability Committee as stated in its terms and reference, amongst others, the following:

(i) Risk Management and Internal Control

- (a) to review the adequacy and integrity, including effectiveness, of risk management and internal control systems, management information systems, and the internal auditors' and/ or external auditors' evaluation of the said systems and assess the resources and knowledge of the management and employee involved in the risk management process;
- (b) to review the risk profile of our Group (including risk registers) and our risk management team's plans to mitigate business risks as identified from time to time;
- (c) to review the effectiveness of internal control systems deployed by the management to address those risks;
- (d) to review and recommend our Group's statement on risk management and internal control; and
- (e) to review and recommend the corrective measures undertaken to remedy weaknesses or internal control deficiencies.

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

(ii) Sustainability

- (a) to oversee the governance of sustainability within our Group, including setting our Group's sustainability strategies, priorities and targets;
- (b) to ensure that strategies, priorities and targets pertaining to environment, social and governance are aligned with our Group's commitment to sustainability;
- (c) to manage the process, framework and strategies for handling environmental, social and governance risks;
- (d) to monitor the adoption and effectiveness of sustainability-related policies, framework and procedures;
- (e) to review and monitor our Group's sustainability key performance indicators against the sustainability strategies and targets; and
- (f) to review and monitor the material sustainability matters relevant to our Group, including climate-related risks and opportunities.

5.5 RELATIONSHIPS AND/ OR ASSOCIATIONS

Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon, both of whom are our indirect substantial shareholders, are father and son. Save for the aforementioned, there are no family relationships or association between or amongst our other Promoters, Directors, substantial shareholders and key senior management as at LPD.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

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

5.7 DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

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

- (a) in the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- (b) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) in the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;

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

- (e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (g) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (h) has any unsatisfied judgment against him.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 10 January 2024 as a private limited company under the name of Signature Alliance Group Sdn Bhd. On 20 September 2024, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiaries, we are principally involved in the provision of interior fitting-out services and building construction works. Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM38,184,002.00 comprising 740,000,000 Shares, which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital RM
10 January 2024	2	RM2/ Subscribers' share	2
3 March 2025	591,999,998	RM30,547,200/ Consideration for the Acquisition of SAC	30,547,202
3 March 2025	148,000,000	RM7,636,800/ Consideration for the Acquisition of Zig Zag Builders	38,184,002

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

Upon completion of our IPO, our enlarged share capital will increase to RM199.4 million comprising 1,000,000,000 Shares.

6.2 DETAILS OF THE ACQUISITIONS AND SHAREHOLDINGS REORGANISATION

6.2.1 Acquisition of SAC

In preparation for our Listing, we have undertaken the Acquisition of SAC. On 27 September 2024, we entered into a conditional share sale agreement with SIB, Chang Chung Fei and Ng Mun Moh to acquire the entire equity interest in SAC comprising 1,500,000 ordinary shares for a purchase consideration of RM30.5 million which was satisfied by the issuance of 591,999,998 new Shares to SIB, Chang Chung Fei and Ng Mun Moh at an issue price of RM0.0516 each.

6. INFORMATION ON OUR GROUP (Cont'd)

Details of the Acquisition of SAC and the number of Shares issued to the vendors pursuant to the Acquisition of SAC are set out below:

Vendors of SAC	Shareholdings in SAC		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
			RM'000	
SIB	765,000	51.0	15,579	301,920,000
Chang Chung Fei	514,500	34.3	10,478	203,055,998
Ng Mun Moh	220,500	14.7	4,490	87,024,000
	1,500,000	100.0	30,547	591,999,998

The purchase consideration for the Acquisition of SAC of RM30.5 million was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the adjusted NA of SAC as at 31 December 2023 of RM30.6 million and the declaration and payment of dividends in respect of FYE 2023, details of which are as follows:

	RM'000
Audited NA of SAC as at 31 December 2023	30,790
Less: Dividends paid on 8 February 2024	(225)
Adjusted NA of SAC	30,565

The Acquisition of SAC was completed on 3 March 2025. Thereafter, SAC became our wholly-owned subsidiary, as set out in our group structure in Section 6.3.

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

6.2.2 Acquisition of Zig Zag Builders

In preparation for our Listing, we have undertaken the Acquisition of Zig Zag Builders. On 27 September 2024, we entered into a conditional share sale agreement with SIB and Foo Khai Shin to acquire the entire equity interest in Zig Zag Builders comprising 1,000,000 ordinary shares for a purchase consideration of RM7.6 million which was satisfied by the issuance of 148,000,000 new Shares to SIB and Foo Khai Shin at an issue price of RM0.0516 each.

Details of the Acquisition of Zig Zag Builders and the number of Shares issued to the vendors pursuant to the Acquisition of Zig Zag Builders are set out below:

Vendors of Zig Zag Builders	Shareholdings in Zig Zag Builders		Purchase consideration	No. of Shares issued
	No. of shares acquired	% of share capital		
			RM'000	
SIB	501,000	50.1	3,826	74,148,000
Foo Khai Shin	499,000	49.9	3,811	73,852,000
	1,000,000	100.0	7,637	148,000,000

The purchase consideration for the Acquisition of Zig Zag Builders of RM7.6 million was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the adjusted NA of Zig Zag Builders as at 31 December 2023 of RM7.6 million and the declaration and payment of dividends in respect of FYE 2023, details of which are as follows:

6. INFORMATION ON OUR GROUP (Cont'd)

	RM'000
Audited NA of Zig Zag Builders as at 31 December 2023	7,731
Less: Dividends paid on 7 February 2024	(100)
Adjusted NA of Zig Zag Builders	7,631

The Acquisition of Zig Zag Builders was completed on 3 March 2025. Thereafter, Zig Zag Builders became our wholly-owned subsidiary, as set out in our group structure in Section 6.3.

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

6.2.3 Shareholdings Reorganisation

In respect of the Acquisitions, the vendors of SAC and Zig Zag Builders, namely SIB, Chang Chung Fei, Foo Khai Shin and Ng Mun Moh entered into a conditional share sale agreement to implement a shareholdings reorganisation exercise involving the transfer of their shareholdings in the Company among themselves, details of which are as follows:

Name	After the Acquisitions		Changes in no. of Shares held pursuant to the Shareholdings Reorganisation	After the Shareholdings Reorganisation	
	No. of Shares	% of share capital		No. of Shares	% of share capital
SIB	376,068,000	50.8	(1,021,040)	375,046,960	50.7
Chang Chung Fei	203,056,000	27.4	(38,912,950)	164,143,050	22.2
Foo Khai Shin	73,852,000	10.0	56,610,970	130,462,970	17.6
Ng Mun Moh	87,024,000	11.8	(16,676,980)	70,347,020	9.5
	740,000,000	100.0		740,000,000	100.0

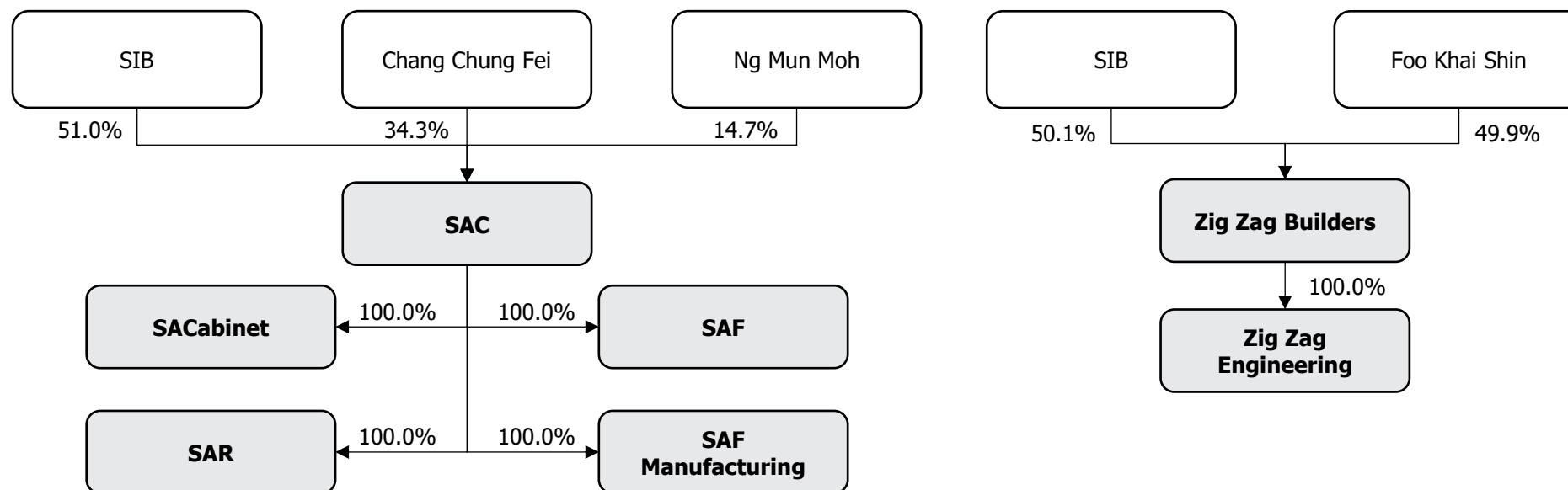
The Shareholdings Reorganisation was undertaken to facilitate the transfer of existing Shares held by SIB, Chang Chung Fei and Ng Mun Moh to Foo Khai Shin to regularise their shareholdings in our Company. Such transfer of Shares had taken into consideration the existing and expected earning contributions of SAC and Zig Zag Builders to our Group, and hence was agreed upon between SIB, Chang Chung Fei, Foo Khai Shin and Ng Mun Moh to reflect the agreed shareholdings amongst themselves. The consideration paid by Foo Khai Shin in respect of the Shares received by him was a nominal amount of RM0.001 per Share, amounting to the total consideration of approximately RM56,611, and was arrived at based on a "willing-buyer willing-seller" basis. The Shareholdings Reorganisation does not have any effect on our issued share capital.

The Shareholdings Reorganisation was completed on 26 March 2025.

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

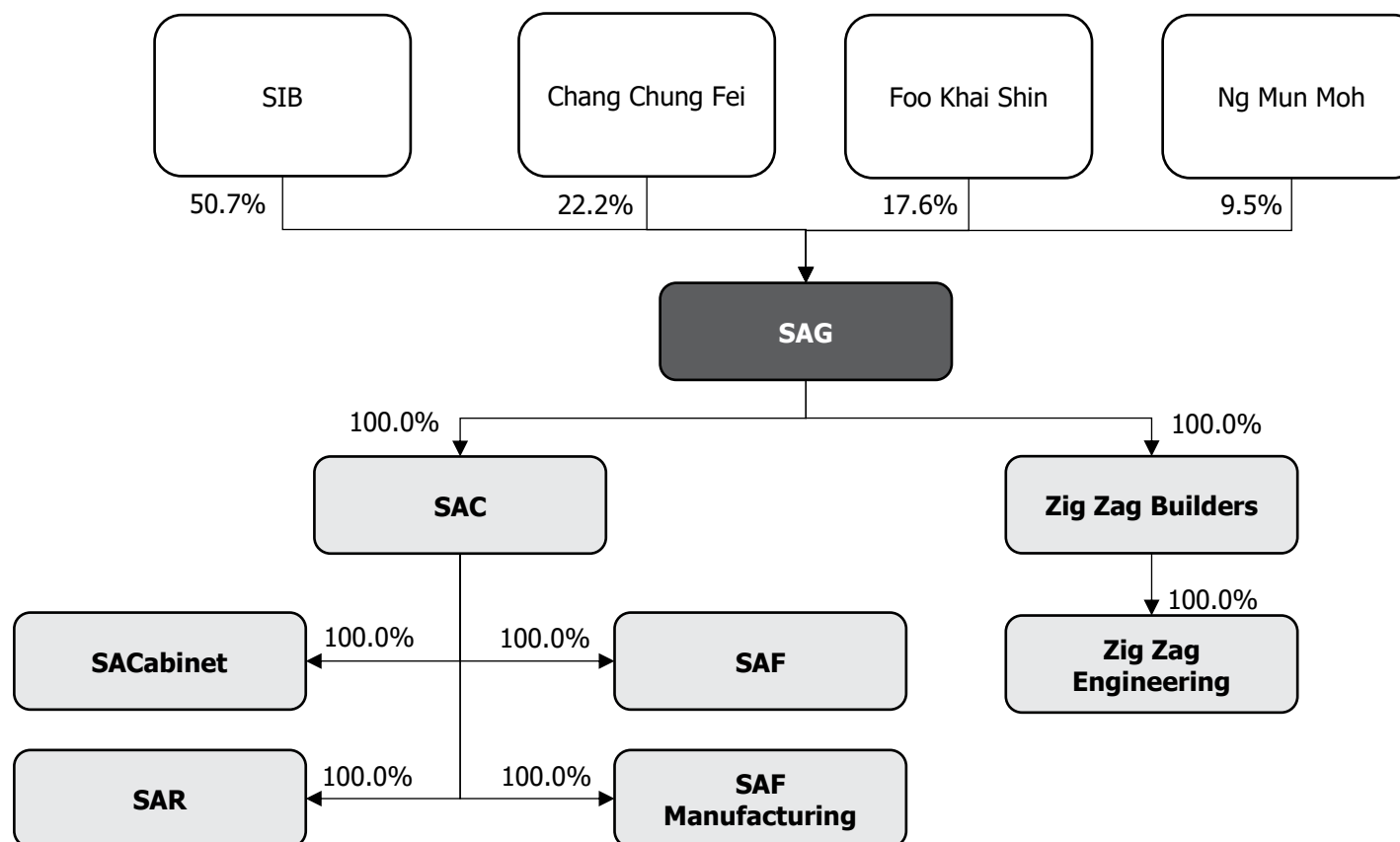
6.3 GROUP STRUCTURE

Before the Acquisitions



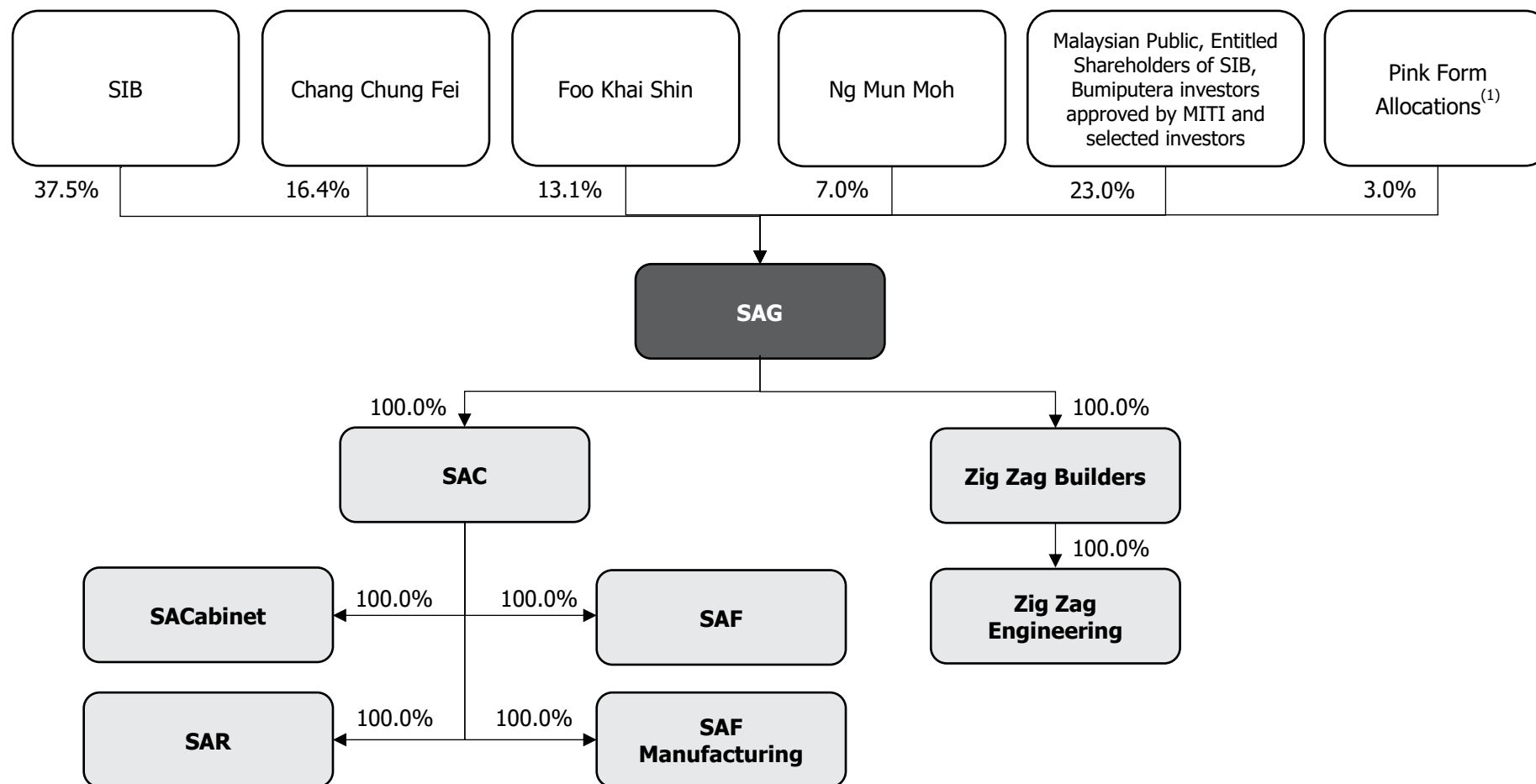
6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisitions and Shareholdings Reorganisation but before our IPO



6. INFORMATION ON OUR GROUP (Cont'd)

After Acquisitions, Shareholdings Reorganisation and our IPO



Note:

⁽¹⁾ Assuming that all Eligible Persons will subscribe for the Pink Form Allocations.

6. INFORMATION ON OUR GROUP (Cont'd)**6.4 SUBSIDIARIES AND ASSOCIATED COMPANIES**

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

Company/ Registration No.	Date/ Place of incorporation	Date of commencement of operations	Principal place of business	Issued share capital RM	Effective equity interest %	Principal activities
SAC/ 200901033729 (876842-P)	28 October 2009/ Malaysia	28 October 2009	Malaysia	1,500,000	100.0	Provision of interior fitting-out services and building construction ⁽¹⁾
Zig Zag Builders/ 201501015761 (1141094-M)	20 April 2015/ Malaysia	20 April 2015	Malaysia	1,000,000	100.0	Provision of interior fitting-out services and building construction ⁽¹⁾
<u>Held through SAC</u>						
SACabinet/ 201401043467 (1119646-H)	25 November 2014/ Malaysia	25 November 2014	Malaysia	100,000	100.0	Provision of interior fitting-out services ⁽²⁾
SAF/ 201301030224 (1060054-K)	29 August 2013/ Malaysia	29 August 2013	Malaysia	150,000	100.0	Customisation and supply of carpentry/ joinery parts and integral fixtures
SAF Manufacturing/ 200601033406 (753165-V)	15 November 2006/ Malaysia	15 November 2006	Malaysia	100	100.0	Manufacturing of customised wooden furniture
SAR/ 201101038608 (966730-K)	3 November 2011/ Malaysia	20 May 2015	Malaysia	150,000	100.0	Supply of building materials
<u>Held through Zig Zag Builders</u>						
Zig Zag Engineering/ 202401009788 (1555638-H)	11 March 2024/ Malaysia	11 March 2024	Malaysia	250,000	100.0	Provision of air conditioning ducting works

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) The principal activities of SAC and Zig Zag Builders in the provision of interior fitting-out services and building construction can be distinguished as follows:

Criteria	SAC	Zig Zag Builders
Area of coverage of projects undertaken	Mainly in central region. Also undertakes projects in the northern and southern regions	Mainly in northern and central regions. Also undertakes projects in the southern, east coast and east Malaysia regions
Type of properties	(a) Commercial properties • Retail and hospitality • Corporate offices • Showrooms and sales galleries • SOHO • Education institution • Medical and wellness (b) Residential properties • High-rise buildings	(a) Commercial properties • Retail and hospitality • Corporate offices • Showrooms and sales galleries • Medical and wellness (b) Industrial properties (c) Residential properties • High-rise buildings • Landed buildings
Client base	Owners or tenants of commercial and residential properties, main contractors and interior designers	Owners or tenants of commercial, industrial and residential properties, main contractors and interior designers

For clarity, the area of coverage of projects is not exclusive to SAC and Zig Zag Builders respectively, as they serve different clients that own and/or operate different types of properties in various regions.

- (2) Relates to smaller scale interior fitting-out services works performed, generally for residential projects.

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

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

6. INFORMATION ON OUR GROUP (Cont'd)

6.5 MATERIAL CONTRACTS

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

- (a) Sale and purchase agreement dated 30 December 2021 between Citra Signs Marketing Sdn Bhd and Zig Zag Builders for the acquisition of 1½-storey factory located at 56, Jalan TPP 1/19, Taman Industri Puchong, 47100 Puchong, Selangor for a cash consideration of RM4,068,000, which was completed on 31 May 2022;
- (b) Share transfer form dated 1 January 2022 entered into between SAC and Ng Mun Moh (our Chief Executive Officer – Central Region) for the acquisition of 15,300 ordinary shares, representing 15.3% equity interest in SACabinet, for a cash consideration of RM15,300, which was completed on 1 January 2022;
- (c) Share transfer form dated 1 January 2022 entered into between SAC and Chang Chung Fei (our Executive Director/ Group Chief Executive Officer) for the acquisition of 84,700 ordinary shares, representing 84.7% equity interest in SACabinet, for a cash consideration of RM84,700, which was completed on 1 January 2022;
- (d) Share transfer form dated 1 January 2022 entered into between SAC and SAF for the acquisition of 100 ordinary shares, representing the entire equity interest in SAF Manufacturing, for a cash consideration of RM100, which was completed on 1 January 2022;
- (e) Share transfer form dated 1 January 2022 entered into between SAC and Ng Mun Moh (our Chief Executive Officer – Central Region) for the acquisition of 38,000 ordinary shares, representing 38.0% equity interest in SAF, for a cash consideration of RM38,000, which was completed on 1 January 2022;
- (f) Share transfer form dated 1 January 2022 entered into between SAC and Chang Chung Fei (our Executive Director/ Group Chief Executive Officer) for the acquisition of 62,000 ordinary shares, representing 62.0% equity interest in SAF, for a cash consideration of RM62,000, which was completed on 1 January 2022;
- (g) Share transfer form dated 1 January 2022 entered into between SAC and Ng Mun Moh (our Chief Executive Officer – Central Region) for the acquisition of 45,000 ordinary shares, representing 30.0% equity interest in SAR, for a cash consideration of RM45,000, which was completed on 1 January 2022;
- (h) Share transfer form dated 1 January 2022 entered into between SAC and Chang Chung Fei (our Executive Director/ Group Chief Executive Officer) for the acquisition of 105,000 ordinary shares, representing 70.0% equity interest in SAR, for a cash consideration of RM105,000, which was completed on 1 January 2022;
- (i) Business purchase agreement dated 20 January 2023 between Best Stone Building Materials Sdn Bhd⁽¹⁾ (as vendor), SAC (as purchaser), Tey Kok Lean (as warrantor), Siah Kim Eng (as warrantor) and Chiau Haw Choon (as guarantor) for the purchase of business and operating assets of Best Stone Building Materials Sdn Bhd at a total consideration of RM11,800,000⁽²⁾, which was completed on 10 July 2023 ("**Business Purchase Agreement**");

6. INFORMATION ON OUR GROUP (Cont'd)

- (j) Novation and amendment agreement dated 25 May 2023 between Best Stone Building Materials Sdn Bhd (as vendor), SAC (as outgoing purchaser), Best Stone (as incoming purchaser), Tey Kok Lean (as warrantor), Siah Kim Eng (as warrantor) and Chiau Haw Choon (as guarantor) for the novation and amendment to the Business Purchase Agreement by novating all rights, liabilities and obligations from SAC to Best Stone for a cash consideration of RM1.00, which was completed on 25 May 2023⁽³⁾;
- (k) Share sale agreement dated 29 December 2023 between SAC (as vendor), Tey Kok Lean and Siah Kim Eng (as purchaser) for the disposal of SAC's entire shareholdings of 60.0% in Best Stone at a net cash consideration of RM3,540,000⁽²⁾, which was completed on 29 December 2023;
- (l) Settlement agreement dated 30 August 2023 between SAC and Ho Hup Construction Company Berhad ("**Ho Hup**") for the settlement of a payment dispute of RM1,519,691 for the interior fitting-out works undertaken by SAC in a retail mall known as "Aurora Place" at Bukit Jalil, Kuala Lumpur⁽⁴⁾. As at LPD, the parties have entered into a further settlement arrangement as set out in Section 6.5(q);
- (m) Conditional sale and purchase agreement dated 20 June 2024 between SAC and Darell Yong Chung Soong for the disposal of 1 residential unit erected within a housing development known as "Puteri Cove Residences", bearing postal address T1-18-05, Residensi Teluk Puteri, Jalan Tanjung, Puteri Harbour, 79100 Iskandar Puteri, Johor for a cash consideration of RM650,000, which was completed on 11 December 2024;
- (n) Conditional share sale agreement dated 27 September 2024 entered into between our Company, SIB, Chang Chung Fei and Ng Mun Moh for the Acquisition of SAC, which was completed on 3 March 2025;
- (o) Conditional share sale agreement dated 27 September 2024 entered into between our Company, SIB and Foo Khai Shin for the Acquisition of Zig Zag Builders, which was completed on 3 March 2025;
- (p) Underwriting agreement dated 15 April 2025 entered into between our Company and our Managing Underwriter, M&A Securities, and Joint Underwriters, M&A Securities and Affin Hwang IB, for the underwriting of 100,000,000 Issue Shares for an underwriting commission of 2.0% of the IPO Price multiplied by the number of Issue Shares underwritten;
- (q) Settlement agreement dated 28 March 2025 between SAC and Ho Hup for the settlement of the payment dispute of RM1,519,691 for the interior fitting-out works undertaken by SAC in a retail mall known as "Aurora Place" at Bukit Jalil, Kuala Lumpur. Such settlement agreement was completed on 4 April 2025⁽⁵⁾;
- (r) Conditional sale and purchase agreement dated 28 March 2025 between SAC and Ho Hup for the acquisition of 1 shop office unit erected within a commercial development known as "Aurora Place", bearing postal address A-01-17, Plaza Bukit Jalil (Aurora Place), No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur for a cash consideration of RM900,000, which is expected to complete by June 2025; and
- (s) Conditional sale and purchase agreement dated 28 March 2025 between SAC and Ho Hup for the acquisition of 2 shop office units erected within a commercial development known as "Aurora Place", bearing postal address A-02-17 and A-03-17, both of Plaza Bukit Jalil (Aurora Place), No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur for a cash consideration of RM950,000, which is expected to complete by June 2025.

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Best Stone Building Materials Sdn Bhd is principally involved in supplying stone products.
- (2) The intended shareholding structure of Best Stone was as follows:
 - (i) SAC: 60.0% ownership, with a capital contribution of RM7.1 million; and
 - (ii) Tey Kok Lean and Siah Kim Eng: 40.0% ownership, contributing RM4.7 million by injecting the business and operating assets of Best Stone Building Materials Sdn Bhd.

In relation to (i) above, out of RM7.1 million, a sum of RM3.5 million was injected by SAC to Best Stone for the settlement of the first tranche of the purchase consideration and the remaining RM3.5 million was later advanced to SAC by Best Stone. Prior to the balance sum of RM3.5 million falling due, the parties had entered into the share sale agreement as set out in Section 6.5(k) where the advances of RM3.5 million provided by Best Stone were offset against part of the disposal consideration.

In relation to (ii) above, Tey Kok Lean and Siah Kim Eng contributed RM4.7 million by injecting the business and operating assets of Best Stone Building Materials Sdn Bhd, securing 40.0% shareholdings in Best Stone.

- (3) The novation of SAC's rights, liabilities and obligations to Best Stone, as outlined in the Business Purchase Agreement (as set out in Section 6.5(i)), reflects the parties' understanding where Best Stone will, upon its incorporation, assume the rights, liabilities and obligations of SAC under the Business Purchase Agreement as purchaser.
- (4) The dispute between SAC (as subcontractor) and Ho Hup (as main contractor) arose from Ho Hup's failure to pay SAC for completed works under the LOA dated 6 February 2017 for the interior fitting-out works for Aurora Place. For clarity, SAC had completed the interior fitting-out works, and CPCs for different phases were issued on 3 January 2019 and 30 June 2019 respectively. However, Ho Hup failed to fulfil its payment obligation, leading to SAC initiating adjudication proceedings for the unpaid amounts.
- (5) Under the terms of new settlement agreement, Ho Hup will dispose of 3 shop office units, namely A-01-17, A-02-17, and A-03-17 at Aurora Place at Bukit Jalil, Kuala Lumpur, to SAC at a discounted price of RM1,850,000. Based on market prices of similar units in Aurora Place, the total market value is approximately RM4.0 million. In addition, Ho Hup will also pay an additional sum of RM100,000 being the full and final settlement of the payment dispute. The details of the disposal of 3 shop units are set out in Sections 6.5(r) and 6.5(s).

6.6 PUBLIC TAKE-OVERS

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

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

6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR APPROVALS AND LICENCES

As at LPD, there are no other major approvals, licences and permits issued to our Group in order for us to carry out our operations other than those disclosed below:

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(a)	SAC	Majilis Perbandaran Kajang	16 July 2024/ 15 July 2025	<u>Registration No.</u> MPKJ/CL/1/227/2018 <u>Nature of Approval/Licences</u> Business licence to use 11, Jalan SC 6, Taman Perindustrian Sungai Chua, 43000 Kajang, Selangor as office and warehouse	Nil	N/A
(b)	SAF	Majilis Perbandaran Kajang	1 January 2025/ 31 December 2025	<u>Registration No.</u> MPKJ/CL/10/36/2015 <u>Nature of Approval/Licences</u> Business licence to use Lot 10, Jalan P/15, Kawasan Perusahaan Bandar Baru Bangi, 43650 Bandar Baru Bangi, Selangor as production facility	Nil	N/A
(c)	SAF Manufac-turing	Majilis Perbandaran Kajang	22 August 2024/ 21 August 2025	<u>Registration No.</u> MPKJ/CL/10/5/2015 <u>Nature of Approval/Licences</u> Business licence to use Lot 10, Jalan P/15, Kawasan Perusahaan Bandar Baru Bangi, 43650 Bandar Baru Bangi, Selangor as production facility	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(d)	SAC	Jabatan Pelesenan dan Pembangunan Perniagaan ("DBKL")	30 March 2025/ 29 March 2026	Registration No. DBKL.JPPP/03649/03/2024/KM01 Nature of Approval/Licences Business licence to use 16 G/M Jalan Utara, 55100 Kuala Lumpur as site office	Nil	N/A
(e)	SAC	Majlis Perbandaran Kajang	1 January 2025/ 31 December 2025	Registration No. MPKJ/CL/1/143/2024 Nature of Approval/Licences Business licence to use C15-G, Jalan TKS 2, Taman Kajang Sentral, 43000 Kajang, Selangor as warehouse	Nil	N/A
(f)	SAC	CIDB	14 April 2025/ 1 May 2028	Registration No. 0120110505-SL134001 Nature of Approval/Licences Certificate of Registration as contractor in respect of Grade 7 with no limit on tender/ value of work and for undertaking the following scope of works: Code Details B04 General building construction works B07 interior decoration works B21 Scaffold installation works	1. This certificate is non-transferable. 2. CIDB reserves the rights to review the registration grade of the registered contractor from time to time. 3. The contractor shall not participate in any tender or carry out any construction work after the expiration of this certificate and until it is renewed.	Noted Noted Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences		Equity and/or major conditions imposed	Status of compliance
				Code	Details		
				B28	Additional works, changes or amendments to structural elements or architect/decorator or mechanical/electrical or a combination or to existing buildings	4. Renewal of the certificate shall be made at least 60 days prior to the expiry of the certificate.	Noted
				CE21	Civil engineering construction	5. The contractor shall not undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and shall not carry out any construction project outside of its registration category.	Complied
				CE29	Installation works, remodeling and maintain scaffolding		
				M15	Installation, testing and commissioning of various mechanical system	6. The contractor must submit information on any construction work or contract within 14 days after the award or before starting work or any earlier.	Complied
						7. There is no equity restriction imposed by the issuing authority on the contractor.	Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance								
(g)	SAF	CIDB	18 April 2025/ 3 May 2027	Registration No. 0120180307-SL009962 <u>Nature of Approval/Licences</u> Certificate of Registration as a contractor in respect of Grade 4 with a maximum limit of RM3.0 million on tender/ value of work and for undertaking the following scope of works: <table><tr><th>Code</th><th>Details</th></tr><tr><td>B04</td><td>General building construction works</td></tr><tr><td>CE21</td><td>Civil engineering construction</td></tr><tr><td>M15</td><td>Installation, testing and commissioning of various mechanical system</td></tr></table>	Code	Details	B04	General building construction works	CE21	Civil engineering construction	M15	Installation, testing and commissioning of various mechanical system	1. This certificate is non-transferable. 2. CIDB reserves the right to review the registration grade of the registered contractor from time to time. 3. The contractor shall not participate in any tender or carry out any construction work after the expiration of this certificate and until it is renewed. 4. Renewal of the certificate shall be made at least 60 days prior to the expiry of the certificate. 5. The contractor shall not undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and shall not carry out any construction project outside of its registration category.	Noted Noted Noted Noted Complied
Code	Details													
B04	General building construction works													
CE21	Civil engineering construction													
M15	Installation, testing and commissioning of various mechanical system													

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance						
					6. The contractor must submit information on any construction work or contract within 14 days after the award or before starting work or any earlier.	Complied						
					7. There is no equity restriction imposed by the issuing authority on the contractor.	Noted						
(h)	SAR	CIDB	25 April 2022/ 24 April 2025 ⁽¹⁾	<u>Registration No.</u> 0120180307-SL009890 <u>Nature of Approval/Licences</u> Certificate of Registration as a contractor in respect of Grade 3 with a maximum limit of RM1.0 million on tender/value of work and for undertaking the following scope of works: <table><tr><th>Code</th><th>Details</th></tr><tr><td>B04</td><td>General building construction works</td></tr><tr><td>CE21</td><td>Civil engineering construction</td></tr></table>	Code	Details	B04	General building construction works	CE21	Civil engineering construction	1. This certificate is non-transferable. 2. CIDB reserves the rights to review the registration grade of the registered contractor from time to time. 3. The contractor shall not participate in any tender or carry out any construction work after the expiration of this certificate and until it is renewed. 4. Renewal of the certificate shall be made at least 60 days prior to the expiry of the certificate.	Noted Noted Noted
Code	Details											
B04	General building construction works											
CE21	Civil engineering construction											

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing authority</u>	<u>Date of issue or commencement/ Date of expiry</u>	<u>Nature of approval/licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Status of compliance</u>
					5. The contractor shall not undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and shall not carry out any construction project outside of its registration category.	Complied
					6. The contractor must submit information on any construction work or contract within 14 days after the award or before starting work or any earlier.	Complied
					7. There is no equity restriction imposed by the issuing authority on the contractor.	Noted
(i)	SACabinet	CIDB	29 March 2023/ 2 May 2026	<u>Registration No.</u> 0120180312-SL010154 <u>Nature of Approval/Licences</u> Certificate of Registration as a contractor in respect of Grade 3 with a maximum limit of RM1.0 million on tender/value of work and for undertaking the following scope of works:	1. This certificate is non-transferable. 2. CIDB reserves the right to review the registration grade of the registered contractor from time to time.	Noted Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences		Equity and/or major conditions imposed	Status of compliance
				Code	Details		
				B04	General building construction works	3. The contractor shall not participate in any tender or carry out any construction work after the expiration of this certificate and until it is renewed.	Noted
				CE21	Civil engineering construction	4. Renewal of the certificate shall be made at least 60 days prior to the expiry of the certificate.	Noted
						The contractor shall not undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and shall not carry out any construction project outside of its registration category.	Complied
						5. The contractor must submit information on any construction work or contract within 14 days after the award or before starting work or any earlier.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing authority</u>	<u>Date of issue or commencement/ Date of expiry</u>	<u>Nature of approval/licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Status of compliance</u>
					6. There is no equity restriction imposed by the issuing authority on the contractor.	Noted
(j)	SAF Manufac-turing	Malaysian Timber Industry Board ("MTIB")	21 April 2025/ 30 June 2026	<u>Registration No.</u> 0131/6/2025 <u>Nature of Approval/Licences</u> Certificate of Registration to carry out the activities of manufacturing, selling, and storing wood products and wood-based products for domestic market purposes	1. The certificate of registration or renewal of a certificate of registration shall not be transferred or assigned. 2. The certificate of registration or renewal of a certificate of registration shall not be forged or amended.	Noted Noted
(k)	SAF Manufac-turing	Selangor Forestry Department ("Selangor FD")	1 January 2025/ 31 December 2025	<u>Registration No.</u> ST.16/ 2024/ Perabot <u>Nature of Approval/Licences</u> Wood-based industry factory licence to operate furniture mill at Lot 10, Jalan P/15, Kawasan Perusahaan Bandar Baru Bangi, 43650 Bandar Baru Bangi, Selangor for processing or changing the wood to various productions	1. The licensee shall not without the written approval of the State Authority - (i) Transfer this licence; (ii) Rent, lease, lend, pledge, or sell the whole factory or any part thereof or any equipment or any part of any equipment within the factory; or (iii) Make any changes in the ownership of the entire factory or any part thereof.	Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
					2. This furniture factory shall consist of machinery listed in the licence, and no machinery shall be added to or removed from the factory without the written permission of the State Forestry Department ("SFD").	Complied
					3. This furniture factory shall be constructed according to the approved plan of location, site, layout, and building approved by the SFD, and no changes/additions shall be made without the written permission of the SFD.	Noted
					4. Rough-sawn timber shall not, under any circumstances, be sold directly or indirectly for export or domestic markets.	Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(l)	Zig Zag Builders	Majlis Bandaraya Seberang Perai	11 November 2024/ 31 December 2025	Registration No. PRI/01/20240506/7535 Nature of Approval/Licences Business licence to use 32A, Jalan Perniagaan Vorteks 4, Pusat Perniagaan Vorteks, 14100 Simpang Ampat, Pulau Pinang as office	Nil	N/A
(m)	Zig Zag Builders	Majlis Bandaraya Subang Jaya	14 April 2025/ 15 October 2025	Registration No. MPSJ/LES/600/03/02251-25 Nature of Approval/Licences Temporary business licence to use 56, Jalan TPP 1/19, Taman Industri Puchong, 47100 Puchong, Selangor as a production facility ⁽²⁾	Nil	N/A
(n)	Zig Zag Builders	DBKL	5 July 2024/ 4 July 2025	Registration No. DBKL.JPPP/00127/07/2024/KM01 Nature of Approval/Licences Business licence to use Block J-1-10, Pusat Perdagangan Kuchai, 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur as office	Nil	N/A
(o)	Zig Zag Engineering	DBKL	3 July 2024/ 2 July 2025	Registration No. DBKL.JPPP/02521/06/2024/KM01	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance												
(p)	Zig Zag Builders	CIDB	2 October 2024/ 5 November 2027	<u>Nature of Approval/Licences</u> Business licence to use Block J-1-10, Pusat Perdagangan Kuchai, 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur as office														
				<u>Registration No.</u> 0120151101-KD167080	1. This certificate is non-transferable.	Noted												
				<u>Nature of Approval/Licences</u> Certificate of Registration as a contractor in respect of Grade 7 with no limit on tender/value of work and for undertaking the following scope of works:	2. CIDB reserves the right to review the registration grade of the registered contractor from time to time.	Noted												
				<table><tr><th>Code</th><th>Details</th></tr><tr><td>B04</td><td>General building construction works</td></tr><tr><td>B07</td><td>interior decoration works</td></tr><tr><td>B28</td><td>Additional works, changes or amendments to structural elements or architect/decorator or mechanical/electrical or a combination of existing buildings</td></tr><tr><td>CE21</td><td>Civil engineering construction</td></tr><tr><td>M15</td><td>Installation, testing and commissioning of various mechanical system</td></tr></table>	Code	Details	B04	General building construction works	B07	interior decoration works	B28	Additional works, changes or amendments to structural elements or architect/decorator or mechanical/electrical or a combination of existing buildings	CE21	Civil engineering construction	M15	Installation, testing and commissioning of various mechanical system	3. The contractor shall not participate in any tender or carry out any construction work after the expiration of this certificate and until it is renewed.	Noted
				Code	Details													
B04	General building construction works																	
B07	interior decoration works																	
B28	Additional works, changes or amendments to structural elements or architect/decorator or mechanical/electrical or a combination of existing buildings																	
CE21	Civil engineering construction																	
M15	Installation, testing and commissioning of various mechanical system																	
	4. Renewal of the certificate shall be made at least 60 days prior to the expiry of the certificate.	Noted																

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing authority</u>	<u>Date of issue or commencement/ Date of expiry</u>	<u>Nature of approval/licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Status of compliance</u>
					5. The contractor shall not undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and shall not carry out any construction project outside of its registration category.	Complied
					6. The contractor must submit information on any construction work or contract within 14 days after the award or before starting work or any earlier.	Complied
					7. There is no equity restriction imposed by the issuing authority on the contractor.	Noted
(q)	Zig Zag Engineering	CIDB	21 June 2024/ 20 June 2026	<u>Registration No.</u> 0120240620-WP139026 <u>Nature of Approval/Licences</u> Certificate of Registration as a contractor in respect of Grade 5 with a maximum limit of RM5.0 million on tender/value of work and for undertaking the following scope of works:	1. This certificate is non-transferable. 2. CIDB reserves the right to review the registration grade of the registered contractor from time to time.	Noted Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences		Equity and/or major conditions imposed	Status of compliance
				Code	Details		
				B04	General building construction works	3. The contractor shall not participate in any tender or carry out any construction work after the expiration of this certificate and until it is renewed.	Noted
				CE21	Civil engineering construction		
				M15	Installation, testing and commissioning of various mechanical system	4. Renewal of the certificate shall be made at least 60 days prior to the expiry of the certificate.	Noted
						5. The contractor shall not undertake to build any construction project that exceeds the value of the construction work specified under the registration grade and shall not carry out any construction project outside of its registration category.	Complied
						6. The contractor must submit information on any construction work or contract within 14 days after the award or before starting work or any earlier.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing authority</u>	<u>Date of issue or commencement/ Date of expiry</u>	<u>Nature of approval/licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Status of compliance</u>
					7. There is no equity restriction imposed by the issuing authority on the contractor.	Noted
(r)	Zig Zag Builders	MITI	29 May 2024/ -	<u>Registration No.</u> A 025838 <u>Nature of Approval/Licences</u> Manufacturing licence for the purpose of carrying out manufacturing activities at 56, Jalan TPP 1/19, Taman Industri Puchong, 47100 Puchong, Selangor	1. Site: 56, Jalan TPP 1/19, Taman Industri Puchong, 47100 Puchong, Selangor. The address stated in the licence is subject to approval by the State Government. 2. The sale of company shares must be notified to MITI and MIDA. 3. The company is required to train Malaysian citizens accordingly to facilitate the transfer of expertise and technology to all levels of employees. 4. The company must undertake its projects in accordance with the rules and regulations of Malaysia.	Complied Noted⁽³⁾ Noted Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(s)	Zig Zag Builders	MTIB	17 May 2024/ 30 June 2025 ⁽⁴⁾	<u>Registration No.</u> 0134/6/2025 <u>Nature of Approval/Licences</u> Certificate of Registration to carry out the activities of manufacturing, selling, and storing wood products and wood-based products for domestic market purposes	The licensee could carry out activities of manufacturing, selling and storing wood and wood-based products for the purpose of the domestic market of furniture products and furniture components under Section 13 (1) Malaysian Timber Industry Board (Incorporation) Act 1973.	Noted
(t)	Zig Zag Builders	Selangor FD	1 January 2025/ 31 December 2025	<u>Registration No.</u> ST. 17/ 2024/ Perabot <u>Nature of Approval/Licences</u> Wood-based industry factory licence to operate furniture mill at 56, Jalan TPP 1/19, Taman Industri Puchong, 47100 Puchong, Selangor for processing or changing the wood to various productions	1. The licensee shall not without the written approval of the State Authority - (i) Transfer this licence; (ii) Rent, lease, lend, pledge, or sell the whole factory or any part thereof or any equipment or any part of any equipment within the factory; or (iii) Make any changes in the ownership of the entire factory or any part thereof.	Noted

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
					2. This furniture factory shall consist of machinery listed in the licence, and no machinery shall be added to or removed from the factory without the written permission of the SFD.	Complied
					3. This furniture factory shall be constructed according to the approved plan of location, site, layout, and building approved by the State Director of Forests, and no changes/additions shall be made without the written permission of the SFD.	Noted
					4. Rough-sawn timber shall not, under any circumstances, be sold directly or indirectly for export or domestic markets.	Noted

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) We do not intend to renew this licence upon expiry as SAR does not utilise this licence as at LPD.
- (2) A temporary business licence was issued to Zig Zag Builders. Zig Zag Builders will be issued with the permanent business licence subject to the receipt of reply letters in support from Jabatan Bomba dan Penyelamat Malaysia and Jabatan Pengurusan Alam Sekitar and upon the expiry of this temporary business licence.
- As at LPD, Zig Zag Builders has obtained clearance from Jabatan Pengurusan Alam Sekitar and letter in support issued by Jabatan Bomba dan Penyelamat Malaysia. Zig Zag Builders is currently pending for the issuance of permanent business licence.
- (3) We have notified MITI and MIDA on the Acquisition of Zig Zag Builders and Shareholdings Reorganisation by updating the relevant information through the designated online portal after the changes in shareholdings were reflected in the records of the CCM.
- (4) Zig Zag Builders has submitted the application for renewal of the certificate and the decision for the renewal is still pending as at LPD.

As at LPD, our Group has obtained all the requisite approvals, licences and permits for our business operations and our Group has not faced any issues in relation to renewal of our approvals, licences and permits.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.8 INTELLECTUAL PROPERTIES

As at LPD, our Group does not own and has not applied for the registration of any other intellectual properties other than those disclosed below:

Design	Registered owner/ Trademark no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
 SIGNATURE ALLIANCE GROUP	SAG/ TM2024004398	MyIPO/ Malaysia	Class 37/ _(2)	Registered	14 February 2024 to 14 February 2034
 SIGNATURE ALLIANCE GROUP	SAG/ TM2024004399	MyIPO/ Malaysia	Class 42/ _(3)	Registered	14 February 2024 to 14 February 2034
	SAG/ TM2024029383	MyIPO/ Malaysia	Class 37/ _(4)	Registered	23 September 2024 to 23 September 2034
	SAG/ TM2024029387	MyIPO/ Malaysia	Class 42/ _(5)	Registered	23 September 2024 to 23 September 2034
	SAC/ TM2024012045	MyIPO/ Malaysia	Class 37/ _(2)	Provisional refusal (Objected) ⁽¹⁾	N/A ⁽¹⁾
	SAC/ TM2024012047	MyIPO/ Malaysia	Class 42/ _(3)	Provisional refusal (Objected) ⁽¹⁾	N/A ⁽¹⁾

6. INFORMATION ON OUR GROUP (Cont'd)

Design	Registered owner/ Trademark no.	Approving authority/ Place of application or registration	Class/ Description	Status	Validity period
	Zig Zag Builders/ TM2024013008	MyIPO/ Malaysia	Class 37/ _(2)	Registered	7 May 2024 to 7 May 2034

Notes:

- (1) MyIPO had on 10 October 2024, raised objections to the registration of the trademark on the ground that the trademark does not have distinctive and unique features, therefore contrary to Section 23(1)(b) of the Trademark Act 2019. SAC had on 10 December 2024, submitted written submission to MyIPO as a response to the objections. The estimated timeframe for the decision from MyIPO is typically 18 to 24 months from the date of submission of written submission.
- (2) The services stated in the application are Building; Construction, maintenance and renovation of buildings; Construction, maintenance and renovation of property; Custom construction and building renovation; Construction, maintenance, cleaning and repair services; Advisory services relating to the maintenance, repair and renovation of buildings and other structures; Providing information on construction, repair, restoration, maintenance and installation; Renovation and maintenance of shopping centres, industrial complexes, office buildings, residential buildings and other real estate developments; Supervision of building renovation; Real estate development (building and construction services); Furniture installation; Furniture restoration, repair and maintenance; Installation, maintenance and repair of kitchen furniture; Varnishing of furniture; Painting of furniture; Providing information relating to furniture restoration; Cleaning services; Cleaning of building interiors and exteriors; Cleaning of residential and commercial properties; Provision of information relating to building cleaning; Carpet and rug cleaning, and provision of information relating thereto; Installation of doors and windows; Installation of glass in conservatories, windows, doors and greenhouses; Installation, maintenance and repair of automatic doors and barriers; Installation, maintenance and repair of doors and fences; Installation, maintenance and repair of mechanically operated apparatus for opening and closing windows, fanlights, skylights and ventilation flaps; Glazing of windows; Installation of heating, ventilation and air-conditioning (hvac) systems; Installation, maintenance and repair of passenger elevators, moving sidewalks, passenger bridges, escalators and stairway lifts; Plumbing services; Installation of plumbing systems; Advisory services relating to the maintenance of plumbing; Advisory services relating to the repair of plumbing; Construction of building interiors; Decorative interior house painting services; Installation of interior design products; Painting and rendering of interior and exterior walls; Plastering and painting of building interiors; Painting of window frames; Installation of wood flooring; Joinery services (repair of woodwork); Carpentry services; Marble work restoration services; Plasterwork restoration services; Repair of construction works; Building inspection in the course of building construction; Roofing services; Flooring services.

6. INFORMATION ON OUR GROUP (Cont'd)

- (3) Interior design services; Providing information in the field of interior design via a web site; Advisory services relating to interior design; Technical consultancy in the field of interior design; Design services relating to interior decoration; Interior decoration consultancy; Planning and design of kitchens; Planning and design of residential communities; Planning and layout design of residential and commercial communities; Planning and layout design services of commercial buildings; Planning and layout design services of residential communities; Planning of buildings and infrastructure systems for buildings; Preparation of reports relating to real estate planning; Architectural design services; Architectural services for the design of buildings; Computer-aided design services relating to architecture; Computer-aided design services relating to building projects; Urban planning services; Research relating to urban planning; Consultancy in the field of architectural design; Consultancy relating to architectural planning; Construction engineering services (construction design); Engineering services in the field of building technology; Computer-aided engineering design and drawing services; Construction planning services; Research on building construction or city planning. Construction project management services (construction drafting, design and planning); Design and construction planning services and consultancy relating thereto; Off-site building project management (construction drafting, design and planning); Building project management (construction drafting, design and planning); Technical planning relating to real estate development projects; Technical project planning; Design of building interiors and exteriors; Analysis and evaluation of product design; Consumer product design services; Research relating to building construction; Structural analysis of buildings; Technical design and planning of heating, ventilating and air-conditioning installations; Technical design and planning of pipelines for gas, water and waste water; Home inspection and surveying to verify the condition of a property; Building and structural inspection services (engineering, quality assessment, and surveying services); Providing quality assurance in the construction industry; Inspection of goods for quality control; Conducting of quality control tests; Evaluation of results from quality control tests conducted on goods and services; Technical testing and quality control services.
- (4) The services stated in the application are Building; Construction, maintenance and renovation of buildings; Construction, maintenance and renovation of property; Custom construction and building renovation; Construction, maintenance, cleaning and repair services; Advisory services relating to the maintenance, repair and renovation of buildings and other structures; Providing information on construction, repair, restoration, maintenance and installation; Renovation and maintenance of shopping centres, industrial complexes, office buildings, residential buildings and other real estate developments; Supervision of building renovation; Real estate development (building and construction services); Furniture installation; Furniture restoration, repair and maintenance; Installation, maintenance and repair of kitchen furniture; Varnishing of furniture; Painting of furniture; Providing information relating to furniture restoration; Cleaning services; Cleaning of building interiors and exteriors; Cleaning of residential and commercial properties; Provision of information relating to building cleaning; Carpet and rug cleaning, and provision of information relating thereto; Installation of doors and windows; Installation of glass in conservatories, windows, doors and greenhouses; Installation, maintenance and repair of automatic doors and barriers; Installation, maintenance and repair of doors and fences; Installation, maintenance and repair of mechanically operated apparatus for opening and closing windows, fanlights, skylights and ventilation flaps; Glazing of windows; Installation of heating, ventilation and air-conditioning (hvac) systems; Installation, maintenance and repair of passenger elevators, moving sidewalks, passenger bridges, escalators and stairway lifts; Plumbing services; Installation of plumbing systems; Advisory services relating to the maintenance of plumbing; Advisory services relating to the repair of plumbing.

6. INFORMATION ON OUR GROUP (Cont'd)

- (5) Interior design services; Providing information in the field of interior design via a web site; Advisory services relating to interior design; Planning and design of kitchens; Planning and design of residential communities; Planning and layout design of residential and commercial communities; Planning and layout design services of commercial buildings; Planning and layout design services of residential communities; Planning of buildings and infrastructure systems for buildings; Preparation of reports relating to real estate planning; Architectural design services; Architectural services for the design of buildings; Computer-aided design services relating to architecture; Computer-aided design services relating to building projects; Urban planning services; Research relating to urban planning; Consultancy in the field of architectural design; Consultancy relating to architectural planning; Construction engineering services (construction design); Engineering services in the field of building technology; Computer-aided engineering design and drawing services; Construction planning services; Research on building construction or city planning; Construction project management services (construction drafting, design and planning); Design and construction planning services and consultancy relating thereto; Off-site building project management (construction drafting, design and planning); Building project management (construction drafting, design and planning); Technical planning relating to real estate development projects; Technical project planning; Design of building interiors and exteriors; Analysis and evaluation of product design; Consumer product design services; Research relating to building construction; Structural analysis of buildings; Technical design and planning of heating, ventilating and air-conditioning installations; Technical design and planning of pipelines for gas, water and waste water; Home inspection and surveying to verify the condition of a property; Building and structural inspection services (engineering, quality assessment, and surveying services); Providing quality assurance in the construction industry; Inspection of goods for quality control; Conducting of quality control tests; Evaluation of results from quality control tests conducted on goods and services; Technical testing and quality control services.

Our Group does not rely on any specific trademark for our operations. Instead, we operate primarily under the established company names of SAC and Zig Zag Builders, which are recognised in the market for their reputation and quality of services. These company names serve as the primary identifiers for our Group's activities, supporting brand recognition and clients' loyalty. As such, the strength of our Group's business identity is from the corporate names of SAC and Zig Zag Builders, which have been effectively used in all clients' and market communications. In the event that the abovementioned trademarks are not successfully renewed or registered, our business and profitability will not be materially affected as our Group's business and profitability are not materially dependent on the trademarks listed above.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

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

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of CCC	Express Conditions/ Restriction-in- interest/ Encumbrance	Audited NBV as at 31 December 2024 RM'000
(a)	SAC/ Lot 10, Jalan P/15 Kawasan Perusahaan Bandar Baru Bangi 43650 Bandar Baru Bangi Selangor/ HSD 52736, PT 40885 Bandar Baru Bangi Daerah Ulu Langat Negeri Selangor	1½-storey semi-detached factory/ Our production facility/ Leasehold ending on 19 August 2098 (approximately 73 years remaining as at LPD)/ Industrial	20,279/ 19,704	1 November 2013/ 11 May 1995	Express Condition: Business Restriction-in-interest: This owned land cannot be transferred, leased or mortgaged except with the approval of the State Authority. Encumbrances: Charge in favour of Ambank (M) Berhad registered on 18 May 2023	6,100

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of CCC	Express Conditions/ Restriction-in- interest/ Encumbrance	Audited NBV as at 31 December 2024 RM'000
(b)	SAC/ 11, Jalan SC 6 Taman Perindustrian Sungai Chua 43000 Kajang Selangor/ HSD 160232, PT 77034 Bandar Baru Bangi Daerah Ulu Langat Negeri Selangor	2½-storey semi-detached factory/ Our headquarters/ Leasehold ending on 6 October 2112 (approximately 87 years remaining as at LPD)/ Industrial	9,548/ 9,155	17 September 2014/ 27 July 2016	Express Condition: Light business Restriction-in-interest: This land can be transferred, leased or mortgaged after obtaining the approval of the State Authority. Encumbrances: Charge in favour of Ambank (M) Berhad registered on 18 May 2023	3,700
(c)	SAC/ C15-G, Jalan TKS 2 Taman Kajang Sentral 43000 Kajang Selangor/ Geran 54190/M1/1/8 No. Petak 8, Lot 932 Bandar Kajang Daerah Ulu Langat Negeri Selangor	Ground floor of a 3-storey shop office/ Warehouse/ Freehold/ N/A	N/A/ 1,292	4 June 2018/ 18 March 2013	Express Condition: Commercial building Restriction-in-interest: Nil Encumbrances: (i) Charge in favour of Ambank (M) Berhad registered on 16 November 2018 (ii) Private caveat lodged by Ambank (M) Berhad on 18 July 2018	840

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of CCC	Express Conditions/ Restriction-in- interest/ Encumbrance	Audited NBV as at 31 December 2024 RM'000
(d)	SAC/ C15-1, Jalan TKS 2 Taman Kajang Sentral 43000 Kajang Selangor Geran 54190/M1/2/23 No. Petak 23, Lot 932 Bandar Kajang Daerah Ulu Langat Negeri Selangor	First floor of a 3-storey shop office/ Investment property (vacant)/ Freehold/ N/A	N/A/ 1,485	4 June 2018/ 18 March 2013	Express Condition: Commercial building Restriction-in-interest: Nil Encumbrances: (i) Charge in favour of Ambank (M) Berhad registered on 16 November 2018 (ii) Private caveat lodged by Ambank (M) Berhad on 18 July 2018	445
(e)	SAC/ C15-2A, Jalan TKS 2 Taman Kajang Sentral 43000 Kajang Selangor/ Geran 54190/M1/3/45 No. Petak 45, Lot 932 Bandar Kajang Daerah Ulu Langat Negeri Selangor	Second floor of a 3-storey shop office/ Investment property (vacant)/ Freehold/ N/A	N/A/ 732	4 June 2018/ 18 March 2013	Express Condition: Commercial building Restriction-in-interest: Nil Encumbrances: (i) Charge in favour of Ambank (M) Berhad registered on 16 November 2018	205

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of CCC	Express Conditions/ Restriction-in- interest/ Encumbrance	Audited NBV as at 31 December 2024 RM'000
					(ii) Private caveat lodged by Ambank (M) Berhad on 18 July 2018	
(f)	SAC/ C15-2B, Jalan TKS 2 Taman Kajang Sentral 43000 Kajang Selangor/ Geran 54190/M1/3/46 No. Petak 46, Lot 932 Bandar Kajang Daerah Ulu Langat Negeri Selangor	Second floor of a 3-storey shop office/ Rented to Pertubuhan Ikatan Pengamal Perubatan dan Kesihatan Muslim Malaysia (I-MEDIK)/ Freehold/ N/A	N/A/ 721	4 June 2018/ 18 March 2013	Express Condition: Commercial building Restriction-in-interest: Nil Encumbrances: (i) Charge in favour of Ambank (M) Berhad registered on 16 November 2018 (ii) Private Caveat lodged by Ambank (M) Berhad on 18 July 2018	195

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of CCC	Express Conditions/ Restriction-in- interest/ Encumbrance	Audited NBV as at 31 December 2024 RM'000
(g)	Bukit Jalil Development Sdn Bhd (SAC as beneficial owner) ⁽¹⁾ / B-01-22, Plaza Bukit Jalil (Aurora Place) Persiaran Jalil 1, Bukit Jalil 57000 Kuala Lumpur/ Master title of Geran 78076 Lot 101462, Mukim Petaling Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	First floor of a 5-storey shop office/ Rented to Chapter 13 Two Enterprise/ Freehold/ Building	N/A/ 993	27 September 2018/ 4 January 2019	Express Condition: N/A ⁽²⁾ Restriction-in-interest: N/A ⁽²⁾ Encumbrances: Nil	1,720
(h)	Bukit Jalil Development Sdn Bhd (SAC as beneficial owner) ⁽¹⁾ / B-02-22, Plaza Bukit Jalil (Aurora Place) Persiaran Jalil 1, Bukit Jalil 57000 Kuala Lumpur/ Master title of Geran 78076 Lot 101462, Mukim Petaling Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Second floor of a 5-storey shop office/ Rented to Sense Music Sdn Bhd/ Freehold/ Building	N/A/ 1,294	27 September 2018/ 4 January 2019	Express Condition: N/A ⁽²⁾ Restriction-in-interest: N/A ⁽²⁾ Encumbrances: Nil	980

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of CCC	Express Conditions/ Restriction-in- interest/ Encumbrance	Audited NBV as at 31 December 2024 RM'000
(i)	Bukit Jalil Development Sdn Bhd (SAC as beneficial owner) ⁽¹⁾ / B-03-22, Plaza Bukit Jalil (Aurora Place) Persiaran Jalil 1, Bukit Jalil 57000 Kuala Lumpur/ Master title of Geran 78076 Lot 101462, Mukim Petaling Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Third floor of a 5-storey shop office/ Rented to Ting Tik Fah/ Freehold/ Building	N/A/ 1,294	27 September 2018/ 4 January 2019	Express Condition: N/A ⁽²⁾ Restriction-in-interest: N/A ⁽²⁾ Encumbrances: Nil	980
(j)	Bukit Jalil Development Sdn Bhd (SAC as beneficial owner) ⁽¹⁾ / B-04-22, Plaza Bukit Jalil (Aurora Place) Persiaran Jalil 1, Bukit Jalil 57000 Kuala Lumpur/ Master title of Geran 78076 Lot 101462, Mukim Petaling Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Fourth floor of a 5-storey shop office/ Rented to Neuvo Creativo Sdn Bhd/ Freehold/ Building	N/A/ 1,294	27 September 2018/ 4 January 2019	Express Condition: N/A ⁽²⁾ Restriction-in-interest: N/A ⁽²⁾ Encumbrances: Nil	1,050

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Land area/ Built-up area sq ft	Date of purchase/ Date of CCC	Express Conditions/ Restriction-in- interest/ Encumbrance	Audited NBV as at 31 December 2024 RM'000
(k)	Bukit Jalil Development Sdn Bhd (SAC as beneficial owner) ⁽¹⁾ / B-05-22, Plaza Bukit Jalil (Aurora Place) Persiaran Jalil 1, Bukit Jalil 57000 Kuala Lumpur/ Master title of Geran 78076 Lot 101462, Mukim Petaling Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Fifth floor of a 5-storey shop office/ Rented to Adrianeyo Tax KL Sdn Bhd/ Freehold/ Building	N/A/ 1,181	27 September 2018/ 4 January 2019	Express Condition: N/A ⁽²⁾ Restriction-in-interest: N/A ⁽²⁾ Encumbrances: Nil	900
(l)	Zig Zag Builders/ 56, Jalan TPP 1/19 Taman Industri Puchong 47100 Puchong Selangor/ Geran 258228, Lot 42553 Mukim Petaling Daerah Petaling Negeri Selangor	1½-storey semi-detached factory ⁽³⁾ / Our production facility/ Freehold/ Industrial	8,396/ 4,200	30 December 2021/ 21 February 1995	Express Condition: Business Restriction-in-interest: Nil Encumbrances: Charge in favour of CIMB Islamic Bank Berhad registered on 2 June 2022	4,414

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) SAC will only be registered as the legal owner of the property after the strata title is officially issued.
- (2) The developer is in the midst of applying the issuance of strata title.
- (3) An additional metal decking roof has been made over the front, sides and back of the factory without any setback from the boundaries of the factory before we purchased the production facility. On 21 May 2024, we obtained a temporary structure permit from Majlis Bandaraya Subang Jaya after paying a compound of RM5,000. The temporary structure permit, which is valid until 31 December 2024 and renewable annually. However, as at LPD, we have dismantled the additional metal decking roof and, consequently, did not renew the temporary structure permit upon its expiry.

As at LPD, the properties owned by our Group is not in breach of any land use conditions, statutory requirements, land rules or building regulations/ by-laws, which will have material adverse impact on our operations.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9.2 Properties rented by our Group

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

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Land area/ Built-up area sq ft	Date of CCC	Period of tenancy/ Rental per annum
(a)	16 G/M Jalan Utara 55100 Kuala Lumpur	Beryl's Chocolate & Confectionery Sdn Bhd/ SAC	First floor and mezzanine floor of a 4-storey shop lot/ Site office ⁽¹⁾	1,586/ 2,619	10 June 1981	⁽²⁾ 1 June 2024 to 31 May 2025/ RM96,000
(b)	Unit 02-09, Level 2, Menara UOA Bangsar 5 Jalan Bangsar Utama 1 59000 Kuala Lumpur	RHB Trustees Berhad/ SAC	Second floor of 39-storey office tower/ Site office ⁽¹⁾	N/A/ 1,821	22 June 2009	1 June 2024 to 31 May 2025/ RM21,852
(c)	32A, Jalan Perniagaan Vorteks 4 Pusat Perniagaan Vorteks 14100 Simpang Ampat Pulau Pinang	TT Bumi Engineering Sdn Bhd/ Zig Zag Builders	4-storey corporate office/industrial lot/ Office for our operations in Northern Region	6,523/ 8,005	10 July 2017	15 April 2024 to 14 April 2027/ RM90,000
(d)	Block J-1-10, Pusat Perdagangan Kuchai 2, Jalan 1/127 Off Jalan Kuchai Lama 58200 Kuala Lumpur	Ng Wai Sam/ Zig Zag Builders	First floor of 3-storey shop lot/ Administrative office	N/A/ 1,700	18 May 2010	20 June 2024 to 19 June 2025/ RM30,000
(e)	Lot 24, Jalan Teknologi Taman Sains Selangor 1 Kota Damansara 47810 Petaling Jaya Selangor	Signature Cabinet Sdn Bhd/ SAC	Single-storey factory with 3- storey office/ Warehouse	174,612/ ⁽³⁾ 98,043	11 December 2020	1 March 2024 to 31 December 2025/ RM25,920

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

Notes:

- (1) The site offices are used as temporary offices as meeting space and storage of site documents for our project team and construction personnel during the project's construction period.
- (2) SAC and Beryl's Chocolate & Confectionery Sdn Bhd had mutually agreed to extend the tenancy period of 6 months from 1 June 2025 to 30 November 2025 at the rental of RM8,200 per month.
- (3) SAC is currently renting only 1,200 sq ft of the total built-up area.

Save as disclosed in Section 6.9.2(g), our properties are rented from non-related parties. As at LPD, the properties rented by our Group are not in breach of any land use conditions which will have material adverse impact on our operations. Such properties also comply with current statutory requirements, land rules or building regulations/ by-laws.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9.3 Acquisition of properties

Save as disclosed below, our Group has not acquired nor entered into any agreements to acquire any properties during FYE 2021 to 2024 and up to LPD:

No.	Date of purchase	Vendor	Postal address/ Title No.	Purchase value RM'000
(a)	30 December 2021	Citra Signs Marketing Sdn Bhd	56, Jalan TPP 1/19 Taman Industri Puchong 47100 Puchong Selangor/ Geran No. 258228 Lot No. 42553, Mukim and District of Petaling State of Selangor	⁽¹⁾ 4,068
(b)	28 March 2025	Ho Hup Construction Company Berhad	A-01-17, Plaza Bukit Jalil (Aurora Place) No. 1, Persiaran Jalil 1 Bandar Bukit Jalil 57000 Kuala Lumpur/ Geran 78076 Lot 101462, Mukim Petaling, Bandar Bukit Jalil Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	⁽²⁾ 900
(c)	28 March 2025	Ho Hup Construction Company Berhad	A-02-17 and A-03-17, Plaza Bukit Jalil (Aurora Place) No. 1, Persiaran Jalil 1 Bandar Bukit Jalil 57000 Kuala Lumpur/ Geran 78076 Lot 101462, Mukim Petaling, Bandar Bukit Jalil Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	⁽²⁾ 950

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

Notes:

- (1) The purchase value was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the market value of the property at the point of acquisition. Please refer to Sections 6.5(a) and 6.9.1(l) for details of this property.
- (2) The purchase value was arrived at a discounted rate for the purpose of settlement of a payment dispute of RM1,519,691. Please refer to Sections 6.5(r) and 6.5(s) for details of the sale and purchase of these properties.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.9.4 Material capital expenditures and divestitures****(a) Material capital expenditures**

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

	At cost				1 January 2025 up to LPD
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	
Capital expenditures	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and machinery, tools and equipment	1	5	23	89	⁽⁵⁾ 325
Motor vehicles	⁽³⁾ 156	-	⁽¹⁾ 653	⁽⁴⁾ 531	-
Furniture and fittings	-	-	-	6	5
Renovation	-	10	-	29	-
Office equipment	-	11	47	14	15
Computers	6	119	176	⁽²⁾ 851	97
	163	145	899	1,520	442

Notes:

- (1) Relates to purchase of a passenger car for our Director.
- (2) Mainly relates to purchase of computers and subscription of licences.
- (3) Relates to purchase of a passenger car for our Head of Project.
- (4) Mainly relates to purchase of a truck, 4 four-wheel drives, 2 lorries and a motorcycle for our business operations.
- (5) Mainly relates to purchase of 3 machineries for our production facility located in Puchong, Selangor.

The above capital expenditures were primarily financed by a combination of bank borrowings and internally generated funds. Our capital expenditures are mainly driven by our business growth as well as for replacement purposes.

(b) Material capital divestitures

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

	At cost				1 January 2025 up to LPD
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	
Capital divestitures	RM'000	RM'000	RM'000	RM'000	RM'000
Plant and machinery, tools and equipment	-	-	103	-	-
Motor vehicles ⁽¹⁾	475	180	616	246	-
Office equipment	-	-	6	-	-
Computers	14	-	-	-	-
Investment properties	-	-	-	⁽²⁾ 650	-
	489	180	725	896	-

6. INFORMATION ON OUR GROUP (Cont'd)

Note:

- (1) Mainly relates to disposal of motor vehicles that are no longer in good condition or in use.
- (2) Relates to disposal of 1 residential unit erected within a housing development known as "Puteri Cove Residences" as set out in Section 6.5(m).

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

As at LPD, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

6.9.5 Material plans to construct, expand or improve our property, plant and equipment

Save for the proposed utilisation of proceeds from our Public Issue to finance the capital expenditure as set out in Section 4.9, our Group does not have any other immediate plans to construct, expand or improve our property, plant and equipment as at LPD.

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

Save as disclosed below, as at LPD, there are no other laws, regulations, rules or requirements governing the conduct of our business and environmental issues which may materially affect our Group's business or operations.

(a) Street, Drainage and Building Act 1974 ("SDBA")

The SDBA regulates laws relating to street, drainage and buildings in local authority areas in Peninsular Malaysia. Section 70(1) of the SDBA stipulates that no person shall erect any building without the prior written permission of the local authority failing which the person who makes any alteration to any building without permission shall be liable under Section 70(11) of the SDBA. According to Section 70(11) of the SDBA, any person who makes any alteration to any building otherwise than is provided for in the SDBA or by-laws or without the prior written permission of the local authority shall be liable on conviction to a fine not exceeding RM25,000 and alteration/ demolition of such structure.

Zig Zag Builders occupied the production facility located at 56, Jalan TPP 1/19, Taman Industri Puchong, 47100 Puchong, Selangor since March 2022 with illegal extension constructed by the previous owner. On 21 May 2024, Zig Zag Builders obtained temporary structure permit from Majlis Bandaraya Subang Jaya after paying a compound of RM5,000 to rectify the previous non-compliance. The temporary structure permit, which is valid until 31 December 2024 and renewable annually. However, as at LPD, Zig Zag Builders has dismantled the extension and, consequently, did not renew the temporary structure permit upon its expiry. Please refer to Note (3) of Section 6.9.1(m) for further details of the relevant production facility.

As at LPD, save for a RM5,000 compound paid to the local authority, Zig Zag Builders has not been fined, reprimanded or issued with any notice of non-compliance from the relevant authority. Our Group is of the view that it is not likely for the authorities to

6. INFORMATION ON OUR GROUP (Cont'd)

take further action against Zig Zag Builders given that the temporary structure permit had already been issued and the compound has been paid.

(b) Local Government Act 1976 ("LGA 1976")

The LGA 1976 was enacted to address the laws concerning local governance in Peninsular Malaysia. This legislation empowers each local authority to issue licences or permits for trades, occupations and premises. Such licences or permits are subject to conditions set by the local authority. Further, pursuant to Section 107(5) of the LGA 1976, every person to whom a licence has been granted shall exhibit his licence at all times in some prominent place on the licenced premises and shall produce such licence if required to do so by any officer of the local authority authorised to demand the same. Failure to acquire or produce the licences shall be guilty of an offence and shall on conviction be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

As at LPD, our Group holds and maintains valid business and signage licences issued by the respective local authorities.

(c) Industrial Co-ordination Act 1975 ("ICA 1975")

The ICA 1975 was enacted to promote and facilitate coordinated industrial development within Malaysia. Pursuant to Section 3 of the ICA 1975, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Under Section 3(2) of Industrial Co-ordination Act 1975, any company who carries on any manufacturing activity without a manufacturing licence, is guilty of an offence and is liable, on conviction, to a fine not exceeding RM2,000 or to a term not exceeding 6 months, and to a further fine not exceeding RM1,000 for every day during which such default continues.

Any manufacturing companies with shareholders' funds of RM2.5 million and above or engaging 75 or more full-time employees, are required to apply for a manufacturing licence from MITI. "Manufacturing activity" is defined under the ICA 1975 as the making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade.

Zig Zag Builders is required to obtain manufacturing licence as its shareholders' funds exceeded RM2.5 million in FYE 2022. As at LPD, Zig Zag Builders has obtained the manufacturing licence from MITI which is valid since 29 May 2024. There was a delay in applying for a manufacturing licence as Zig Zag Builders was not aware of such requirement to secure the manufacturing license, given that the factory was originally intended solely for customising materials for its clients rather than full-scale manufacturing.

Our Group is of the view that it is not likely for the authorities to take action against Zig Zag Builders given that (i) the manufacturing licence has already been issued; (ii) Zig Zag Builders has not been fined, reprimanded or issued with any notice of non-compliance from the relevant authorities as at LPD; and (iii) our Group has also not encountered any past incidents of its registration of licence being revoked or suspended.

6. INFORMATION ON OUR GROUP (Cont'd)

(d) CIDB Act

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

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

Section 34 of the CIDB Act reads together with Lembaga Pembangunan Industri Pembinaan Malaysia (Imposition of Levy) Order 2024 further requires contractors to declare their projects to CIDB and impose a levy payment to CIDB at a rate of 0.125% of the contract sum, for every contract having a contract sum of above RM500,000. However, the responsibility for levy payment rests solely with the main contractor.

SAC

Upon incorporation on 28 October 2009, SAC did not have a certificate of registration with CIDB and only obtained the CIDB licence as a Grade 4 contractor on 5 May 2011 (valid until 4 May 2012), which was later upgraded to Grade 6 contractor on 13 June 2012 (valid until 4 May 2013), and further upgraded to Grade 7 contractor on 15 May 2013. The existing Grade 7 certificate of registration is valid until 1 May 2028.

SAC commenced its subcontracting works on 8 November 2009 without a valid CIDB licence. For the period between 8 November 2009 until 4 May 2011, SAC had undertaken works for 16 projects with a total contract value of RM13.7 million. These projects commenced and were completed at various dates, with the earliest commencement being November 2009 and latest completion being September 2011. The director, Chang Chung Fei was of the view that CIDB licence is not required as SAC was only undertaking subcontracting works. When he was made aware that a contractor has to be registered with CIDB to participate in the tender process, SAC applied to be registered as a Grade 4 contractor with CIDB.

After obtaining the Grade 4 certificate of registration and while SAC was in the midst of registering for the Grade 6 certification, SAC undertook works for a project novated from another contractor with contract value of RM5.3 million in March 2012, of which the contract value of this project exceeded the value of the construction work specified for Grade 4 of RM3.0 million. After obtaining the Grade 6 certificate of registration in June 2012, there were variation orders which altered the original contract sum of this project to RM16.5 million, which exceeded the value of the construction work specified for Grade 6 of RM10.0 million. This also prompted SAC to apply for a Grade 7 certificate to undertake projects of larger scale in line with its business expansion and it subsequently obtained in May 2013. This project commenced in March 2012 and was completed in June 2013.

Zig Zag Engineering

Upon incorporation on 11 March 2024, Zig Zag Engineering did not have a certificate of registration with CIDB. The directors, Foo Khai Shin and Lau Kock Sang, were of the view that CIDB licence was not required as Zig Zag Engineering was incorporated with the intention to undertake small-scale subcontracting works (i.e. air conditioning ducting works) with invoice value ranging from RM250 to RM150,000.

6. INFORMATION ON OUR GROUP (Cont'd)

Zig Zag Engineering commenced business on 11 March 2024 without a valid CIDB licence. Zig Zag Engineering obtained the CIDB licence as a Grade 5 contractor on 21 June 2024 (valid until 20 June 2026). For the period between 11 March 2024 until 20 June 2024, Zig Zag Engineering undertook works with a total contract value of RM1.7 million. These projects commenced and were completed at various dates, with the earliest commencement being March 2024 and latest completion being May 2024.

Despite the past non-compliance disclosed, our Group has adhered to the CIDB Act's requirements regarding project declarations and the payment of levies during the respective subsidiaries' tenure as a registered CIDB contractor. Our Group is of the view that it is not likely for the authorities to take action against Zig Zag Engineering and SAC given that (i) they are now registered as Grade 5 and Grade 7 contractors with CIDB respectively; (ii) Zig Zag Engineering and SAC have not been fined, reprimanded or issued with any notice of non-compliance from the relevant authorities as at LPD; and (iii) our Group has also not encountered any past incidents of its registration of certificates being revoked or suspended, or failing to renew before expiration.

(e) Wood Based Industries Enactment 1985

Pursuant to Section 3 of the Wood Based Industries Enactment 1985, no person shall locate, establish, or operate a wood-based industry, except with a licence issued to him by the state authority. Pursuant to Wood Based Industries Enactment 1985, if a person commits an offence under this Enactment for which no penalty is specified, he shall, on conviction, be liable to imprisonment for a term not exceeding 1 year, or to a fine not exceeding RM2,000, or both.

As an initiative taken by the Selangor FD since February 2019, Selangor FD agreed to issue a special licence (*lesen khas*) upon application for wood based factories operating without valid licences for the time being. The relevant fees and payments applicable to such special licence shall be 5 times of the prevailing fees and payments of the application for a permanent licence (*lesen tetap*) for the wood-based industry as set out in the Selangor State Wood Based Industry Regulations.

SAF Manufacturing has operated its production facility since January 2019 without a wood-based industry factory licence as the existing directors of SAF Manufacturing, namely Chang Chung Fei and Ng Mun Moh, and the then directors of SAF Manufacturing, namely Foong Weng Leong and Liew Yoke Peng, were unaware of the requirement to apply for this licence due to the rarity of such licence in the industry and initially believed SAF Manufacturing was not subject to this regulatory requirement. However, SAF Manufacturing obtained a special licence for wood-based industry from Selangor FD on 30 May 2024, which is valid until 31 December 2024. Subsequently, SAF Manufacturing had on 19 November 2024 obtained the permanent licence from the Selangor FD with validity from 1 January 2025 to 31 December 2025.

In addition, Zig Zag Builders has operated its production facility since March 2022 without a wood-based industry factory licence as the existing director of Zig Zag Builders, Foo Khai Shin, and the then director of Zig Zag Builders, namely Tan Leek Hui, were unaware of the requirement to apply for this licence due to the rarity of such licence in the industry and initially believed Zig Zag Builders was not subject to this regulatory requirement. However, Zig Zag Builders obtained its special licence for wood-based industry from Selangor FD on 30 May 2024, which is also valid until 31 December 2024. Subsequently, Zig Zag Builders had on 19 November 2024 obtained the permanent licence from the Selangor FD with validity from 1 January 2025 to 31 December 2025.

6. INFORMATION ON OUR GROUP (Cont'd)

Our Group is of the view that it is not likely for the authorities to take action against both the companies given that (i) the special licences have already been issued under the initiative taken by Selangor FD; and (ii) SAF Manufacturing and Zig Zag Builders have not been fined, reprimanded or issued with any notice of non-compliance from the relevant authorities as at LPD.

(f) **Malaysian Timber Industry Board (Incorporation) Act 1973 ("MTIB Act 1973")**

Pursuant to Section 13(1) of the MTIB Act 1973, no person shall carry on any activity as a trader unless he is registered in accordance with MTIB Act 1973. This includes companies that manufacture, sell and store wood and wood-based products for domestic market purposes as a trader. Section 13(2) of the MTIB Act 1973 provides that any person who carries out any activity set out in subsection (1) shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 3 years or both.

SAF Manufacturing has operated its production facility since January 2019, without a certificate issued by MTIB. The non-procurement of the certificate arose due to a lack of awareness of such requirement by the existing directors of SAF Manufacturing, namely Chang Chung Fei, Ng Mun Moh, and the then directors of SAF Manufacturing, namely Foong Weng Leong and Liew Yoke Peng. However, SAF Manufacturing had on 22 April 2024, obtained a certificate of registration issued by MTIB, which is valid until 30 June 2026.

In addition, Zig Zag Builders has operated its production facility since March 2022, without a certificate issued by MTIB. The non-procurement of the certificate arose due to a lack of awareness of such requirement by the existing director of Zig Zag Builders, namely Foo Khai Shin and the then director, namely Tan Leek Hui. However, Zig Zag Builders had on 17 May 2024 obtained a certificate of registration issued by MTIB, which is valid until 30 June 2025.

Our Group is of the view that it is not likely for the authorities to take action against both companies given that (i) the certificates of registration had already been issued; (ii) SAF Manufacturing and Zig Zag Builders have not been fined, reprimanded or issued with any notice of non-compliance from the relevant authorities as at LPD; and (iii) our Group has also not encountered any past incidents of its registration of certificates being revoked or suspended.

(g) **Fire Services Act 1988 ("FSA")**

The FSA provides for the effective and efficient functioning of the Fire and Rescue Department of Malaysia, for the protection of persons and property from fire risks or emergencies and for purposes connected therewith.

Pursuant to Section 28 of the FSA, every designated premises shall require a fire certificate, and a fire certificate shall be renewable annually. The premises of which the use, size and location as set out in the schedule of the Fire Services (Designated Premises) Order 1998 shall be designated premises for the purpose of issuance of a fire certificate under the FSA. Such designated premises include:

Offices	: 30 metres and above in height or 10,000 square metres and over (total floor area)

6. INFORMATION ON OUR GROUP (Cont'd)

- Production facilities : (i) Single-storey and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed
- (ii) 2-storey and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed
- (iii) Special structure – Hazardous processes

Under the FSA, where there is no fire certificate in force in respect of any designated premises, the owner of the premises shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 5 years or to both.

As at LPD, all our production facilities and offices do not require a fire certificate given that our production facilities and offices do not fulfil the statutory requirements of a fire certificate, i.e. designated premises as defined under the FSA shall include (a) offices which are 30 metres and above in height or 10,000 square metres (approximately 107,639 sq ft) and over (total floor area); and (b) production facilities which are 2,000 square metres (approximately 21,528 sq ft) and over (total floor area).

(h) Occupational Safety and Health Act 1994 ("OSHA 1994") and Occupational Safety and Health (Amendment) Act 2022 ("OSHAA 2022")

The OSHA 1994 was enacted to promote and ensure the safety and health of workers in connection with the activities of individuals at work.

Reading OSHA 1994 in conjunction with OSHAA 2022, there are few aspects applicable to our Group, including the following:

- (i) Duty to formulate occupational safety and health policy

Reading Section 16 of the OSHA 1994 in conjunctive with Section 15 of the OSHAA 2022, it is the duty of every employer, except in such cases as may be prescribed, to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organisation and arrangements for the time being in force for carrying out that policy and to bring the statement and any revision of it to the notice of all of his employees. Failure to do so constitutes an offence and upon conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or both.

- (ii) Duty to appoint a safety and health officer

Reading Section 29 of the OSHA 1994 in conjunctive with the Occupational Safety and Health (Safety and Health Officer) Order 1997, a safety and health officer shall be appointed by the occupier who has the management or control over the place of work for any building operation where the total contract price exceeds RM20 million. Failure to do so constitutes an offence and upon conviction, be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or both.

6. INFORMATION ON OUR GROUP (Cont'd)

- (iii) Duty to establish a safety and health committee at place of work

Section 30 of the OSHA 1994 reads that every employer with 40 or more employees employed at any place of work or as directed by the Director General of Department of Occupational Safety and Health ("DOSH") is required to establish a safety and health committee at the place of work, failing which, such employer shall be guilty of an offence and on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

- (iv) Duty to conduct and implement risk assessment

Section 18B of the OSHA 1994 requires the employer, self-employed person or principal to conduct a risk assessment in relation to the safety and health risk posed to any person who may be affected by his undertaking at the place of work and if the risk assessment indicates that risk control is required to eliminate or reduce the safety and health risk, the employer, self-employed person or principal shall implement such control.

- (v) Duty to give notice of occupation of place of work

Section 27A of the OSHA 1994 stipulates that any person who occupies or uses any premises (as prescribed by the Minister from time to time) as a place of work or undertakes any activity (as prescribed by the Minister from time to time) in a place of work shall give notice to the officer of DOSH. Failure to provide such notice shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

As at LPD, our Group is in compliance with the relevant provisions under the OSHA 1994 and OSHAA 2022. Our Group has formulated a documented standard operating occupational safety and health policy and conducted the necessary risk assessments. Additionally, we have established a safety and health committee and a certified safety and health officer has been appointed to oversee the safety and health related matter within our Group.

Nevertheless, our Board is of the view that the past non-compliances disclosed above will not have a material adverse impact to our Group based on the following:

- (i) all past non-compliances have been remedied;
- (ii) save for the compound of RM5,000.00 imposed on Zig Zag Builders as disclosed under Section 6.10(a), none of the other authorities have issued any fines, notices or penalties to our Group as at LPD; and
- (iii) none of the officers from relevant authorities had forewarned or threatened to impose any fine to our Group during the course of our Group remedying the non-compliances.

In response to the various legal and regulatory requirements, our Group has proactively enhanced internal control processes to ensure ongoing compliance. Key improvements include securing all necessary permits, licences and certifications from relevant authorities, covering mandates under the SDBA, LGA 1976, ICA 1975, CIDB Act, OSHA 1994 and OSHAA 2022. In cases where non-compliance arose in the past due to prior oversight, appropriate remedial actions, such as the payment of fines and regularisation of permits, have been taken.

6. INFORMATION ON OUR GROUP (Cont'd)

To reinforce compliance, our Group has implemented the relevant structured SOP to ensure that valid licences are prominently displayed on licensed premises as required by law. We existingly utilise a central tracking system to monitor the status of all business licences, facilitating timely renewals in line with local authority requirements. Additionally, our Group has appointed 2 personnels from the HR and administration department who are responsible to track renewal dates and prevent lapses of licences and/ or permits. Both of the personnels report directly to our Group's Executive Director/ Group Chief Executive Officer, Chang Chung Fei. These enhancements reflect our Group's commitment to upholding operational and environmental standards, positioning the organisation for sustained regulatory adherence and operational continuity.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") PRACTICES

Our Group is committed to act responsibly in its business practices, prioritising the needs of our key stakeholders. As at LPD, there are no material ESG issues impacting our Group's business or operations.

We have implemented an ESG framework aligned with the Sustainability Reporting Guide issued by Bursa Securities. Our Group has established a dedicated ESG function led by our environmental and sustainability manager who is tasked to oversee our Group's sustainability initiatives and monitor compliance with our ESG related framework, policies and strategies.

Our Group has implemented and is committed to the following practices and measures:

(a) Environmental

Our Group believes in preserving and caring for the environment by adopting sustainable practices in our business activities. The measures that we have taken or plan to take (as the case may be) include the following:

(i) Waste management

As part of our commitment to minimising waste and promoting responsible disposal practices, we have implemented a comprehensive waste management plan ("**WMP**") for certain projects. The WMP is designed to manage environmental impacts during the construction period, mitigating or minimising any potential adverse environmental effects to balance project development with environmental conservation.

The WMP outlines essential practices to divert construction and demolition waste to approved landfill. Additionally, it provides guidelines on legislative and other applicable requirements to ensure our interior fitting-out works are carried out effectively.

Building on our ongoing commitment to sustainability, we have successfully implemented practices to recycle paper waste generated in our offices.

(ii) ISO 14001:2015 Environmental Management System

We have achieved the ISO 14001:2015 Certification which specifies the standards and requirements for an effective environmental responsibility. This internationally recognised standard will help us enhance our environmental performance through more efficient resource use and waste reduction, gaining a competitive advantage and the trust of our stakeholders.

We believe that achieving this certification is not just a milestone but a testament to our long-term dedication to sustainability and responsible business practices.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Social

Our Group is dedicated to implement social initiatives to address social issues and promote the well-being of our stakeholders. Our Group's efforts to foster social equity, enhance quality of life and promote sustainable developments are as follows:

(i) Occupational health and safety

In order to ensure the safety and well-being of employees and the community, we have implemented a comprehensive Hazard Identification, Risk Assessment, and Risk Control (HIRARC) Assessment, along with Environmental Impact Analyses. These measures ensure that potential risks are systematically identified, assessed and controlled, while environmental impacts are meticulously evaluated and mitigated, reinforcing our commitment to safety and sustainability.

We adhere strictly to the Occupational Safety and Health Act 1994. Additionally, we have established an emergency response team dedicated to overseeing workplace health and safety in full compliance with all relevant laws and regulations. Our personnel are equipped with adequate safety tools, up-to-date information on health, safety and environment practices, thorough training and personal protective equipment. These proactive measures have resulted in a safer working environment at our project sites, production facilities and workplaces.

In addition, our Group has conducted a safety campaign which has significantly enhanced our workplace safety protocols and awareness among our employees.

(ii) Employment diversity and equal opportunities

Our Group is dedicated to serving the interests of our employees by actively promoting gender and cultural diversity and inclusion in our workplace.

In addition to fostering diversity, we are stringent about compliance with labour practices and the latest Employment Act 1955. We uphold fair practices by ensuring equitable wages, eliminating discrimination, and respecting labour rights, thereby creating a fair and respectful work environment for all our employees.

(iii) Sustainable supply chain management

Our Group also prioritises the quality of our products and services. We ensure our potential suppliers and subcontractors are vetted and assessed through a due diligence process identifying criteria to be fulfilled. As of FYE 2024, we have conducted assessments on all our existing suppliers and subcontractors.

In addition, we promote engaging with more local suppliers to support the local economy and foster stronger community relationships. This approach not only helps in promoting local businesses but also aligns with our commitment to sustainability and responsible sourcing practices.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Governance

(i) Laws and regulations

Our Group is committed to conduct our business ethically and in compliance with all relevant laws, regulations, rules and requirements as disclosed in Section 6.10.

(ii) MCCG

In maintaining high standards of corporate governance, our Group as a whole is progressively adopting the principles and practices of the latest MCCG, where applicable and appropriate. This covers the following principles:

- board leadership and effectiveness;
- effective audit and risk management; and
- integrity in corporate reporting and establishing meaningful relationship.

In seeking to conduct our business ethically, our Group has adopted a zero-tolerance policy towards any form of bribery and corruption in our business dealings and as such we have put in place policies and procedures to manage our corporate liability risks.

This includes the formalisation and adaptation of the Whistleblowing Policy & Guidelines; Anti-Bribery and Anti-Corruption Policy & Guidelines; and Code of Ethics.

(iii) Enterprise risk management

In relation to our Group's Risk Management Framework, our key senior management is constantly updating our Group's risk register to reflect the following risk areas faced by our Group:

- strategic risks;
- operational risks;
- regulatory risks; and
- financial risks.

We also monitor the mitigation plans and actions in place on a periodic basis. This will ensure the risks identified are at an acceptable level towards achieving our Group's objectives. Our Group assures a transparent reporting on risk exposure and mitigation measures especially to the risks associated with the industry.

(iv) Integrity in corporate reporting

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

AGMs are also held to deliberate on the prospects, performance of our Group and other matters of interest.

Our Board recognises that our Group's business environment is dynamic, necessitating continuous evolution of our ESG practices to stay aligned with these challenges. Consequently, our Board will proactively direct and develop initiatives and action plans as needed to further enhance our Group's ESG practices.

6. INFORMATION ON OUR GROUP (Cont'd)

Going forward, our Group's ESG practices will be disclosed through the Sustainability Statement in our annual report, prepared in accordance with the standards and requirements outlined in the Sustainability Reporting Guide issued by Bursa Securities.

6.12 EMPLOYEES

As at LPD, we have a total workforce of 228 employees, which consists of permanent and contractual employees. All our employees are local.

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

Category	No. of employees			
	Permanent		Contractual	
	Local	Foreigner	Local	Foreigner
As at 31 December 2024				
Executive Directors	2	-	-	-
Key senior management	4	-	-	-
Project ⁽¹⁾	119	-	29	1
Production ⁽²⁾	13	-	-	-
Contracts ⁽³⁾	20	-	4	-
Business development	1	-	-	-
Finance and accounting	10	-	-	-
HR and administration	8	-	-	-
	177	-	33	1

Category	No. of employees			
	Permanent		Contractual	
	Local	Foreigner	Local	Foreigner
As at LPD				
Executive Directors	2	-	-	-
Key senior management	4	-	-	-
Project ⁽¹⁾	120	-	44	-
Production ⁽²⁾	13	-	-	-
Contracts ⁽³⁾	21	-	4	-
Business development	1	-	-	-
Finance and accounting	11	-	-	-
HR and administration	8	-	-	-
	180	-	48	-

Notes:

- (1) Responsible for project planning, design and management, supervising works of subcontractors onsite, quality control, safety and environmental aspects of projects.
- (2) Responsible for customising, supplying carpentry/ joinery parts and integral fixtures and manufacturing wooden furniture.
- (3) Responsible for reviewing tender documents and/ or project requirements, preparing and submitting tender documents, preparing supplier and subcontractor agreements as well as procurement.

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

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

None of our employees, whether permanent or contractual, belong to any labour union and there has been no labour dispute between our management and our employees. Additionally, over FYE 2021 to 2024 and up to LPD, there has not been any incident of work stoppage that has materially affected our operations.

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7. BUSINESS OVERVIEW

7.1 OUR HISTORY

Our Company was incorporated in Malaysia under the Act on 10 January 2024 as a private limited company under the name of Signature Alliance Group Sdn Bhd. On 20 September 2024, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the provision of interior fitting-out services and building construction works.

7.1.1 Our corporate developments

SAC

Our Group's history can be traced back to the incorporation of SAC in Malaysia on 28 October 2009 by Chang Chung Fei (25.0%), Teo Thiam Chye (50.0%, non-related party) and Low Tiam Poh (25.0%, non-related party), whom were concurrently appointed as directors of SAC. Upon incorporation, SAC commenced operations in the provision of interior fitting-out services and building construction and subsequently secured its first contract in November 2009.

On 31 December 2009, Teo Thiam Chye and Low Tiam Poh resigned as directors of SAC, and Chang Chen Seng (late brother of Chang Chung Fei) was concurrently appointed as a director. On even date, Chang Chen Seng acquired 1.0% from Low Tiam Poh for a cash consideration of RM2,000 (based on cost of investment) while Chang Chung Fei acquired the remaining shareholdings of Teo Thiam Chye and Low Tiam Poh (collectively 73.0%) for cash considerations of RM100,000 and RM48,000 respectively (based on cost of investment). This resulted in Chang Chung Fei and Chang Chen Seng assuming a 99.0% and 1.0% equity interest respectively in SAC.

On 11 May 2011, Chang Chen Seng resigned as a director of SAC, and transferred his entire shareholdings to Lew Poh Fong (Chang Chung Fei's spouse) for a cash consideration of RM2,000 (based on cost of investment), thereby resulting in Chang Chung Fei and Lew Poh Fong holding 99.0% and 1.0% equity interest respectively in SAC. On even date, Lew Poh Fong was appointed as a Director of SAC.

In 2013, Ng Mun Moh joined SAC as a director (non-board member). On 19 February 2014, Ng Mun Moh was appointed as a Director of SAC, and subsequently became a shareholder on even date, upon acquiring 30.0% equity interest from Chang Chung Fei for a cash consideration of RM300,000 (based on cost of investment), thereby resulting in Chang Chung Fei, Ng Mun Moh and Lew Poh Fong holding 69.0%, 30.0% and 1.0% equity interest respectively in SAC.

On 31 December 2021, Lew Poh Fong resigned as a director of SAC, and transferred her entire shareholdings to her spouse, Chang Chung Fei for a nominal cash consideration of RM1, thereby resulting in the increase of Chang Chung Fei's equity interest to 70.0%.

7. BUSINESS OVERVIEW (Cont'd)

On 25 March 2022, SIB acquired 51.0% equity interest, comprising 35.7% from Chang Chung Fei and 15.3% from Ng Mun Moh for cash considerations of RM9,986,084 and RM4,279,750 respectively. The purchase consideration was arrived at based on inter-alia, the guaranteed combined NA of SAC Group as at 31 December 2021 of at least RM27.2 million. Chang Chung Fei and Ng Mun Moh have paid for the shortfall between audited combined NA of SAC Group as at 31 December 2021 of RM26.5 million and the guaranteed combined NA of SAC Group as at 31 December 2021 of at least RM27.2 million.

The rationale for SIB's acquisition of 51.0% equity interest in SAC was to expand in market segments that are complementary to SIB's existing business of manufacturing and retailing of modular kitchen and wardrobe systems (e.g. kitchen cabinets and wardrobe), fitting-out of home and living spaces in Malaysia. Following this acquisition, SAC Group became a subsidiary of SIB. This resulted in Chang Chung Fei, Ng Mun Moh and SIB holding 34.3%, 14.7% and 51.0% equity interest respectively in SAC.

On the same date, Shelly Chiau Yee Wern (Executive Director of SIB), Lau Kock Sang (Group Chief Executive Officer of SIB) and Chong Kee Soon (Chief Executive Officer of Retail Business, Signature Distribution Sdn Bhd, a subsidiary of SIB) were appointed as directors of SAC.

Chong Kee Soon subsequently resigned as a director on 1 December 2022 and Low Chin Giap (Chief Executive Officer of Retail Business, Signature Distribution Sdn Bhd) was concurrently appointed as a director on the same date.

SAF

SAF was incorporated in Malaysia on 29 August 2013, then under the name of SAC Furniture Sdn Bhd, by Chang Chung Fei (70.0%) and Ng Mun Moh (30.0%), who were concurrently appointed as directors. Upon incorporation, SAF commenced operations in the customisation and supply of carpentry/ joinery parts and integral fixtures for interior fitting-out projects undertaken by our Group.

On 14 October 2014, SAF assumed its present name.

On 21 October 2014, Foong Weng Leong (factory manager of SAF) and Liew Yoke Peng (non-related party) became shareholders of SAF, whereby (i) Foong Weng Leong acquired 20.0% from Chang Chung Fei for a cash consideration of RM2,000 (based on cost of investment); and (ii) Liew Yoke Peng acquired 8.0% from Chang Chung Fei and 12.0% from Ng Mun Moh for cash considerations of RM800 and RM1,200 respectively (based on cost of investment). This resulted in an equity structure where Chang Chung Fei, Ng Mun Moh, Foong Weng Leong and Liew Yoke Peng held 42.0%, 18.0%, 20.0% and 20.0% equity interest respectively in SAF. On even date, Foong Weng Leong and Liew Yoke Peng were concurrently appointed as directors of SAF.

On 1 April 2019, Foong Weng Leong and Liew Yoke Peng resigned as directors of SAF, and transferred their entire shareholdings to Chang Chung Fei and Ng Mun Moh for considerations of RM20,000 and RM20,000 respectively (based on cost of investment), thereby resulting in Chang Chung Fei and Ng Mun Moh assuming equity interest of 62.0% and 38.0% respectively.

On 1 January 2022, SAC acquired the entire equity interest of SAF for a total purchase consideration of RM100,000 comprising RM62,000 from Chang Chung Fei and RM38,000 from Ng Mun Moh (based on cost of investment). Resulting from this, SAF became a wholly-owned subsidiary of SAC.

7. BUSINESS OVERVIEW (Cont'd)

SACabinet

SACabinet was incorporated in Malaysia on 24 November 2014 by Chang Chung Fei and Ng Mun Moh assuming 50.0% equity interest each, and were concurrently appointed as directors. Upon incorporation, SACabinet commenced its principal activities in the customisation, manufacturing and supply of modular kitchen and wardrobe systems.

On 15 December 2014, Siew Yem Len @ Siew Yim Len (currently Operations Manager of SACabinet) was appointed as a director of SACabinet. Subsequently, upon share allotments on 21 March 2015 to Chang Chung Fei, Ng Mun Moh, Siew Yem Len @ Siew Yim Len and Lim Sze Lyn (then a sales staff of SACabinet), their shareholdings became 35.7%, 15.3%, 39.0% and 10.0% equity interest respectively in SACabinet.

On 21 November 2016, Lim Sze Lyn ceased to be a shareholder of SACabinet, and transferred her entire shareholdings to Siew Yem Len @ Siew Yim Len for a cash consideration of RM10,000 (based on cost of investment). This resulted in Chang Chung Fei, Ng Mun Moh and Siew Yem Len @ Siew Yim Len holding 35.7%, 15.3% and 49.0% equity interest respectively in SACabinet.

On 31 December 2019, Siew Yem Len @ Siew Yim Len resigned as a director of SACabinet, and transferred her entire shareholdings to Chang Chung Fei for a nominal cash consideration of RM1 as the company was loss-making. This resulted in Chang Chung Fei and Ng Mun Moh holding 84.7% and 15.3% equity interest respectively in SACabinet.

On 1 January 2022, SAC acquired the entire equity interest of SACabinet for a purchase consideration of RM100,000 from Chang Chung Fei and Ng Mun Moh for cash considerations of RM84,700 and RM15,300 respectively (based on cost of investment). Resulting from this, SACabinet became a wholly-owned subsidiary of SAC. SACabinet ceased the customisation, manufacturing and supply of modular kitchen and wardrobe systems, and changed its principal activities to the provision of small-scale interior fitting-out works, generally for residential projects.

SAR

SAR was incorporated in Malaysia on 3 November 2011, then under the name of Ruang Makmur Sdn Bhd, by Burhanuddin Bin Othman and Hasmah Binti Daud (both non-related parties) with 51.0% and 49.0% equity interest respectively, who were concurrently appointed as directors. At the time, SAR was intended to carry out the provision of contracting services, M&E as well as civil engineering works, but remained as a shelf company.

On 1 August 2014, Burhanuddin Bin Othman and Hasmah Binti Daud resigned as directors of SAR, and transferred their entire shareholdings to Mohamad Faizal Bin Mohd Nor (51.0%) and Mohamad Yasin Bin Muhamad Ibrahim (49.0%), (both non-related parties) for cash considerations of RM51,000 and RM49,000 respectively (based on cost of investment). On even date, they were appointed as directors of SAR.

On 26 March 2015, SAR adopted its current name.

7. BUSINESS OVERVIEW (Cont'd)

On 3 April 2015, Mohamad Faizal Bin Mohd Nor and Mohamad Yasin Bin Muhamad Ibrahim resigned as directors of SAR (which was dormant at the time), and Chang Chung Fei, Ng Mun Moh and Mah Chee Tiam were concurrently appointed as directors. On 7 April 2015, Mohamad Faizal Bin Mohd Nor transferred his entire shareholdings of 51.0% to Chang Chung Fei for a cash consideration of RM51,000 (based on cost of investment); and Mohamad Yasin Bin Muhamad Ibrahim transferred his entire 49.0% equity interest to Chang Chung Fei (5.0%), Ng Mun Moh (24.0%) and Mah Chee Tiam (20.0%) for cash considerations of RM5,000, RM24,000 and RM20,000 respectively (based on cost of investment). This resulted in Chang Chung Fei, Ng Mun Moh and Mah Chee Tiam holding 56.0%, 24.0% and 20.0% equity interest respectively in SAR.

Subsequently on 20 May 2015, SAR changed its principal business activities to the supply of building materials for interior fitting-out projects undertaken by our Group.

On 1 November 2021, Mah Chee Tiam resigned as a director of SAR, and transferred his entire shareholdings of 20.0% to Chang Chung Fei (14.0%) and Ng Mun Moh (6.0%) for cash considerations of RM14,007 and RM6,003 respectively (based on cost of investment). This resulted in Chang Chung Fei and Ng Mun Moh holding 70.0% and 30.0% equity interest respectively in SAR.

On 1 January 2022, SAC acquired the entire equity interest of SAR from Chang Chung Fei and Ng Mun Moh for cash considerations of RM105,000 and RM45,000 respectively (based on cost of investment). Resulting from this, SAR became a wholly-owned subsidiary of SAC.

SAF Manufacturing

SAF Manufacturing was incorporated in Malaysia on 15 November 2006, then under the name of MT Design Sdn Bhd, by Chang Chen Seng and Chang Ngan Ling (the sister of Chang Chung Fei) with 70.0% and 30.0% equity interest respectively, who were concurrently appointed as directors. SAF Manufacturing commenced operations in 2006 in the provision of contracting services and distribution of ironmongery. Upon incorporation, Chang Chen Seng was running the day-to-day operations of the company.

On 26 August 2011, Chang Ngan Ling resigned as a director of SAF Manufacturing and transferred her entire shareholdings to Ho Thai Wei (non-related party) for a consideration of RM30 (based on cost of investment). Since Ho Thai Wei's admission as a shareholder, he ran the company alongside Chang Chen Seng.

On 4 June 2014, Chang Chen Seng ceased to be a director of SAF Manufacturing upon his passing. Accordingly, the company ceased its operations. Subsequently on 5 February 2015, Ho Thai Wei resigned as a director, and Chang Chung Fei and Lew Poh Fong were appointed as directors of SAF Manufacturing. Then on 8 June 2015, the estate of the late Chang Chen Seng transferred 70.0% shareholdings to Chang Chung Fei for a cash consideration of RM70 (based on cost of investment). On the same date, Ho Thai Wei transferred his entire shareholdings to Lew Poh Fong for a cash consideration of RM30 (based on cost of investment).

On 21 December 2018, SAF Manufacturing assumed its current name, and commenced operations in the manufacturing of customised wooden furniture for interior fitting-out projects undertaken by our Group.

On 1 January 2019, Lew Poh Fong resigned as a director of SAF Manufacturing, and Ng Mun Moh, Foong Weng Leong and Liew Yoke Peng were subsequently appointed as directors. On even date, Chang Chung Fei and Lew Poh Fong transferred their entire shareholdings to SAF for a total purchase consideration of RM100, comprising RM70 and RM30 respectively (based on cost of investment).

7. BUSINESS OVERVIEW (Cont'd)

Then on 2 May 2019, Foong Weng Leong and Liew Yoke Peng resigned as directors of SAF Manufacturing.

On 1 January 2022, SAC acquired the entire equity interest of SAF Manufacturing from SAF at a purchase consideration of RM100 (based on cost of investment). Resulting from this, SAF Manufacturing became a wholly-owned subsidiary of SAC.

Zig Zag Builders

Zig Zag Builders was incorporated in Malaysia on 20 April 2015, then under the name Zig Zag Marketing Sdn Bhd, where Foo Khai Shin and See Kiok Hua (Foo Khai Shin's mother) held 50.0% equity interest each. They were concurrently appointed as directors on even date. Upon incorporation, Zig Zag Builders commenced its principal business activities in the provision of interior fitting-out services and building construction. Upon commencement of Zig Zag Builders' operations and up to LPD, Foo Khai Shin has been responsible for running the day-to-day operations of the company.

Following a share allotment on 24 July 2015, Foo Khai Shin and See Kiok Hua held equity interest of 99.0% and 1.0% respectively in Zig Zag Builders.

On 15 October 2015, Tan Leek Hui (Foo Khai Shin's spouse) was appointed as a director of Zig Zag Builders.

On 19 October 2015, Zig Zag Builders assumed its current name.

Following share allotments on 18 November 2015 and 5 December 2017, Tan Leek Hui emerged as a 1.0% shareholder, whilst Foo Khai Shin and See Kiok Hua held the remaining 98.0% and 1.0% equity interest respectively in Zig Zag Builders.

On 18 June 2019, See Kiok Hua resigned as a director of Zig Zag Builders and transferred her entire shareholdings (1.0%) to Foo Khai Shin for a cash consideration of RM10,000 (based on cost of investment), resulting in Foo Khai Shin and Tan Leek Hui holding 99.0% and 1.0% equity interest respectively in Zig Zag Builders.

On 24 August 2023, SIB acquired 45.0% equity interest in Zig Zag Builders from Foo Khai Shin (44.0%) and the entire shareholdings of Tan Leek Hui (1.0%) for cash considerations of RM12,572,919 and RM285,748 respectively (based on guaranteed NA of not less than RM5.0 million as at 31 December 2022 and aggregate PAT of at least RM15.0 million for FYE 2023 and 2024). The total cash consideration may be subject to adjustments according to the shortfall between the actual audited aggregate PAT for FYE 2023 and 2024 and the guaranteed aggregate PAT of at least RM15.0 million for FYE 2023 and 2024. For clarification, Zig Zag Builders have achieved an audited PAT of RM4.1 million for FYE 2023 and unaudited PAT of RM16.2 million for 11-months financial period ended 30 November 2024. On even date (i.e. 24 August 2023), Tan Leek Hui concurrently resigned as a director, and Lau Kock Sang was concurrently appointed as a director of Zig Zag Builders. This resulted in the shareholdings of Zig Zag Builders comprising SIB (45.0%) and Foo Khai Shin (55.0%) respectively.

Subsequently on 18 October 2023, Foo Khai Shin transferred 5.1% of his equity interest in Zig Zag Builders to SIB for a cash consideration of RM1,479,000 (based on guaranteed NA of not less than RM5.0 million as at 31 December 2022 and aggregate PAT of at least RM15.0 million for FYE 2023 and 2024), resulting in SIB and Foo Khai Shin holding 50.1% and 49.9% equity interest respectively.

7. BUSINESS OVERVIEW (Cont'd)**Zig Zag Engineering**

Zig Zag Engineering was incorporated in Malaysia on 11 March 2024 as a wholly-owned subsidiary of Zig Zag Builders. Since incorporation, Zig Zag Engineering commenced operations in the provision of air conditioning ducting works.

On even date, Foo Khai Shin and Lau Kock Sang were appointed as directors of Zig Zag Engineering.

7.1.2 Our business growth

The history of our Group can be traced to 2009 when Chang Chung Fei incorporated SAC and was concurrently appointed as a Director. Upon its incorporation, SAC commenced operations in the provision of interior fitting-out services and subsequently secured its first contract to undertake interior fitting-out works in late 2009.

Our portfolio of interior fitting-out which includes A&A projects has grown significantly over the years, as we provide our services to our clients who are primarily commercial, industrial and residential property owners, or consultants engaged by commercial, industrial and residential property owners.

During FYE 2021 to 2024 and up to LPD, we have completed a total of 624 individual interior fitting-out projects with a combined project value of RM391.6 million. As at LPD, we also currently have a total of 69 ongoing projects with a total contract value of RM902.4 million and unbilled contract value of RM388.6 million or 43.1% of the total value. Please refer to Section 7.3.2 for further details on our ongoing and completed projects.

In 2013, SAF was incorporated for the purpose of supplying customised carpentry/ joinery parts and integral fixtures for the interior fitting-out projects of our Group. By internalising the customisation of interior fitting-out components from our production facility, our Group is able to control the pricing and quality of the components we utilise in our interior fitting-out projects.

In 2013, SAC acquired a 1½-storey semi-detached factory with a built-up area of approximately 19,704 sq ft in Bandar Baru Bangi, Selangor, and SAF commenced the customisation and supply of carpentry/ joinery parts and integral fixtures for our interior fitting-out projects. This premise then served as our main corporate office.

In 2014, SACabinet was incorporated by Chang Chung Fei and Ng Mun Moh who were concurrently appointed as Directors. SACabinet was initially involved in the manufacturing and supply of modular kitchen and wardrobe systems for the interior fitting-out projects of our Group, and subsequently changed its principal activities in 2022 to the provision of small-scale interior fitting-out services, generally for residential projects.

In 2015, Chang Chung Fei acquired a 70.0% equity stake in SAF Manufacturing (then known as MT Design Sdn Bhd) which was then principally involved in the provision of contracting services and distribution of ironmongery. In 2018, SAF Manufacturing assumed the principal activity of contracting services and the manufacturing of customised wooden furniture.

In 2015, Chang Chung Fei, Ng Mun Moh and Mah Chee Tiam were appointed as Directors of SAR, which subsequently changed its principal activities to the supply of building materials for interior fitting-out projects undertaken by our Group.

7. BUSINESS OVERVIEW (Cont'd)

In 2015, Zig Zag Builders was incorporated by Foo Khai Shin and See Kiok Hua then under the name Zig Zag Marketing Sdn Bhd. Zig Zag Builders commenced operations in Pulau Pinang in the provision of interior fitting-out services. In 2021, Zig Zag Builders commenced operations of a production facility in Puchong, Selangor which supplies customised carpentry/joinery parts and integral fixtures for the interior fitting-out projects that it undertakes. Currently, Zig Zag Builders complements our interior fitting-out activities by serving clients in the F&B, retail as well as industrial segments.

In 2018, we relocated our main corporate office to a 2½-storey semi-detached factory located in Kajang, Selangor with a built-up area of approximately 9,155 sq ft. This property serves as our current headquarters, whilst our production activities undertaken by SAF remain in Bandar Baru Bangi, Selangor. This move allows us to centralise our business function in a conducive work environment for the management of our business activities, whilst maintaining proximity to our production facilities.

In 2024, Zig Zag Engineering was incorporated as a wholly-owned subsidiary of Zig Zag Builders. Since its incorporation, Zig Zag Engineering has been involved in the provision of air conditioning ducting works.

7.2 KEY ACHIEVEMENTS AND MILESTONES**7.2.1 Key milestones**

The key corporate and business development milestones of our Group are as follows:

Year	Key milestones
2009	Incorporation of SAC on 28 October 2009
2009	Secured our first interior fitting-out contract for an F&B establishment in Kuala Lumpur for a total contract value of RM0.3 million
2011	SAC was registered as a Grade 4 contractor under CIDB for the categories of Building (B) and Civil Engineering (CE). The Grade 4 CIDB registration allows us to participate in tenders for projects with contract value of up to RM3.0 million throughout Malaysia
2012	- SAC's CIDB registration was upgraded to Grade 6 under the categories of Building (B) and Civil Engineering (CE). The Grade 6 CIDB registration allowed us to participate in tenders for projects with contract value of up to RM10.0 million throughout Malaysia - Secured an interior fitting-out contract for an international chain of electronics and home furnishing retail establishment in Selangor for a total contract value of RM4.8 million
2013	- SAC's CIDB registration was upgraded to Grade 7 under the categories of Building (B) and Civil Engineering (CE). The Grade 7 CIDB registration allows us to participate in tenders for projects with unlimited contract value throughout Malaysia - Incorporation of SAF (formerly known as SAC Furniture Sdn Bhd) on 29 August 2013

7. BUSINESS OVERVIEW (Cont'd)

Year	Key milestones
	Acquisition of 1½-storey semi-detached factory with a built-up area of approximately 19,704 sq ft in Bandar Baru Bangi, Selangor, which serves as our production facility
2014	- Acquisition of a 2½-storey semi-detached factory located in Kajang, Selangor with a built-up area of approximately 9,155 sq ft, which serves as our current headquarters - Incorporation of SACabinet on 24 November 2014
2015	- Incorporation of Zig Zag Builders (formerly known as Zig Zag Marketing Sdn Bhd) on 20 April 2015 - Secured a contract for interior fitting-out works for the entrances, lobbies, common corridors and facilities at a shopping mall in Kuala Lumpur for a total contract value of RM47.3 million
2017	SAC was first certified compliant with the ISO 9001:2015 quality management systems for the provision of project management of interior fit out works by Value and Professional Certification Sdn Bhd
2018	Secured Iskandar Puteri Project
2019	Secured Shah Alam Project
2020	Secured TRX C1 – Client A Project
2021	- SAC was certified compliant with the ISO 45001:2018 occupational health and safety management systems for the provision of project management of interior fitting-out works by SN Registrars (Holdings) Limited - Secured TRX C2 – Client A Project
2022	Secured Jalan Ampang 1 Project
2023	- Zig Zag Builders became a subsidiary of our Group - Secured Eco City Project
2024	- Incorporation of Zig Zag Engineering on 11 March 2024 - Secured Presint Merdeka Project and Jalan Ampang 2 Project

7. BUSINESS OVERVIEW (Cont'd)**7.2.2 Key achievements**

Over the years and up to LPD, we have been awarded with the following key awards and recognitions:

Year	Subsidiary awarded	Award	Awarding party
2016	SAC	Gold Award, Interior Fit-Out Works, Public Design Category, Pantai Sentral Park Sales Gallery and Show Units	Malaysian Interior Industry Partners Association ("MIIP")
2017	SAC	Outstanding Award for the successful implementation of Health and Safety Management System, 2017	Majlis Negara bagi Keselamatan and Kesihatan Pekerjaan
2018	SAC	- Certificate of completion for Workplace Accident Free Week (WAFEW) program 2018, Johor - Honorable Mention Award, Malaysian Interior Design Awards 2018 for Industry Excellence for the Pantai Sentral Park Sales Gallery and Show Units, Interior Builders Category	- Jabatan Keselamatan dan Kesihatan Pekerjaan - Malaysian Institute of Interior Designers ("MIID")
2021	Zig Zag Builders	SME100 Fast Moving Companies Award 2021	SME & Entrepreneurship Magazine
2022	SAC	- Best Practices Award, Environment, Health and Safety Management - Merit Award, Interior Fit-Out Works, Retail Category, Toppen Shopping Centre's Common Area, Johor Bahru - SME100 Fast Moving Companies Award 2022 – First Top Ten - Honorable Mention Award, Malaysian Interior Design Awards 2022 for Industry Excellence for Interior Fitting-out Works for Menara Affin, Tun Razak Exchange, Kuala Lumpur - Large Category	- MIIP - MIIP - SME & Entrepreneurship Magazine - MIID

7. BUSINESS OVERVIEW (Cont'd)

Year	Subsidiary awarded	Award	Awarding party
2023	Zig Zag Builders	- Shanghai International Prestige Business Awards ("SHIPBA") International Prestige Business Awards 2023 - Certificate of Achievement, Master Entrepreneur Category, Asia Pacific Enterprise Awards 2023 - Certificate of Achievement, Fast Enterprise Category, Asia Pacific Enterprise Awards 2023	- SHIPBA - Enterprise Asia - Enterprise Asia
2024	Zig Zag Builders	Property Ecosystem Branding Award, Specialist in Interior fit-out, The BrandLaureate Property Branding Awards 2024	The World Brands Foundation

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7. BUSINESS OVERVIEW (Cont'd)**7.3 DESCRIPTION OF OUR BUSINESS**

Our Group is principally involved in the provision of interior fitting-out services and building construction works.

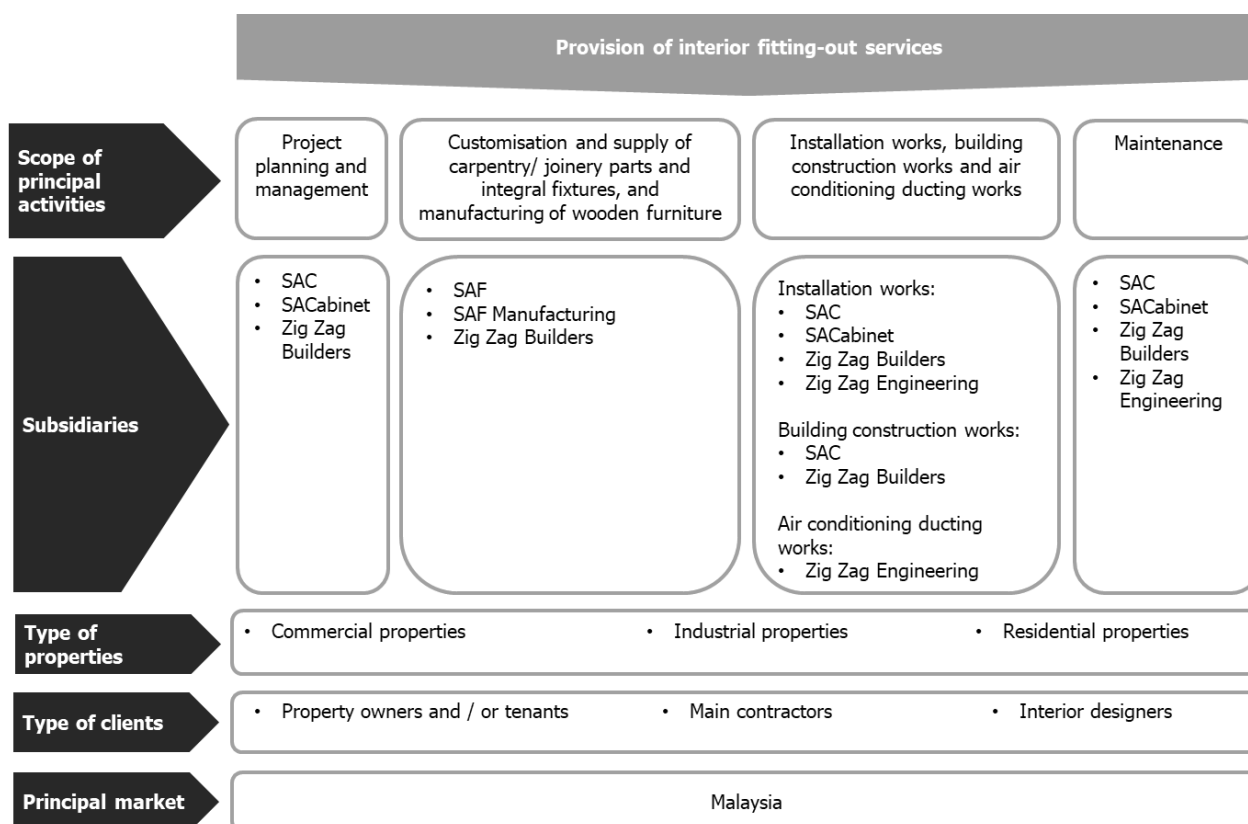
Interior fitting-out services typically involve the process of actualisation of designs in the interior space. Our Group's interior fitting-out services include:

- (i) project planning and management of our Group's interior fitting-out projects;
- (ii) customisation and supply of carpentry/ joinery parts and integral fixtures, and manufacturing of wooden furniture;
- (iii) installation works, building construction works and provision of air conditioning ducting works; and
- (iv) maintenance of the projects that our Group undertakes on an ad-hoc basis.

Our clients typically comprise owners or tenants of commercial, industrial and residential properties, main contractors and interior designers who (a) are consultants appointed by the property developers for the interior design work of the buildings; or (b) require interior fitting-out services for newly built properties or renovated/ refurbished properties.

All of our contracts are on a project-by-project basis.

The following diagram illustrates our business model:



7. BUSINESS OVERVIEW (Cont'd)

The diagram above does not include trading of building materials undertaken by SAR as the trading revenue is negligible and such building materials are solely supplied to our subcontractors for interior fitting-out projects that we undertake. Please refer to Section 7.5 for further details.

In some of our Group's interior fitting-out projects, our clients may include building construction works as part of our scope of works. In such instances, our Group is required to carry out civil and structural works. Our Group will engage subcontractors to undertake these civil and structural works under the supervision of our project management team. For clarity, our Group will only carry out building construction works if it is an integral part of the interior fitting-out project scope of works that our Group is involved in.

Please refer to Section 7.3.2 for further details of our Group's ongoing and completed projects.

7.3.1 Provision of interior fitting-out services

Our Group is principally involved in the provision of interior fitting-out services. The scope of our interior fitting-out services typically comprises the following principal activities:

- We act as the project manager of our interior fitting-out projects where we are responsible for, among others, the overall implementation of all interior fitting-out aspects of the projects which we undertake. This encompasses planning, coordinating, monitoring and supervising the project on-site. We provide our project management services across the duration of our projects, ranging from the commencement of our services to the delivery of the CPC and follow-up rectification of defects during the DLP;
- Customisation and supply of carpentry/ joinery parts and integral fixtures (including metal components/ ironmongery, stone based components and upholstery), and manufacturing of wooden furniture. We carry out the customisation and manufacturing of carpentry/ joinery parts as well as wooden furniture at our own production facilities primarily to support the business activities of our Group, according to the requirements and specifications of each project which we undertake;
- Provision of installation services of interior fitting-out works, where we are responsible for the actualisation of the designs via our project department. This may also include building construction works and provision of air conditioning ducting works. We also engage the services of our subcontractors in supplying the necessary expertise and manpower required for our projects; and
- Provision of maintenance of the interior fitting-out works after the expiry of the DLP for the projects which we undertake, on an ad-hoc basis.

We provide interior fitting-out services for different types of premises in the commercial, industrial and residential sector, including office spaces, hospitality premises, property showrooms/ sales galleries, retail outlets, F&B outlets and industrial properties as well as common areas of commercial and residential properties in Malaysia. Resultingly, the scope of our work could differ depending on the requirements of our clients and vary from project to project.

7.3.1.1 Project planning and management

When our Group is engaged by our clients or their consultants, our Group is typically responsible for overall project management, coordination, engaging subcontractors of the project and procuring the necessary materials from our suppliers depending on the requirements of each project our Group undertakes.

7. BUSINESS OVERVIEW (Cont'd)

Such project management services which involve the process of planning, organising and controlling of time, quality, resources, procedures and protocols are to ensure that the quality and composition of our Group's overall services adhere to our clients' expectations and to ensure the timely and smooth progression of the project.

Subject to the terms of the projects that our Group secures, our A&A projects may involve some civil and structural construction works. In such instances, our Group engages subcontractors to carry out such works.

Our Group monitors and supervises the projects on-site from commencement of our services to the issuance of CPC and follow-up rectification of defects during the DLP.

7.3.1.2 Customising, supply of carpentry/ joinery parts and integral fixtures and manufacturing of wooden furniture

Our Group customises, manufactures and supplies carpentry/ joinery parts and integral fixtures as well as wooden furniture solely for the interior fitting-out projects undertaken by us. Our Group operates 2 production facilities from Bandar Baru Bangi, Selangor and in Puchong, Selangor, which enables us to carry out the production of carpentry/ joinery parts and integral fixtures such as tables, countertops, receptionist counters, storage spaces and related integral fixtures, as well as wooden furniture that are required in the projects that our Group undertakes. Our Group believes that this enables us to actualise concepts desired by our clients, ensures the quality of our finished products and concurrently manage our project cost and time involved in delivering our interior fitting-out works.

Before our Group customises any product, our Group will discuss with our clients or their consultants to understand their requirements, taking into account their desired overall look and feel of the premises. Our Group will then prepare internally the carpentry/ joinery parts and/ or integral fixtures, as well as shop drawings based on the overall design concept and available space. Our Group will also recommend materials to be used in the production process, taking into consideration any specific materials which are requested by our clients such as environmentally friendly wood. Thereafter, detailed designs of carpentry/ joinery parts and/ or integral fixtures as well as wooden furniture will be developed and produced either in-house within our production facilities or by our Group's suppliers in accordance with the approved designs. Our Group adopts a similar process for the manufacturing of wooden furniture, but according to different project specifications, as our wooden furniture are usually fully assembled and can be utilised as loose furniture or larger interior fitting-out components.

The customisation of carpentry/ joinery parts and integral fixtures as well as manufacturing of wooden furniture is carried out at our production facilities by our subcontractors who supply us with skilled workers with experience in carpentry and woodworking. These skilled workers work under the supervision of our production team.

We also engage external suppliers to customise and/ or manufacture carpentry/ joinery parts, integral fixtures and wooden furniture to supplement our internal production for our project requirements when our production facilities are operating at full capacity. In such instances, these suppliers will adopt the detailed designs that we develop in-house in accordance with the approved designs. The suppliers of non-wood related integral fixtures (such as metal components/ ironmongery suppliers, stone-based component suppliers or glass-based component suppliers) that we engage will develop detailed designs for their respective final products, in accordance with the approved designs.

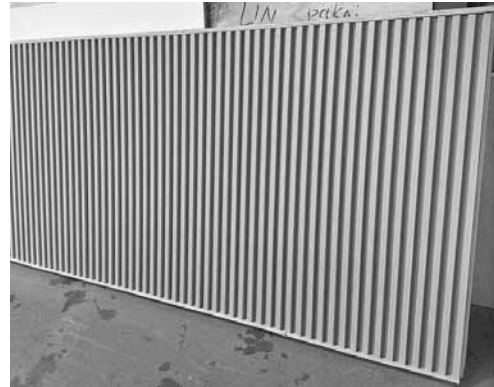
We do not possess the necessary machinery for the production of certain shapes of processed boards. Thus, we outsource the cutting processes of some of our raw boards to CNC cutting machinery service providers for the customisation and manufacture of carpentry/ joinery parts and integral fixtures as well as wooden furniture.

7. BUSINESS OVERVIEW (Cont'd)

Some of our finished and semi-finished carpentry/ joinery parts and integral fixtures as well as wooden furniture which are supplied to our own projects are as follows:



Semi-finished cabinetry



Semi-finished wall panelling



Finished countertop fixture



Packaged semi-finished furniture for transportation to site

7.3.1.3 Installation works, building construction works and provision of air conditioning ducting works

Our Group's interior fitting-out services is the actualisation of designs which are provided to us by the project's interior design consultants or architects, whereby we will co-ordinate, manage and arrange for the interior fitting-out works to be carried out. In some instances, where required by our clients, we may also provide shop drawings based on drawings provided by the interior design consultants or architects.

The types of interior fitting-out works that our Group undertakes generally include the manufacture and/ or installation of partitioning, carpeting, carpentry, joinery parts, plastering, floor finishing, steel and metal works, painting works, sanitaryware and fittings, MEP works, minor structural works such as staircases as well as other associated works. In addition, our scope of works may also include building construction works and air conditioning ducting works.

Our Group's interior fitting-out services also comprises the provision of A&A services for properties owned by our clients. Through our clients or their consultants, the A&A services that we provide include the refurbishment and remodelling, addition of new materials and components to existing properties. We engage subcontractors to carry out the abovementioned A&A services under the supervision of our project management team.

7. BUSINESS OVERVIEW (Cont'd)

7.3.1.4 Maintenance

After the completion of the projects and upon the expiry of the DLP, our Group may provide repair and maintenance services for our client's interior fitting-out installations if requested by our clients, or on an ad-hoc basis. For clarity, our Group generates revenue from the provision of maintenance services as these services are provided upon expiry of the DLP.

Some of the interior fitting-out projects undertaken by our Group are as depicted below:



Cafeteria in a corporate office



Reception area in a corporate office



Lobby in a corporate office



Common area in a shopping mall



Property sales gallery



Hotel lobby and main entrance

7. BUSINESS OVERVIEW (Cont'd)



F&B outlets

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7. BUSINESS OVERVIEW (Cont'd)**7.3.2 Our ongoing and completed projects**

The interior fitting-out projects undertaken by our Group are classified as follows:

(i) Ongoing projects

As at LPD, we have 69 ongoing projects with total contract value of RM902.4 million, which is expected to be realised progressively over the next 1 to 2 financial years. Out of this contract value for the 69 ongoing projects, RM375.5 million and RM138.3 million have been billed as of FYE 2024 and during 1 January 2025 up to LPD respectively, and the remaining RM388.6 million remains unbilled as at LPD. The following table sets forth our ongoing projects over FYE 2021 to 2024 and up to LPD with contract value of RM5.0 million and above.

No.	Project name	Subsidiary involved	Our role	Client/ Type of client	Type of property	Contract period ⁽¹⁾	Contract value/ unbilled contract value as at LPD ⁽²⁾	Stage of completion as at LPD ⁽³⁾
							RM' million	%
1.	Shah Alam Project	SAC	Subcontractor	HAB Construction Sdn Bhd/ Main contractor	Commercial	March 2019 to May 2022	35.3/2.3	⁽⁴⁾ 93.5
2.	Bukit Tinggi Project	SAC	Subcontractor	Meng Kei Construction Sdn Bhd/ Main contractor	Commercial	August 2021 to June 2023	5.7/0.3	⁽⁴⁾ 94.7
3.	Jalan Ampang Project	1 SAC	Main contractor	Bellajade Sdn Bhd/ Property owner	Commercial	May 2022 to June 2024	82.1/9.3	⁽⁴⁾ 88.7
4.	Bayan Lepas Project	2 Zig Builders Zag Builders	Subcontractor	Client E/ Main contractor	Industrial	June 2022 to January 2025 ⁽⁶⁾	32.2/18.7	41.9
5.	Bayan Lepas Project	1 Zig Builders Zag Builders	Subcontractor	Filtech Sdn Bhd/ Main contractor	Industrial	July 2022 to February 2025 ⁽⁶⁾	23.7/14.5	38.8
6.	KL Project	SAC	Main contractor	TTDI KL Metropolis Sdn Bhd/ Property owner	Commercial	February 2023 to July 2024	9.0/1.4	⁽⁴⁾ 84.4
7.	Port Dickson Project	SAC	Subcontractor	Frazel Construction Sdn Bhd/ Main contractor	Commercial	June 2023 to December 2025	24.9/7.6	69.5

7. BUSINESS OVERVIEW (Cont'd)

No.	Project name		Subsidiary involved	Our role	Client/ Type of client	Type of property	Contract period ⁽¹⁾	Contract value/ unbilled contract value as at LPD ⁽²⁾	Stage of completion as at LPD ⁽³⁾
								RM' million	%
8.	Sunway Project		SAC	Subcontractor	Client W/ Main contractor	Commercial	September 2023 to September 2024	8.5/0.9	⁽⁴⁾ 89.4
9.	TRX6 – LL Project		SAC	Subcontractor	Lendlease Projects (M) Sdn Bhd/ Main contractor	Commercial	October 2023 to January 2025 ⁽⁷⁾	49.3/15.4	68.8
10.	Meru Raya Project		SAC	Subcontractor	Permata Rebana & Vizione Holdings JV Sdn Bhd/ Main contractor	Commercial	September 2023 to September 2025	78.2/31.7	59.5
11.	Bandar Project	Enstek	Zig Builders	Main contractor	Ace Logistic Sdn Bhd/ Property owner	Industrial	December 2023 to March 2025	38.0/1.7	⁽⁴⁾ 95.5
12.	Tropicana Project		SAC	Subcontractor	Al Ambia Sdn Bhd/ Main contractor	Residential	January 2024 to January 2025	8.0/0.1	⁽⁴⁾ 98.8
13.	Cyberjaya Project		SAC	Main contractor	Sky Park Properties Sdn Bhd/ Property owner	Commercial	January 2024 to May 2025	95.0/26.9	71.7
14.	Damansara Project		SAC	Subcontractor	CBRE GWS Sdn Bhd/ Main contractor	Commercial	March 2024 to June 2024	16.4/0.8	⁽⁴⁾ 95.1
15.	TRX7 – Project ⁽⁵⁾	TAG	SAC	Main contractor	Access Group of Companies Malaysia Sdn Bhd/ Property owner	Commercial	March 2024 to October 2024	18.2/0.02	⁽⁴⁾ 99.9
16.	Avenue Project		SAC	Main contractor	Veritas Architects Sdn Bhd (on behalf of USJ Citypoint Sdn Bhd)/ Property owner	Commercial	June 2024 to January 2025	12.4/1.0	⁽⁴⁾ 91.9
17.	Melaka Project		Zig Builders	Main contractor	Chin Hin Property (Melaka) Sdn Bhd/ Property owner	Commercial	June 2024 to January 2025	7.5/1.2	⁽⁴⁾ 84.0

7. BUSINESS OVERVIEW (Cont'd)

No.	Project name			Subsidiary involved	Our role	Client/ Type of client	Type of property	Contract period ⁽¹⁾			Contract value/ unbilled contract value as at LPD ⁽²⁾	Stage of completion as at LPD ⁽³⁾
											RM' million	%
18.	Sri Petaling Project	1	SAC	Main contractor	PP Chin Hin Realty/ Property owner	Commercial	July 2024 to February 2025			83.1/10.6	⁽⁴⁾ 87.2	
19.	Bukit Tunku Project		Zig Builders	Zag Builders	Main contractor	Lim Kian Hin/ Property owner	Residential	November 2024 to November 2025		6.5/6.3	3.1	
20.	Sri Petaling Project	2	Zig Builders	Zag Builders	Main contractor	PP Chin Hin Realty/ Property owner	Commercial	October 2024 to October 2025		30.1/28.5	5.3	
21.	Tropicana Cenang Project		Zig Builders	Zag Builders	Main contractor	Isedecor Bina Sdn Bhd/ Property owner	Commercial	October 2024 to October 2025		43.0/36.1	16.0	
22.	Presint Merdeka Project		SAC		Main contractor	Malayan Banking Berhad/ Property owner	Commercial	December 2024 to October 2025		86.5/84.6	2.2	
23.	Jalan Ampang Project	2	SAC		Main contractor	Client B/ Property owner	Commercial	January 2025 to June 2025		65.9/65.3	0.9	
24.	Telok Gong Project		Zig Builders	Zag Builders	Main contractor	Tex Cycle (P2) Sdn Bhd/ Property owner	Industrial	May 2025 to February 2026		7.4/7.4	-	
											866.9/372.6	

Notes:

- (1) Refers to commencement date until the expected completion date of each project. Commencement date of each project is based on the respective LOAs or purchase orders or management estimates on commencement date. Completion date of each project is based on the completion date set out in the respective LOAs and includes subsequent extension of time required to deliver variation of work orders from the clients to our Group, if any.
- (2) Contract value and unbilled contract value as at LPD of each project includes original contract value as per LOAs or purchase orders and subsequent variation orders, if any.
- (3) Calculated based on progress billing issued as at LPD over total contract value.

7. BUSINESS OVERVIEW (*Cont'd*)

- (4) These projects' works have been completed and the project sites have been handover to the respective client as at LPD. As such, contract revenue has been fully recognised for these projects based on works done. As at LPD, our Group is in the midst of finalising the final accounts with the clients.
- (5) Design and build project wherein our Group was required to submit drawings for interior design and other design related aspects.
- (6) Our Group expects that there will be a delay for these projects and had since March 2025 applied for an extension of time up to October 2025 (Bayan Lepas 2 Project) and September 2025 (Bayan Lepas 1 Project) respectively to complete the projects. The decision for the extension of time is still pending as at LPD. Nevertheless, the works for the projects are still ongoing, and the client's consultants are still certifying our Group's works for purposes of its progress billings and payments.
- (7) Our Group expects that there will be a delay for this project and had since August 2024 applied for an extension of time up to October 2025 to complete this project. In October 2024, our Group was notified by the main contractor that the date of practical completion for this project has been revised to July 2025. Notwithstanding this, the decision for the extension of time is still pending as at LPD, as the main contractor is still awaiting the approval/ reply from the project owner for the said extension of time. Nevertheless, the works for this project are still ongoing, and the client's consultants are still certifying our Group's works for purposes of its progress billings and payments.

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7. BUSINESS OVERVIEW (Cont'd)**(ii) Completed projects**

For FYE 2021 to 2024 and up to LPD, we have completed 624 projects with total contract value of RM391.6 million.

The following table sets forth our past projects over FYE 2021 to 2024 and up to LPD with contract values of RM5.0 million and above.

No.	Project name	Client	Type of property	Contract period ⁽¹⁾	Contract value ⁽²⁾	Status of retention sum
					RM' million	
1.	Iskandar Puteri Project	Pearl Discovery Development Sdn Bhd	Commercial	December 2018 to July 2022	17.0	Released
2.	TRX1 – IJM Project	IJM Construction Sdn Bhd	Commercial	November 2019 to January 2022	19.3	Released
3.	TRX C1 – Client A Project	Client A	Commercial	January 2020 to March 2022	32.2	Pending release of the remaining 50.0% of the retention sum upon issuance of CMGD
4.	TRX C2 – Client A Project	Client A	Commercial	January 2021 to March 2022	27.8	Released
5.	Bukit Jalil Project	Elitetrax Marketing Sdn Bhd	Commercial	August 2021 to November 2021	5.0	Released
6.	Kota Damansara Project	Signature Kitchen Sdn Bhd	Commercial	November 2021 to November 2022	5.3	N/A
7.	TRX3 – Client H Project	Client H	Commercial	April 2022 to August 2022	47.8	Pending release of the entire retention sum for VO works upon expiry of DLP
8.	TRX4 – DNB Project ⁽³⁾	Digital Nasional Berhad	Commercial	August 2022 to December 2022	22.9	Pending release of the remaining 50.0% of the retention sum upon issuance of CMGD

7. BUSINESS OVERVIEW (Cont'd)

No.	Project name	Client	Type of property	Contract period ⁽¹⁾	Contract value ⁽²⁾ RM' million	Status of retention sum
9.	Bangsar 1 Project	Google Services Malaysia Sdn Bhd	Commercial	September 2022 to May 2023	26.0	Pending release of the entire retention sum upon issuance of CMGD
10.	TRX5 – Client A Project	Client A	Commercial	November 2022 to March 2023	21.9	Pending release of the entire retention sum upon issuance of CMGD
11.	Eco City Project ⁽³⁾	BASF Asia-Pacific Service Centre Sdn Bhd	Commercial	March 2023 to March 2024	27.4	Pending release of the entire retention sum upon issuance of CMGD
12.	KL Sentral Project	Google Services Malaysia Sdn Bhd	Commercial	April 2023 to July 2023	8.0	Pending release of the entire retention sum upon issuance of CMGD
13.	Bangsar 2 Project	Client M	Commercial	May 2023 to January 2024	5.7	Pending release of the entire retention sum upon issuance of the CMGD
14.	Mid Valley Project	Elitetrax Marketing Sdn Bhd	Commercial	July 2023 to September 2024	5.1	Pending release of the entire retention sum upon expiry of DLP
15.	TRX8 – Client H Project	Client H	Commercial	March 2024 to June 2024	24.4	Pending release of the entire retention sum upon expiry of DLP
16.	Bangsar Project	UOA Asset Management Sdn Bhd	Commercial	May 2024 to January 2025	8.9	Pending release of the entire retention sum upon expiry of DLP
17.	Damansara 2 Project	Client F	Commercial	August 2024 to January 2025	5.8	Pending release of the entire retention sum upon expiry of DLP
					310.5	

7. BUSINESS OVERVIEW (*Cont'd*)

Notes:

- (1) Commencement period of each project is based on the respective LOA or purchase order, whereas the completion period is based on the date of handover or date of CPC.
- (2) Contract value of each project is determined based on the original contract amount stated in the LOAs or purchase orders and subsequent variation orders (if any), which collectively form the final project accounts to be mutually agreed by both parties.
- (3) Design and build projects wherein our Group was required to submit drawings for interior design and other design related aspects.

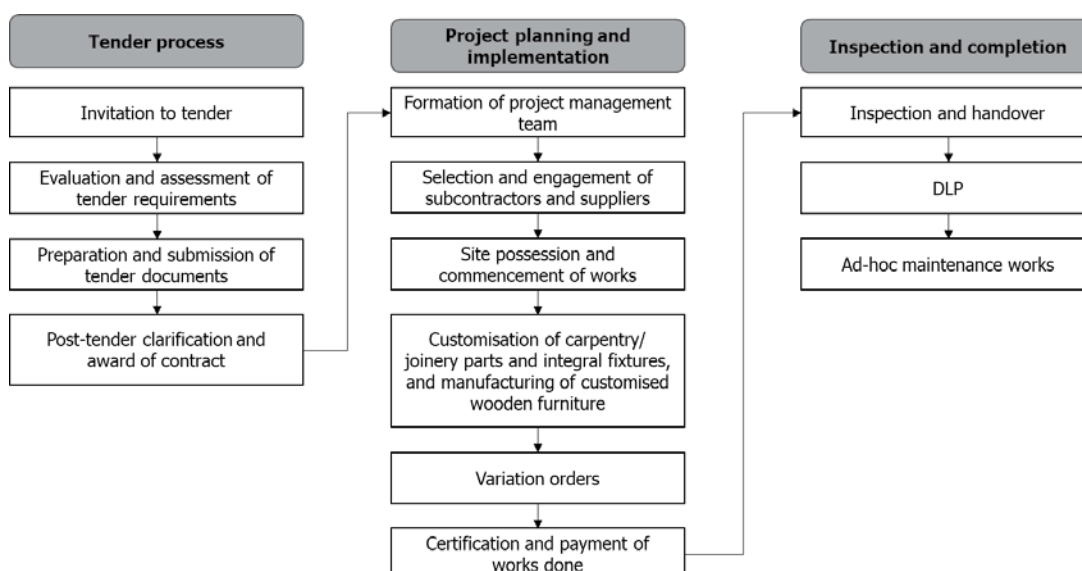
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7. BUSINESS OVERVIEW (Cont'd)

7.4 BUSINESS PROCESSES

7.4.1 Interior fitting-out services

Our Group adopts the following process flow for the provision of interior fitting-out services, encompassing the provision of interior fitting-out works and A&A works:



(a) Tender process

Invitation to tender

Our Group secures new projects through invitations to express interest or submit tenders from existing or potential clients. Our Group may also submit tenders without invitations, such as by participating in open tenders or directly engaging with existing or potential clients. When our Group receives invitations to express interest or submit a tender, such invitations will typically include among others, tender documents, drawings, material details, the manner in which the tender is to be submitted, the latest time to submit and period of validity of the tender. Works that may be specified within a tender may include among others, blockwork and brickwork, structural steelwork, ceilings, painting, carpentry, joinery and furniture, ironmongery, drapery, carpet, signage and graphics, waterproofing works and finishings such as ceiling, wall and floor finishes. Our Group's contracts department will review the tender documents and/ or project requirements.

Our Group's tendering strategy is to submit tenders in response to all invitations to tender from clients to promote our Group's brand name and increase our opportunity to secure new clients and projects.

Our Group engages subcontractors to carry out installation and building construction works for our interior fitting-out projects under the supervision of our project management team.

7. BUSINESS OVERVIEW (Cont'd)

The factors that our Group considers in submitting a tender and whether to subcontract the services to our subcontractors include, among other things, capacity of our Group's production facilities, internal manpower and financial resources, availability of subcontractors, complexity, size and type of project, timing, costs, profitability and nature of work which may be subject to the requirements of our clients or their consultants.

Evaluation and assessment of tender requirements

Each set of tender documents will typically include the details of the space to be fitted-out, comprehensive details on scope of work, types of materials to be used, measurements, standards that certain materials must meet, brands of designated materials and names of designated suppliers (if any).

Before participating in a tender, our Group's contracts department will first evaluate our existing work commitments and technical capability and also ascertain the availability and sufficiency of our resources to complete the project within the timeline stipulated by our potential client or their consultant. Our project managers are experienced in assessing and evaluating the project's requirements for interior fitting-out works.

Preparation and submission of tender documents

In preparing the tender submission documents, our Group will:

- visit the project site and consider the complexity and risks associated with the project;
- review and study the tender documents to understand the project's specifications and requirements;
- where applicable, clarify any technical and contractual ambiguities with our potential client or their consultant;
- quantify the tender cost estimate for the entire project, taking into account our schedule of rates which includes description of scope of works and materials required;
- obtain quotes from subcontractors and suppliers and finalise the tender price for the approval of our Group Chief Executive Officer or Chief Executive Officers. In pricing a tender, our Group will consider, among other factors, previous tender records and awarded tender price of similar projects, payment terms, scale, complexity and specification of the project, our capacity, project duration, estimated project cost (which mainly includes direct staff cost, subcontracting costs and material costs) and the current market conditions; and
- prepare, finalise and thereafter, submit our tender proposal together with the relevant documents required by our potential client or their consultant.

For design and build projects, our Group is required to submit drawings for interior design and other design related aspects. Our Group will work with internal or external designers for the design aspect to submit the tender proposal together with the drawings as part of the submission documents. For information, please refer to Sections 7.3.2(i) and 7.3.2(ii) for our ongoing and completed projects that encompass the scope of design and build wherein we were required to submit drawings for interior design and other design related aspects.

7. BUSINESS OVERVIEW (Cont'd)

Post-tender clarification and award of contract

Subsequent to the submission of tender, our Group's potential clients or their consultant may provide a post-tender questionnaire or clarification, which sets out certain questions in relation to the quantity, cost and price of our proposed tender. After we have provided our responses to the post-tender questionnaire or clarification, our potential client will discuss our responses with the parties on the project, such as the interior designers and/ or other professional consultants. Concurrently, our potential clients or their consultant may also request us to attend a tender interview where we will give a presentation on our expertise relevant to the job. Further clarifications and negotiations may take place before the contract is awarded to our Group.

(b) Project planning and implementation

Formation of project management team

Generally, once our tender proposal is accepted by our client, a LOA or letter of acceptance will be issued to us by our client.

We will then form a project management team to kick-start the project. The project management team comprises project, design, QA/ QC, safety, QS and logistics employees who will be assisting the project manager throughout the duration of the project.

The size of a project management team for each particular project may vary depending on the size and complexity of a project but will typically comprise:

- Project managers, who will head the project management team and be responsible for the overall project management of all our projects and serve as the main point of contact for our clients, clients' project team and clients' professional parties. They are also responsible for the management of the project site.
- Our project managers are assisted by the project management team, who will carry out the overall project management including planning of the project, assigning and allocating works to the relevant employees, scheduling of the project, drawing submission and other documentation required, sample submission, design coordination, works management, progress monitoring and subcontractor coordination.
- Our project management team, who will be stationed on-site for the entire duration of the project, is principally responsible for executing the work plan, defining responsibilities and deliverables to the personnel on-site, and ensuring the timely delivery of the project's milestones.
- Our project management team is principally responsible to supervise our subcontractors and suppliers at project site to ensure that the works carried out and materials supplied are in accordance with tender specifications and that our deliverables meet the project schedule.
- Our project management team is principally responsible for supervising the implementation of site safety and environmental measures based on our safety guidelines, carrying out safety and environmental inspections as well as investigations on any accidents.
- Our QS will be responsible for the progress claims and variation orders (if any) on a project. Our QS will also monitor progress payments from our clients.

7. BUSINESS OVERVIEW (Cont'd)Selection and engagement of subcontractors and suppliers

As part of the interior fitting-out process, we are required to source the services of subcontractors and purchase various interior fitting-out materials from our suppliers. Unless otherwise specified by our clients, we will typically approach the subcontractors and suppliers from our list of approved subcontractors and suppliers.

In preparation of our tender documents, we will contact potential subcontractors and suppliers and discuss with them on their availability for our projects before submitting our tenders. Once we have been notified that our tender is successful, we will commence liaising with our subcontractors and suppliers to commence works/ supply of materials. We will then assign a project manager who will be stationed on-site to manage the overall projects' progress.

Before procurement of materials, our project management team will submit a sample of the proposed materials to the consultant engaged by our client. Once the sample is of satisfactory quality to the consultant and receives approval from the consultant, we will commence the procurement process of materials for our interior fitting-out services.

Site possession and commencement of works

When we take possession of a site (where we are given full access to the location that is being fitted out), we will undertake a pre-installation survey to establish the precise physical condition of the site and its adjoining areas in comparison to the approved site layout drawings. Works area boundaries will be established and agreed in accordance with the contract and secured to ensure that no unauthorised third parties are allowed entry and to protect valuable equipment and materials from being stolen.

As safety is our priority, we will also set up a safety committee which will be in charge of ensuring workplace safety, and require all our employees at our project sites to attend work safety induction conducted by the safety and health manager of the safety committee. In addition, our safety personnel will conduct routine and ad-hoc checks to ensure compliance with our internal safety guidelines. As at LPD, our safety committee comprises 24 employees from various departments while our safety personnel comprises 18 employees.

Our project management team will have the overall responsibility of ensuring that all works carried out by our subcontractors are in compliance with works, safety, environmental and other relevant laws and regulations. The daily supervision of the on-site activities is the principal responsibility of our project management team. They are required to be available and present on-site daily for the projects for which they have been allocated to ensure that progress of such projects are in line with internally agreed project milestones. Meetings will be held regularly between our Group, our clients or their consultant, and our subcontractors for reporting updated progress and adherence to project timeline.

During the duration of the project, we will also regularly meet with the consultant to provide project status updates as well as to discuss potential issues that may arise during the interior fitting-out process and ways to resolve such issues.

7. BUSINESS OVERVIEW (Cont'd)Customisation of carpentry/ joinery parts and integral fixtures, and manufacturing of customised wooden furniture

Projects which require our customisation of carpentry/ joinery parts and integral fixtures services or manufacturing of customised wooden furniture will be assigned to our Head of Production, who oversees the entire production process at our production facilities at Bandar Baru Bangi and Puchong, Selangor. He is responsible for ensuring the fabrication progress and quality of carpentry/ joinery parts, integral fixtures and wooden furniture produced.

Our Head of Production is assisted by an on-site production manager, who is primarily responsible for assessing the site condition and taking the required measurements for the relevant carpentry/ joinery parts, integral fixtures and wooden furniture which we are required to customise; and a factory production manager, who is primarily responsible for the production process at the factory, including supervising the production workers and arranging for mock-ups of the products, if required, by our clients. Both the on-site production manager and factory production manager are assisted by a production team, which includes QA/ QC employees. For instances where mock-ups of the products are required by the client, our production team will be responsible for producing the mock-ups. Our project management team will coordinate with our production team, our clients and their consultants to arrange a viewing date of these mock-ups at our production facilities. In some instances, our clients and/ or the consultants may have feedback on the design and/ or finishing which our production team will incorporate into the final products. Once the mock-ups are approved by our clients and their consultant, our project management team will notify our production team to proceed with the procurement and production works.

Our production operations include the procurement of materials such as wood, plywood, MDFs and metal-based parts which are cut, joined, nailed, screwed, sanded, laminated, painted and coated to produce customised carpentry/ joinery parts, integral fixtures and wooden furniture.

A sample picture of our production facility in Bandar Baru Bangi, Selangor is shown below:



7. BUSINESS OVERVIEW (Cont'd)

A sample picture of our production facility in Puchong, Selangor is shown below:



Variation orders

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

Our Group has not experienced any material cancellation of works or material disputes with our clients in relation to any progress billings related to variation orders during FYE 2021 to 2024 and up to LPD.

Certification and payment of works done

Our project management team monitors our progress, claims and deployment of resources to manage cost overruns and timelines in our projects. In accordance with the contract documents, we are required to submit a progress claim based on the completion rate of the interior fitting-out works on site. Such claims are prepared by our QS. The review, assessment and approval of payment applications are typically done by our clients and/ or their consultants.

After agreement is reached between our project management team and the consultant engaged by our clients on the amount of work done on-site, our client's QS consultant will issue their approval to our project management team in the form of a valuation certificate to the architect who will then issue the corresponding valuation certificate to our project management team for the issuance of invoice.

Our finance and accounting department will then submit an invoice to our client to follow up on payment collection, typically with a credit term of 14 to 120 days.

For projects that are subject to retention sum, the percentage of the retention sum is generally at the rate of up to 10.0% of each progress billing up to a maximum of 5.0% of the total contract value. Typically, the first 50.0% of the retention sum will be released to our Group upon the issuance of CPC, while the remaining 50.0% will be released to our Group upon the issuance of CMGD. In other instances, the entire retention sum will only be released to our Group upon issuance of CMGD.

7. BUSINESS OVERVIEW (Cont'd)**(c) Inspection and completion**Inspection and handover

To ensure the quality of our projects, our Group conducts regular inspections at each stage of the interior fitting-out works up to handing over of the project, to ensure that each stage is performed according to the required specifications.

Our projects' duration usually ranges between 1 and 15 months, depending on the scale and complexity of the project and whether the premises are vacant or occupied, as well as the project schedule by our client.

Prior to the completion of a project, our project management team will carry out a thorough joint inspection with the consultant engaged by our clients. Any defects and/or outstanding works identified during the joint inspection will be listed down and rectified accordingly. Upon completion of a project, we will proceed to handover the project to our client, and a CPC will be issued by our client to signify acceptance of the handover of the project.

DLP

The contracts entered by our Group generally stipulate a DLP commencing from either the handover date or the date of CPC, which we are responsible for the rectification of any defects identified during the DLP. The DLP is generally from 12 to 24 months.

Ad-hoc maintenance works

If requested by our clients, we may also provide maintenance works after the expiry of the DLP on an ad-hoc basis for a separate fee. For MEP related works, such maintenance works would be carried out directly by our subcontractor.

7.4.2 Customisation and supply of carpentry/ joinery parts and integral fixtures and manufacturing of wooden furniture**(a) Customisation and supply of carpentry/ joinery parts and integral fixtures**

Our Group customises and supplies carpentry/ joinery parts and integral fixtures which are used as key components or form parts of a larger component or joining parts in our interior fitting-out projects. These parts and integral fixtures are customised according to specific designs and specifications set out by our clients or their consultants. Our customised carpentry/ joinery parts and integral fixtures are delivered to our project sites as finished products or semi-finished products to be installed and finished on site.

(b) Manufacturing of wooden furniture

Our Group manufactures customised wooden furniture which are used in our interior fitting-out projects. We typically deliver wooden furniture to our project sites as finished products or semi-finished products to be installed and finished on site.

Our Group adopts the following process flow in the customisation and supply of carpentry/ joinery parts and integral fixtures as well as manufacturing of wooden furniture for our interior fitting-out projects:



7. BUSINESS OVERVIEW (Cont'd)

(aa) Design

Our Group customises and supplies carpentry/ joinery parts and integral fixtures as well as manufactures wooden furniture for our interior fitting-out projects, comprising carpentry/ joinery parts and integral fixtures such as wooden ceiling, floor or wall finishings and built-in furniture components, wooden furniture such as fully assembled built-in furniture as well as loose furniture.

Specific to our interior fitting-out projects, our production team will fabricate the composite materials and subsequently assemble and finish our carpentry/ joinery parts and integral fixtures and wooden furniture based on our project and design requirements. Our project management team will submit the design drawings to our clients and consultants for their approval. Once the design drawing is approved by our clients and consultants, we will begin to develop a product prototype based on the product design provided.

During the design stage, our production team may develop a life-sized product or a complete interior fitting-out installation (also known as a mock-up) upon request by our clients or their consultants to view the interior fitting-out specifications or to make any changes to the existing designs. Our Group visually inspects and measures these prototypes accordingly to ensure the specifications and design required are met. Our project management team is responsible for liaising with our production team and our client and their consultants to arrange a viewing date of these prototypes at our production facilities. During these viewings, our client and/ or their consultants may provide feedback on the design and/ or finishing, which our production team will incorporate into the final prototype. The final prototype will then be approved by our clients and consultants before we commence procurement and production works.

(bb) Procurement

During the procurement stage, we will identify the relevant materials, parts and components that we require. Our project, contracts and procurement teams will identify suppliers based on pricing, credit terms, quality as well as delivery timeline of these materials. Upon identifying suitable suppliers, our project, contracts and procurement teams will commence the purchasing of these parts and components based on the design specifications and requirements of the carpentry/ joinery parts and integral fixtures as well as wooden furniture which we customise and manufacture for our own projects.

Our production team will perform inspections and inventory checks on incoming materials, parts and components purchased.

(cc) Fabrication

Our Group processes materials such as wooden boards using woodworking tools and equipment such as circular table saws, drill presses and automatic sanders into composite wooden pieces for the assembly of carpentry/ joinery parts and integral fixtures as well as wooden furniture. The wooden materials we use may comprise composites of plywood, MDFs and solid wood. Wooden boards are first cut to the desired size and shape, followed by any joinery and hole drilling works. The cutting processes of some of our raw boards may be outsourced to CNC cutting machinery service providers, as we do not possess the machinery necessary for the production of certain shapes of processed boards.

7. BUSINESS OVERVIEW (Cont'd)

The wooden pieces are then joined together in layers with a contact adhesive to create composite wooden boards. The boards are then sanded to ensure they have a smooth surface, and painted, veneer or laminated with specialised wood coating materials to protect against water damage as well as wear and tear. Depending on the design specifications and requirements of the carpentry/ joinery parts and integral fixtures as well as wooden furniture which our Group customises and manufactures for our own projects, we may further cut and process the composite boards into customised shapes.

(dd) Assembly and finishing

We assemble our fabricated composite wooden boards, along with required parts and components into the following categories of carpentry/ joinery parts and integral fixtures products as well as wooden furniture:

- Semi-finished products – products which are partially assembled in modular form for full assembling at our project sites. This typically applies to products that are heavy, bulky and face the risk of damage if transported in fully assembled form; or
- Finished products – products which are fully assembled at our production facilities prior to transportation to project sites and assembled as complete modules with minimal finishing works.

Following assembly, we may apply finishings such as spraying or coating of paint or water-resistant or fire-resistant coatings to semi-finished or finished products to provide them with a protective layer against damage, fire or wear and tear. If the carpentry/ joinery parts and integral fixtures as well as wooden furniture which our Group customises are too heavy, bulky or risk damage during transportation, we typically spray or coat our customised products at the project site where the risk of further damage is lower.

(ee) Packaging and delivery

Upon completion of assembly and/ or finishing, the products are transported to our project site via our own transportation vehicles and/ or outsourced transportation services. We will generally use our in-house transportation vehicles for deliveries within Klang Valley and engage third-party transportation service providers for deliveries outside Klang Valley.

Sample pictures from our process flow for the customisation and manufacturing of carpentry/ joinery parts and integral fixtures as well as wooden furniture for our interior fitting-out projects are shown below:



Composite wooden boards



Semi-finished wooden components to be used for further assembly into furniture and fixtures

7. BUSINESS OVERVIEW (Cont'd)

Wooden joinery products used for furniture and fixtures



Assembly of wooden components into semi-finished furniture



Finished furniture which has undergone spraying and coating



Packaging and delivery for transportation to site

7.5 PRINCIPAL MARKETS AND SEGMENTS

We derived all our revenue from Malaysia for FYE 2021 to 2024.

From August 2023 onwards, our Group's revenue is inclusive of Zig Zag Builders' revenue following its inclusion as a subsidiary of SIB.

Our Group's revenue for FYE 2021 to 2024 was mainly derived from the provision of interior fitting-out services segment, which accounted for almost the entirety of our Group's revenue for FYE 2021 to 2024. The breakdown of our Group's revenue by business activity and geographical region in Malaysia for FYE 2021 to 2024 is as follows:

Business activity	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of interior fitting-out services ⁽¹⁾	73,401	100.0	139,414	100.0	173,383	100.0	386,016	100.0
Trading ⁽²⁾	11	<0.1	46	<0.1	-	-	-	-
	73,412	100.0	139,460	100.0	173,383	100.0	386,016	100.0

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

- (1) Includes building construction works for certain projects. Our Group does not consider building construction works as a separate business segment as such works are normally awarded by our client as part of the interior fitting-out works under a single LOA.
- (2) We supply building materials such as tiles to our subcontractors in relation to the interior fitting-out projects that we engage them to undertake, on an ad-hoc basis.

In FYE 2024, our Group recorded a significant increase in revenue from the northern region due to the inclusion of Zig Zag Builders' revenue following its inclusion as a subsidiary of SIB which took place in August 2023.

Geographical region	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Northern region ⁽¹⁾	36	0.1	-	-	5,167	3.0	76,960	19.9
Southern region ⁽²⁾	169	0.2	-	-	1,103	0.6	9,615	2.5
Central region ⁽³⁾	73,207	99.7	139,460	100.0	166,346	96.0	296,814	76.9
East coast region ⁽⁴⁾	-	-	-	-	384	0.2	1,883	0.5
East Malaysia region ⁽⁵⁾	-	-	-	-	383	0.2	744	0.2
	73,412	100.0	139,460	100.0	173,383	100.0	386,016	100.0

Notes:

- (1) Comprising Kedah, Pulau Pinang and Perak.
- (2) Comprising Johor and Melaka.
- (3) Comprising Kuala Lumpur, Selangor, Putrajaya and Negeri Sembilan.
- (4) Comprising Pahang.
- (5) Comprising Sarawak.

7.6 BUSINESS DEVELOPMENT AND MARKETING STRATEGIES

Our business development, marketing and sales activities are led by Chang Chung Fei, Ng Mun Moh and Foo Khai Shin. They are responsible for planning and executing activities and serving our existing clients, as well as acquiring new clients.

We secure new clients and projects through the following methods:

- Tenders, referrals and recommendations from existing clients and consultants**

For interior fitting-out projects, we mainly secure new business opportunities through direct tender invitations from existing and potential clients as well as interior designers representing the clients. Potential clients may also approach us with current or upcoming tender opportunities through referrals or word-of-mouth from our existing clients and consultants. Hence, we believe that our business reputation plays a significant role in enabling us to procure projects and to maintain and grow our business.

7. BUSINESS OVERVIEW (Cont'd)

If there is a tender opportunity, our contracts department will follow up with these clients to understand the project proposal and requirements. We will also review the tender documents and participate in tenders for which we are qualified.

- **Fostering relationships with our clients**

We focus on client retention by fostering long-term relationships with our clients. We maintain our existing client relationships through regular contact, including providing regular updates on new designs and product offerings in the market.

We also work closely with the consultants engaged by our clients during our interior fitting-out projects. This allows us to build rapport with our clients through constant communication, which is likely to strengthen our relationships with our clients. Should an issue or problem arise, we will follow up on the issue and strive to provide a solution for our clients, as this helps to create confidence in our Group and our services.

In addition, the relationships we have built with our clients also act as a source of market intelligence. This allows us to keep abreast of industry trends and developments and enables us to adapt to market demands more quickly as well as keep us ahead of competition should any new opportunities arise.

- **Digital marketing**

We make use of digital marketing tools to communicate and engage directly with potential clients as well as build brand awareness. We leverage on our corporate website at <https://www.sagrp.com.my> to increase our exposure and market our services.

Our corporate website provides immediate searchable information on our Group, corporate information, past projects and details of our services, and allows us to reach out to potential clients who may be interested to engage us for interior fitting-out services. We are able to communicate directly with potential clients who view our content through our corporate website, comments, messages, reviews and social media posts.

- **Publication of catalogues and brochures**

We distribute our company profile, flyers and brochures electronically to existing and potential clients.

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7. BUSINESS OVERVIEW (Cont'd)**7.7 MAJOR CLIENTS**

Our top 5 major clients for FYE 2021 to 2024 are as follows:

FYE 2021

No.	Major clients	Major services provided	Main project(s) undertaken	Revenue contribution		Length of relationship as at end of FYE
				RM'000	(1)%	Years
1.	Client A	Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	TRX2 – Client A Project ⁽²⁾	36,830	50.2	2
2.	IJM Construction Sdn Bhd	Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	TRX1 – IJM Project	17,806	24.3	10
3.	HAB Construction Sdn Bhd	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes and customised furniture	Shah Alam Project	10,897	14.8	3
4.	Elitetrax Marketing Sdn Bhd	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, display units, light fittings and M&E works	Bukit Jalil Project	4,745	6.5	13
5.	Client C	A&A works relating to the refurbishment and upgrading of office space	Jalan Dungun Project	1,071	1.4	2
Sub-total				71,349	97.2	
Total revenue				73,412	100.0	

7. BUSINESS OVERVIEW (Cont'd)
FYE 2022

No.	Major clients	Major services provided	Main project(s) undertaken	Revenue contribution		Length of relationship as at end of FYE Years
				RM'000	(1)%	
1.	Client H	Interior fitting-out works comprising partition works, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	TRX3 – Client H Project	47,124	33.8	1
2.	Bellajade Sdn Bhd	A&A works relating to the refurbishment and upgrading for residential and retail spaces	Jalan Ampang 1 Project	23,902	17.2	1
3.	Client A	Interior fitting-out works comprising partition works, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	TRX2 – Client A Project and TRX5 – Client A Project	23,210	16.6	3
4.	Digital Nasional Berhad	Interior fitting-out works comprising partition works, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	TRX4 – DNB Project	17,710	12.7	1
5.	Google Services Malaysia Sdn Bhd	Interior fitting-out works comprising partition works, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	Bangsar 1 Project	9,471	6.8	1
Sub-total				121,417	87.1	
Total revenue				139,460	100.0	

7. BUSINESS OVERVIEW (Cont'd)
FYE 2023

No.	Major clients	Major services provided	Main project(s) undertaken	Revenue contribution		Length of relationship as at end of FYE Years
				RM'000	(1)%	
1.	Bellajade Sdn Bhd	A&A works relating to the refurbishment and upgrading for residential and retail spaces	Jalan Ampang 1 Project	52,884	30.5	2
2.	Google Services Malaysia Sdn Bhd	Interior fitting-out works comprising partition works, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	Bangsar 1 Project and KL Sentral Project	24,428	14.1	2
3.	Client A	Interior fitting-out works comprising partition works, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	TRX2 – Client A Project and TRX5 – Client A Project	20,229	11.7	4
4.	BASF Asia-Pacific Service Centre Sdn Bhd	Interior fitting-out works comprising partition work, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	Eco City Project	15,802	9.1	1
5.	Elitetrax Marketing Sdn Bhd	Interior fitting-out works comprising A&A works relating to the refurbishment and upgrading of wall finishes, ceiling finishes, floor finishes, display units, light fittings and M&E works	Mid Valley Project and Damansara 1 Project ⁽²⁾	8,024	4.6	15
Sub-total				121,367	70.0	
Total revenue				173,383	100.0	

7. BUSINESS OVERVIEW (Cont'd)
FYE 2024

No.	Major clients	Major services provided	Main project(s) undertaken	Revenue contribution		Length of relationship as at end of FYE
				RM'000	(1)%	
1.	Sky Park Properties Sdn Bhd	Interior fitting-out works comprising A&A works relating to refurbishment and upgrading of common areas and retail areas	Cyberjaya Project	46,937	12.2	2
2.	Ace Logistic Sdn Bhd	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, M&E works, façade works and civil and structural works	Bandar Enstek Project	35,251	9.1	2
3.	PP Chin Hin Realty	Interior fitting-out works comprising wall finishes, ceiling finishes, floor finishes, customised loose furniture and M&E works	Sri Petaling 1 Project and Sri Petaling 2 Project	27,079	7.0	1
4.	Lendlease Projects (M) Sdn Bhd	Interior fitting-out works comprising wall finishes, floor finishes, joinery and customised furniture as well as production of a mock-up room	TRX6 – LL Project	25,800	6.7	4
5.	Client H	Interior fitting-out works comprising partition work, wall finishes, ceiling finishes, floor finishes, door and ironmongeries, window covering, internal signage and stickers, carpentry/ joinery parts, light fittings and M&E works	TRX3 – Client H Project and TRX8 – Client H Project	24,661	6.4	3
Sub-total				159,805	41.4	
Total revenue				386,016	100.0	

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) Divided by total revenue of the respective financial year.
- (2) Also included revenue contribution from other projects with contract value less than RM5.0 million that not defined in Prospectus.

The contracts that our Group enters into with our clients typically range between 1 and 15 months, depending on the scale of project and the scope of services that our Group is engaged to perform. Revenue contribution from our Group's major clients varies from year to year given the nature of our Group's business being conducted on a project by project basis, and our Group may not secure similar contracts in terms of size and scope from the same clients every year.

As such, our Group is not dependent on these major clients for business continuity as our Group's contracts with each major client are short term in nature and our Group has been able to secure projects from different clients during FYE 2021 to 2024. Our Group's major clients collectively contributed to 97.2%, 87.1%, 70.0% and 41.4% of our Group's revenues for FYE 2021 to 2024 respectively. Notwithstanding our Group's top 2 major clients of each financial year collectively contributed to 74.5%, 51.0%, 44.6% of our Group's revenue for FYE 2021 to 2023 respectively, we do not have the same top 2 major clients during FYE 2021 to 2023 and thus we are not exposed to concentration risk. In addition, the revenue contribution from our Group's top 2 major clients for FYE 2024 has reduced to only 21.3% of our Group's total revenue. These major clients contributed to our Group's revenue for FYE 2021 to 2024 due to the timing and progress of their interior fitting-out contracts with our Group.

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7. BUSINESS OVERVIEW (Cont'd)**7.8 TYPES, SOURCES AND AVAILABILITY OF INPUTS**

The following table sets out our purchases for FYE 2021 to 2024:

		Audited⁽⁴⁾							
		FYE 2021		FYE 2022		FYE 2023⁽⁵⁾		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Finished furniture products		⁽⁶⁾ 11,647	56.5	⁽⁶⁾ 15,948	49.1	5,928	19.7	7,931	16.0
Light fittings		1,973	9.6	2,068	6.4	4,801	16.0	4,108	8.3
Fire protection systems, fire rated and non-fire rated doors		9	0.1	539	1.7	3,695	12.3	1,533	3.1
Audio visual systems		-	-	3,411	10.5	2,655	8.8	-	-
Hardware ⁽¹⁾		559	2.7	940	2.9	1,568	5.2	3,352	6.7
Granite, stone and tiles		34	0.2	139	0.4	2,543	8.5	5,399	10.9
Partition and ceiling board		706	3.4	1,801	5.6	791	2.6	3,782	7.6
Building materials ⁽²⁾		112	0.5	2,588	8.0	1,679	5.6	3,562	7.2
Plywood, laminates and wooden board		2,466	12.0	2,451	7.5	2,103	7.0	9,203	18.5
Wall covering		111	0.5	198	0.6	1,744	5.8	3,630	7.3
Fabric and leather		875	4.3	300	0.9	883	2.9	2,984	6.0
Sanitary fittings		48	0.2	404	1.2	770	2.6	836	1.7
Kitchen appliances		-	-	-	-	-	-	1,472	3.0
Others ⁽³⁾		2,068	10.0	1,692	5.2	911	3.0	1,875	3.7
		20,608	100.0	32,479	100.0	30,071	100.0	49,667	100.0

Notes:

- (1) Includes tiles, sand, marble slabs, wire mesh, glass hinges, shower handles and flooring materials.
- (2) Includes cement, lightweight blocks, sand and concrete.
- (3) Includes electrical fittings, ironmongery, carpet tiles, panels and fittings, glass, melamine chipboards, air conditioning, packing materials and aluminium.
- (4) The materials consumed by our Group can be segmented by local and foreign purchases as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	%	%	%	%
Local purchases	99.8	98.7	98.0	97.8
Foreign purchases	0.2	1.3	2.0	2.2
	100.0	100.0	100.0	100.0

- (5) From August 2023, our Group's purchases are inclusive of Zig Zag Builders' purchases following its inclusion as a subsidiary of SIB.

7. BUSINESS OVERVIEW (Cont'd)

- (6) Our higher purchases of furniture in FYE 2021 and FYE 2022 are attributable to the TRX C2 – Client A Project wherein we supplied office workstations and loose finished furniture products as part of our interior fitting-out works for a commercial office property in Tun Razak Exchange, Kuala Lumpur. The contract period for TRX C2 – Client A Project was from January 2021 to March 2022.

Any fluctuations in the prices of input materials caused by demand and supply imbalance and price volatility that are beyond our control may lead to an increase in our purchases. Such price increases would affect our financial performance if we are unable to pass on such increases to our clients. Our procurement team is responsible for monitoring the price movements of these input materials on a periodic basis so that we can be prepared for events of price increases.

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7. BUSINESS OVERVIEW *(Cont'd)*

7.9 MAJOR SUPPLIERS

Our top 5 major suppliers for FYE 2021 to 2024 are as follows:

FYE 2021

No.	Major suppliers	Main materials procured	Purchase contribution		Length of relationship as at end of FYE
			RM'000	(1)%	Years
1.	Luminaire Lights & Design (M) Sdn Bhd	Light fittings	928	4.5	2
2.	Artefac Interior Sdn Bhd	Loose furniture	693	3.4	3
3.	Hua Fong Trading Sdn Bhd	Plywood	620	3.0	7
4.	Enviri Industries Sdn Bhd	Plywood, laminates and wooden boards	486	2.3	3
5.	Lightcraft Projects Sdn Bhd	Light fittings	469	2.3	7
Sub-total			3,196	15.5	
Total purchases			20,608	100.0	

FYE 2022

No.	Major suppliers	Main materials procured	Purchase contribution		Length of relationship as at end of FYE
			RM'000	(1)%	Years
1.	Chin Hin group ⁽²⁾	Tiles, mortar and drymix products	2,481	7.6	1
2.	Kian Workspace Sdn Bhd	Loose furniture	861	2.7	1
3.	Zenith Projects Sdn Bhd	Loose furniture	588	1.8	5
4.	Hua Fong Trading Sdn Bhd	Plywood	553	1.7	8
5.	Hup Fatt Plywood Hardware Sdn Bhd	Plywood and laminates	468	1.4	6
Sub-total			4,951	15.2	
Total purchases			32,479	100.0	

7. BUSINESS OVERVIEW (Cont'd)

FYE 2023

No.	Major suppliers	Main materials procured	Purchase contribution		Length of relationship as at end of FYE Years
			RM'000	(1)%	
1.	RZB Lighting Asia & Pacific Sdn Bhd	Light fittings	2,674	8.9	1
2.	Chin Hin group ⁽²⁾	Tiles, concrete, mortar and drymix products	1,828	6.1	2
3.	Mohan's & Sons Furnishings Sdn Bhd	Fabric and loose furniture	1,280	4.3	3
4.	Midah Industries Sdn Bhd	Fire rated and non-fire rated doors	1,225	4.1	2
5.	Ceratrade (M) Sdn Bhd	Tiles	886	2.9	1
Sub-total			7,893	26.3	
Total purchases			30,071	100.0	

FYE 2024

No.	Major suppliers	Main materials procured	Purchase contribution		Length of relationship as at end of FYE Years
			RM'000	(1)%	
1.	Hup Fatt Plywood Hardware Sdn Bhd	Plywood and laminates	2,516	5.1	8
2.	Aikta Furniture Hardware Trading Sdn Bhd	MDF and plywood	2,420	4.9	11
3.	Chin Hin group ⁽²⁾	Glass, metal door, tiles, concrete, mortar and drymix products	2,406	4.8	3
4.	Exin Lighting Sdn Bhd	Light fittings	2,139	4.3	3
5.	Hafele (Malaysia) Sdn Bhd	Ironmongeries	1,635	3.3	10
Sub-total			11,116	22.4	
Total purchases			49,667	100.0	

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

- (1) Divided by total purchases of the respective financial year.
- (2) Comprises PP Chin Hin Sdn Bhd, Starken AAC Sdn Bhd, Starken Drymix Solutions Sdn Bhd, Asia Roofing Industries Sdn Bhd and Ajiya Safety Glass Sdn Bhd which are subsidiaries of Chin Hin. Our Group has historically procured key materials for our interior fitting-out projects, namely tiles, concrete, mortar and drymix products, glass and metal doors from each of the respective companies for FYE 2021 to 2024. Our Group's purchases from these companies are as follows:

	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
PP Chin Hin Sdn Bhd	-	456	1,205	1,786
Starken AAC Sdn Bhd	-	1,448	231	132
Starken Drymix Solutions Sdn Bhd	-	577	392	445
Asia Roofing Industries Sdn Bhd	-	-	-	38
Ajiya Safety Glass Sdn Bhd	-	-	-	5
	-	2,481	1,828	2,406

The abovementioned major suppliers accounted for 15.5%, 15.2%, 26.3% and 22.4% of our Group's total purchases for FYE 2021 to 2024 respectively.

Our Group's purchases for interior fitting-out projects are based on purchase orders issued as and when needed. For every project, our Group typically identifies the models and types of materials to procure based on the agreed design and specifications. Our Group's clients may request for products from specific brands and/ or suppliers due to various reasons such as product quality and warranty, durability as well as industry track record and reputation.

Our Group is not dependent on any of our major suppliers as these products can be sourced from any other suppliers. Our Group will not incur any switching costs if our Group was to purchase such materials from other suppliers. Our Group does not have any long-term contracts with our suppliers, which gives us the flexibility to source for products at competitive prices.

As at LPD, our Group has 436 approved suppliers. Our Group maintains a list of approved suppliers based on a variety of factors, including quality of products, pricing, lead time for delivery and reliability. In this respect, our Group has continuously engaged our major suppliers due to their ability to supply us with products that meet our specifications and delivery timelines as well as price competitiveness. Our Group has established good business relationships with our suppliers to ensure minimal disruptions to our supply chain and business operations.

7. BUSINESS OVERVIEW (Cont'd)

7.10 MAJOR SUBCONTRACTORS

Our top 5 major subcontractors for FYE 2021 to 2024 are as follows:

FYE 2021

No.	Major subcontractors	Main services sourced	Subcontractor cost contribution		Length of relationship as at end of FYE
			RM'000	(1)%	Years
1.	Haworth (Malaysia) Sdn Bhd	Supply and installation of office furniture	5,474	14.4	1
2.	PRPQ Construction Sdn Bhd	Provision of joinery works	4,432	11.7	3
3.	United Carpet Sdn Bhd	Supply and installation of carpet works	3,341	8.8	1
4.	Le Bao Construction Sdn Bhd	Supply and installation of partitions	2,350	6.2	3
5.	Otto Solutions Sdn Bhd	Supply and installation of electrical works	2,095	5.5	5
Sub-total			17,692	46.6	
Total subcontractor costs			37,960	100.0	

FYE 2022

No.	Major subcontractors	Materials/services procured	Subcontractor cost contribution		Length of relationship as at end of FYE
			RM'000	(1)%	Years
1.	Link Interior Sdn Bhd	Supply and installation of office workstations	9,733	11.4	2
2.	Haworth (Malaysia) Sdn Bhd	Supply and installation of office furniture	7,628	8.9	2
3.	Sespro Malaysia Sdn Bhd	Supply and installation of partitions	4,231	4.9	2
4.	KAC Air Conditioning Sdn Bhd	Supply and installation of air conditioning and mechanical ventilation works	4,011	4.7	14
5.	PRPQ Construction Sdn Bhd	Provision of joinery works	3,505	4.1	4
Sub-total			29,108	34.0	
Total subcontractor costs			85,531	100.0	

7. BUSINESS OVERVIEW (Cont'd)

FYE 2023

No.	Major subcontractors	Materials/services procured	Subcontractor cost contribution		Length of relationship as at end of FYE
			RM'000	(1)%	Years
1.	SECM Sdn Bhd	Supply, installation, testing and commissioning of electrical works	7,850	7.2	7
2.	Perniagaan Elektrik Seagull Sdn Bhd	Supply, installation, testing and commissioning of air-conditioning and mechanical ventilation works	6,488	5.9	2
3.	SHL Electrical Engineering Sdn Bhd	Supply and installation of electrical works	4,833	4.4	15
4.	Shimaniel Legacy Sdn Bhd	Supply of labour for masonry works	4,783	4.4	2
5.	Titan Ritz Sdn Bhd	Supply of architecture and masonry works	3,984	3.7	15
Sub-total			27,938	25.6	
Total subcontractor costs			108,994	100.0	

FYE 2024

No.	Major subcontractors	Materials/services procured	Subcontractor cost contribution		Length of relationship as at end of FYE
			RM'000	(1)%	Years
1.	Eastern Suntech Engineering & Construction Sdn Bhd	Building structural works	28,972	11.7	1
2.	CKS M&E Sdn Bhd	Supply, installation, testing and commissioning of air-conditioning and mechanical ventilation works	10,870	4.4	1
3.	SHL Electrical Engineering Sdn Bhd	Supply and installation of electrical works	8,342	3.4	16
4.	KAC Air Conditioning Sdn Bhd	Supply, installation, testing and commissioning of air-conditioning and mechanical ventilation works	5,190	2.1	16
5.	Khim Chuan Interior Decoration Sdn Bhd	Joinery works	5,082	2.1	3
Sub-total			58,456	23.7	
Total subcontractor costs			247,014	100.0	

7. BUSINESS OVERVIEW (Cont'd)

Note:

(1) Divided by total subcontractor costs of the respective financial year.

The abovementioned major subcontractors accounted for 46.6%, 34.0%, 25.6% and 23.7% of our Group's total subcontractor costs for FYE 2021 to 2024 respectively.

Our Group engages subcontractors on a project basis to carry out installation, testing and commissioning works for our interior fitting-out projects which among others may involve key interior fitting-out components such as loose furniture, office workstations, stone and tile works, air conditioning and mechanical ventilation, electrical installation, masonry, partitions and carpeting which are labour intensive in nature, under the supervision of our project management team.

We are not dependent on any of our major subcontractors nor any other single subcontractor for their services as these services can be sourced from other similar subcontractors. We will not incur any switching costs if we were to switch subcontractors. We do not have any long-term contracts which gives us the flexibility to source for services at competitive prices.

As at LPD, our Group has 565 approved subcontractors. Our Group maintains a list of approved subcontractors based on a variety of factors, including quality of products/ services, pricing, lead time for delivery and reliability. In this respect, our Group has continuously engaged our major subcontractors due to their ability to provide services that meet our specifications and delivery timelines, price competitiveness and service quality. Our Group has established good business relationships with our subcontractors to ensure minimal disruptions to our supply chain and business operations.

During FYE 2021 to 2024 and up to LPD, our Group has not experienced any incident requiring a change in subcontractors midway through the project that has materially affected the progress of the project.

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7. BUSINESS OVERVIEW (*Cont'd*)

7.11 TECHNOLOGY USED OR TO BE USED

We adopt licensed third-party software to help run our business operations, which include:

Software	Description/application
Building Information Modelling (" BIM ")	BIM is a combination of methodology and software tools that we utilise to create three-dimensional ("3D") models of our interior fitting-out projects. The generated virtual project models contain geometric information, information on individual materials, components as well as building properties which assist in our decision-making processes throughout the lifecycle of our projects.
AutoCAD	- AutoCAD software is a professional designing and drawing software used by our design team for the conceptualising, designing and drawing of carpentry/ joinery parts and integral fixtures as well as wooden furniture. - After our clients confirm furniture specifications, we enter such information into our AutoCAD software to generate two-dimensional (2D) design blueprints and 3D geometry. It enables a higher precision and better accuracy of drawing.

7.12 INTERRUPTIONS TO BUSINESS

Our Group did not experience any interruptions which has significantly affected our business during the past 12 months preceding LPD.

7.13 SEASONALITY

We have not experienced any material seasonality in business as the demand for our services is not subject to seasonal fluctuations.

7.14 OPERATING CAPACITIES AND OUTPUT

We are principally involved in the provision of interior fitting-out services. As part of our interior fitting-out services, we are also involved in the customisation and supply of carpentry/ joinery parts and integral fixtures as well as manufacturing of wooden furniture for the interior fitting-out projects undertaken by our Group.

The measurement of capacity, output and utilisation rate of our facilities in Bandar Baru Bangi and Puchong cannot be meaningfully determined for the following reasons:

- the level of customisation of carpentry/ joinery parts and integral fixtures as well as wooden furniture differs based on the specific requirements of our clients for each of the interior fitting-out projects that we undertake, ultimately affecting daily manhour and manufacturing space requirements; and
- the profiles (i.e. shapes and dimensions) of carpentry/ joinery parts and integral fixtures as well as wooden furniture differs for each interior fitting-out project that we undertake thereby affecting daily manhour and manufacturing space requirements.

7. BUSINESS OVERVIEW (Cont'd)

Due to the number of interior fitting-out projects that we secured and delivered during the financial years under review, level of customisation and differing profiles of carpentry/ joinery parts and integral fixtures as well as wooden furniture, we supplemented our internal production with external production from third-party producers.

The level of internal production and external production, based on cost of sales, for the financial years under review is as depicted below:

FYE	⁽¹⁾ Internal production of carpentry/joinery parts, integral fixtures and wooden furniture		External production of carpentry/joinery parts, integral fixtures and wooden furniture	
	RM'000	%	RM'000	%
2021	8,630	90.4	915	9.6
2022	8,318	87.9	1,146	12.1
2023	7,786	84.1	1,470	15.9
2024	25,364	74.0	8,930	26.0

Note:

- (1) Being the cost of sales of SAF and SAF Manufacturing as our internal production of carpentry/ joinery parts, integral fixtures and wooden furniture is currently undertaken by SAF and SAF Manufacturing for FYE 2021 to 2024.

Included Zig Zag Builders as part of cost of sales for FYE 2023 and 2024, commencing from the period when Zig Zag Builders came under common control of the ultimate shareholder, namely SIB, effective from 24 August 2023 until 31 December 2024.

Input materials mainly consist of plywood, laminates and wooden boards such as white oak wood and meranti wood as well as hardware such as screws, bolts, nails and hinges, while the balance are labour costs. Moving forward, to reduce our dependency on manual labour and also to increase efficiency, we intend to automate certain processes of our production of carpentry/ joinery parts, integral fixtures and wooden furniture via the acquisition of additional machinery and equipment as set out in Section 4.9(b).

It is also our intention as part of our future plans to centralise our manufacturing operations in a larger facility that will enable us to meet our requirements of customised carpentry/ joinery parts and integral fixtures as well as wooden furniture internally at our new production facility to be constructed. The new production facility will house the additional machinery and equipment that we intend to purchase from the proceeds of the Public Issue and is also necessary to support our business growth as evidenced by our revenue growth from RM73.4 million in FYE 2021 to RM386.0 million in FYE 2024.

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7. BUSINESS OVERVIEW (Cont'd)**7.15 QUALITY CONTROL AND QUALITY ASSURANCE PROCEDURES**

We adopt quality control processes to guide our operations, from the sourcing of materials and subcontractors to project implementation and delivery. We have established quality controls at each stage to closely monitor the quality of our works and/ or subcontractors' works to ensure that such works meet all our internal benchmarks and clients' specifications. We also observe occupational health and safety measures throughout the course of our interior fitting-out projects to provide a safe working environment for our employees and subcontractors.

As a testament to our commitment to quality, occupational health and safety, our subsidiaries SAC and Zig Zag Builders have been certified compliant with ISO 9001:2015 and SAC has been certified compliant with ISO 45001:2018, details of which are as follows:

Year first awarded	Subsidiary awarded	Current validity period	Certification	Scope	Awarding body
2017	SAC	22 September 2023 – 01 October 2026	ISO 9001:2015	Provision of project management of interior fit-out works	Value and Professional Certification Sdn Bhd
2021	SAC	12 May 2024 – 11 May 2027	ISO 45001:2018	Provision of project management of interior fit-out works	SN Registrars (Holdings) Limited
2020	Zig Zag Builders	12 April 2023 – 5 April 2026	ISO 9001:2015	Provision of interior design, renovation and construction works	SGS United Kingdom Limited

Quality control on projects

We place considerable emphasis in maintaining the quality control of our site works. We normally carry out the following duties pursuant to contracts with our clients.

For every project, we assign a team of experienced management and technical staff onsite, to supervise the project and monitor works throughout the project implementation process. Our project engineers coordinate with our site supervisor to operate and control the site works in accordance with the quality assurance plan set up by our project manager.

Our project engineer is responsible for supervising the overall daily activities including those executed by our subcontractors in accordance with the project schedule. Any issues arising from the execution of the project will be immediately communicated to the project manager.

During the interior fitting out and/ or construction process, we conduct on-site inspections and/ or hold internal meetings to discuss issues relating to safety management and on-site performance. We also prepare inspection reports and/ or status for our internal records in accordance with our quality control measures. Upon completion of construction works, we carry out the necessary testing during the execution of the project works as required by the contract, engineering drawings and standards of local authorities.

7. BUSINESS OVERVIEW (Cont'd)

We also have safety and health officers on-site for our projects as required under Section 29 of the OSHA 1994. Please refer to Section 6.10(i)(ii) for further details. Further during the tenure of the project, our project management team, including our safety and health officers, is also responsible for supervising the implementation of site safety and environmental measures based on our safety guidelines, carrying out safety and environmental inspections as well as investigations on any accidents.

Prior to the completion of a project, our project management team will carry out a thorough joint inspection with the consultant engaged by our clients where any defects and/ or outstanding works identified during the joint inspection will be rectified accordingly. Once these rectifications are completed, we will proceed to handover the project to our client who will issue a CPC to our Group.

Our projects generally involve a DLP ranging from 12 to 24 months, during which we are responsible for follow-up rectification of defects. Upon expiry of the DLP and satisfactory rectification of defects, if any, our clients will issue a CMGD to our Group.

Quality control on materials

Pursuant to our interior fitting-out contracts, we are responsible for the materials provided by suppliers, although we have a right of recourse against our suppliers for defective supplies. Our selection of suppliers is based on stringent criteria such as quality, pricing, product and performance warranties, timeliness of delivery and ability to comply with our requirements and specifications.

Upon receiving interior fitting-out materials at the project site, we will perform inspection on the condition and specifications of materials to ensure that the products received are in accordance with our requirements based on purchase orders. Thereafter, we carry out visual inspection and testing to ensure that the materials meet the pre-determined specifications and are able to function. If the materials do not meet the relevant standards or are found to be defective or faulty, our suppliers are responsible for providing replacement units. As at LPD, our Group has not experienced any past default incidents that have adversely impacted our Group.

Selection and control over subcontractors

When subcontracting services are required for a project, we typically select our subcontractors based on their experience relevant to the particular project, as well as evaluate these subcontractors based on their quality of services, qualifications, skills and technique, delivery time and availability of resources in accommodating our requests.

We also remain accountable to our clients for the performance and quality of works rendered by our subcontractors. Works performed by our subcontractors are inspected and monitored by our project team based on our quality management system which conforms to the requirements of ISO 9001:2015. As at LPD, our Group has not experienced any disputes with our subcontractors in relation to their completed works.

7.16 RESEARCH AND DEVELOPMENT

Due to the nature of our business, we do not engage in research and development and thus have not undertaken any research and development activities.

7. BUSINESS OVERVIEW (Cont'd)

7.17 DEPENDENCY ON CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS

Our Group is not dependent on any contracts, agreements or other arrangements that could materially affect our business and profitability as at LPD.

7.18 COMPETITIVE STRENGTHS**7.18.1 We offer clients comprehensive interior fitting-out services backed by our track record in the industry**

We believe that our approach in striving to offer a comprehensive suite of interior fitting-out services provides clients with a convenient, time-saving and cost-effective solutions for their projects. Our range of interior fitting-out services includes the provision of project planning and management services for the interior fitting-out project, customisation and supply of carpentry/ joinery parts and integral fixtures as well as manufacturing of wooden furniture in our projects, installation works, as well as the maintenance of the projects that we undertake on an ad-hoc basis. With such comprehensive services, we are able to manage and coordinate different aspects of an interior fitting-out project such as planning, sourcing, executing and coordinating with suppliers and subcontractors, striving to deliver results that meet or exceed clients' expectations.

We believe that our track record of over 15 years in the interior fitting-out market, combined with our technical experience and strategic pricing, have been critical in enabling us to successfully compete against our competitors. Our revenue has grown from RM73.4 million in FYE 2021 to RM386.0 million in FYE 2024. Our Group attributes such growth to our established reputation and proven track record.

7.18.2 We have established relationships with key industry players, including interior designers and multinational corporations

Since our establishment in 2009, we have developed relationships with our clients and their consultants. Our portfolio of clients includes local and multinational corporations who are owners or tenants of commercial, industrial and residential properties in Malaysia, contractors and interior designers in Malaysia. Some of these interior designers have consistently invited us to participate in and/ or submit tenders for their projects requiring interior fitting-out works. We believe this demonstrates the trust and understanding that the interior designers have with regards to our ability to meet both their requirements, as well as those of their clients. We believe that establishing strong relationship with the interior designers will increase our recognition and visibility in the interior fitting-out industry in Malaysia and increase our chances of being invited to participate in tenders.

Further, we believe that our ability to maintain good relationships with our clients and their consultants will help to maintain a stable source of revenue to our Group. We believe that we can leverage on our existing relationships with these clients to further develop our reputation as an interior fitting-out service provider and create new business opportunities in the future.

7. BUSINESS OVERVIEW (Cont'd)

7.18.3 We produce carpentry/ joinery parts, integral fixtures and wooden furniture through our own production facilities which enables us to achieve economies of scale and in turn lower our production cost

We believe that the scale of our production enables us to achieve economies of scale which in turn lowers our production cost. By having our own production facilities, we are able to actualise and realise the desired concepts of our clients or their consultants in a timely and efficient manner. We also believe that the customisation of carpentry/ joinery parts and integral fixtures through our own production facilities would enable us to have greater flexibility in producing these carpentry/ joinery parts and integral fixtures, which is one of the key materials in our projects. Further, by manufacturing wooden furniture through our own production facilities, we are able to better manage our production schedule and control the quality of our products to ensure a high standard of quality and consistency. It also allows us to benefit from economies of scale and cost-effectiveness in our operations.

7.18.4 We are able to effectively and efficiently manage our projects within our clients' time constraints and provide quality services to our clients

We have built a track record of completing projects on a timely basis and consistently meeting our client's expectations and requirements. By focusing on meeting our project timelines and client requirements, we have been able to retain several of our clients including property owners and/ or tenants as well as main contractors who have engaged our Group for multiple projects and secure projects from new clients. From our 46 clients in FYE 2024, 15 are repeat clients whom have engaged our Group for more than 1 project during FYE 2021 to 2024. We believe that our ability to retain these existing clients is a testament to our commitment to meeting their project requirements, which leads them to continue engaging our Group during FYE 2021 to 2024. Further, our track record in project delivery and meeting the requirements of clients have enabled to secure new clients during FYE 2021 to 2024. Collectively, this has led to the growth in our Group's revenue from RM73.4 million in FYE 2021 to RM386.0 million in FYE 2024. For FYE 2021 to 2024 and up to LPD, our Group has undertaken a total of 693 projects of which 624 projects have been completed and 69 projects are ongoing. As we typically undertake the project management aspects of our interior fitting-out projects, we are able to ensure that the projects are completed in a timely and efficient manner. Any delays may have a detrimental impact on our relationship with our clients and may tarnish our track record. We believe that we have sufficient experience and know-how to implement and manage our projects in a timely manner. Prior to accepting any potential projects, our project management team will assess whether we have the ability to complete our clients' projects within their indicated timeframe. To ensure the quality of our services, we have established a quality management system.

We believe that our ability to effectively and efficiently manage the delivery of services and materials from our subcontractors and suppliers under strict timelines has been a major factor that has enabled clients to repeatedly engage us.

7.18.5 We have experienced Executive Directors and key senior management

Our Group is led by experienced and technically strong Executive Directors and key senior management. Collectively, they have exposure across a broad spectrum of business activities, including project management, operations, production, sales, marketing and finance.

7. BUSINESS OVERVIEW (Cont'd)

Our Executive Director/ Group Chief Executive Officer, Chang Chung Fei has approximately 28 years of experience in the interior fitting-out industry. He is supported by Executive Director/ Chief Executive Officer – Northern Region, Foo Khai Shin as well as Chief Executive Officer – Central Region, Ng Mun Moh. Our Group is also supported by a strong key senior management team comprising our Group Chief Financial Officer, Head of Project and Head of Production.

The table below illustrates the years of relevant working experience of our Executive Directors and key senior management:

Name	Designation	Years of relevant working experience
Chang Chung Fei	Executive Director/ Group Chief Executive officer	28
Foo Khai Shin	Executive Director/ Chief Executive Officer – Northern Region	18
Ng Mun Moh	Chief Executive Officer – Central Region	29
Saw Gee Kai	Group Chief Financial Officer	10
Kwan Yik Chuan	Head of Project	23
Mah Chee Tiam	Head of Production	28

Please refer to Sections 5.2.1 and 5.3.2 for the profiles of our Executive Directors and key senior management.

Through these years, we have built an established industry reputation through our management's expertise, technical know-how and industry knowledge. Our track record in delivering projects and our consistent levels of dependable service, have been instrumental in attracting new clients and have enabled us to maintain business relationships with our existing clients. We believe that the strength of our Executive Directors and key senior management will enable us to continue to further grow our business and expand our market presence.

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7. BUSINESS OVERVIEW (Cont'd)

7.19 BUSINESS STRATEGIES

7.19.1 We intend to centralise our corporate offices and production operations

(a) Setup of corporate office and production facility in Selangor

As at LPD, our manufacturing activities are carried out at our production facilities in:

- (i) Bandar Baru Bangi, Selangor, which has a built-up area of approximately 19,704 sq ft; and
- (ii) Puchong, Selangor, which has a built-up area of approximately 4,200 sq ft.

Our headquarters located in Kajang, Selangor, has a built-up area of approximately 9,155 sq ft, as well as our office located in Jalan Kuchai Lama, Kuala Lumpur, has a built-up area of approximately 1,700 sq ft.

We are presently unable to customise and/ or manufacture sufficient carpentry/ joinery parts, integral fixtures and wooden furniture for all of our existing projects via our own production facilities in view of the number of interior fitting-out projects that we secure and deliver, level of customisation and differing profiles of carpentry/ joinery parts and integral fixtures as well as wooden furniture given the space constraints in our existing production facilities. As such, we engage third-party producers to produce such products to supplement our projects' requirements. Please refer to Section 7.14 for details on our level of internal and external production. Although historically, the external production accounted for only 9.6%, 12.1%, 15.9% and 26.0% of our total cost of sales for FYE 2021 to 2024 respectively, the level of external production has been increasing year-on-year given our business growth and is expected to continue to increase moving forward. As such, we intend to construct our own production facility and upon commencing operations of this new production facility, we intend to produce all carpentry/ joinery parts, integral fixtures and wooden furniture required internally for all projects undertaken by us in Peninsular Malaysia. Further, as at LPD, we have submitted 53 tenders with a total tender sum of RM1.1 billion, which are still pending decision. These tendered projects, if awarded to us, will further increase our requirements of additional carpentry/ joinery parts, integral fixtures and wooden furniture for our projects.

Similarly, the new corporate office will enable us to centralise our staff force in Klang Valley under one location and provide space for future hires in line with our expected business growth. With regards to the new corporate office, our headquarters in Kajang, Selangor and our office in Jalan Kuchai Lama, Kuala Lumpur are presently fully utilised and there is no vacant space for us to increase our headcount in these respective offices. Thus, the expansion of office space in our new corporate office will provide:

- (i) the necessary working space to centralise in the same location, all of our finance and accounting, project, contracts, HR and administration employees that are presently working in separate offices (specifically in our headquarters in Kajang, Selangor and our office in Jalan Kuchai Lama, Kuala Lumpur); and
- (ii) additional space for expansion and recruitment of manpower to support the anticipated growth of our business, which we will carry out progressively in tandem with the growth of our business.

As part of our next phase of growth, we intend to centralise our corporate office and production activities for the customisation and supply of carpentry/ joinery parts and integral fixtures and manufacturing of wooden furniture as this can contribute to improving the overall efficiency of our production process.

7. BUSINESS OVERVIEW (*Cont'd*)

Once completed, the centralised corporate office and production facility will enable us to:

- (i) centralise our production activities to improve the overall efficiency of our production process, as a result of relocating both of our present production facilities in Bandar Baru Bangi, Selangor and Puchong, Selangor to the new production facility; and
- (ii) relocate both of our present headquarters and office which are presently located in Kajang, Selangor and Jalan Kuchai Lama, Kuala Lumpur to the new corporate office.

We plan to allocate RM88.0 million or 54.6% of our gross proceeds from the Public Issue to acquire a parcel of vacant land in Selangor, upon which we intend to construct:

- (i) a production facility for the customisation of carpentry/ joinery parts and integral fixtures and manufacturing of wooden furniture (with built-up area of approximately 50,000 sq ft) as well as an adjoining storage space (with built-up area of approximately 15,000 sq ft); and
- (ii) a corporate office, for use as our Group's new headquarters (with built-up area of approximately 52,000 sq ft).

With regards to the new production facility, we intend to equip the production facility with additional machinery and equipment to support the expansion of our overall production capacity and increase the level of automation for our customisation and manufacturing activities. Our Group does not anticipate significant recruitment of manpower for our production team as our production team is mainly responsible for overseeing production operations, supervising our subcontractors and maintenance of our existing machinery and equipment.

Additionally, we are investing in automated machinery and equipment for our new production facility that can minimise human labour requirements. Further, it is our practice to engage subcontractors who have experienced and skilled workers for the customisation and manufacture of carpentry/ joinery parts and integral fixtures as well as wooden furniture and these subcontractors will carry out such manufacturing activities at our production facilities. We expect to continue with this practice of engaging subcontractors to customise and manufacture carpentry/ joinery parts and integral fixtures as well as wooden furniture at our new production facility. Nevertheless, we anticipate recruiting 5 additional employees in our production team with relevant skills to operate the new machinery and equipment that we intend to acquire for our new production facility.

The proposed new headquarters and production facility will be constructed adjoining to each other.

On 4 February 2025, SAR made an application to Jabatan Ketua Pengarah Tanah dan Galian (Persekutuan) ("JKPTG") to secure a piece of industrial land with an approximate land area of 1.5 million sq ft held under Geran 97545, Lot 51, Mukim Kapar, Daerah Klang, Negeri Selangor ("**Klang Land**"). Subject to JKPTG's approval of our application, JKPTG will issue Form 5A to SAR which indicates the total amount of land premium payable for the land. The premium is estimated to be up to RM74.0 million, on the basis of RM50 per sq ft.

Upon payment of the land premium, SAR will be registered as the proprietor of the Klang Land, whereby the expected leasehold tenure of the Klang Land is 99 years, subject to the terms and conditions of the lease to be granted by JKPTG.

7. BUSINESS OVERVIEW (Cont'd)

The decision to proceed with the acquisition of Klang Land was made after careful consideration of the following factors:

- (i) comparative price of Klang Land compared to other similarly sized parcels of land in Klang Valley;
- (ii) proximity of Klang Land to our principal market in the Central region; and
- (iii) our ability to obtain sufficient financing.

Based on factors (i) and (ii) as stated above, we believe that the acquisition of the Klang Land is in our Group's long term best interest.

The construction of our new production facility and new corporate office will collectively take up approximately 117,000 sq ft of Klang Land, leaving us with additional land space for our Group's future expansion purposes. For clarification, we will only develop the remaining portion of land at Klang Land for any expansion of our production facility and/ or corporate office in line with the future growth of our business.

While our Group presently does not have any plans for the remaining land, we believe that our business will continue to grow supported by our:

- (i) historical financial performance;
- (ii) remaining order book value; and
- (iii) replenishment of projects from our tender book. If these tenders are awarded to our Group, these new projects will increase our spatial requirements to carry out the customisation and/ or manufacturing of carpentry/ joinery parts, integral fixtures and wooden furniture.

Thus, our Group will be in a position to scale up our production operations of carpentry/ joinery parts, integral fixtures and wooden furniture in tandem with business opportunities without being limited by space.

Depending on business growth, we will also have sufficient space to expand our headquarters to cater to any increase in employee headcount to support our anticipated business growth.

The breakdown of our land acquisition and construction cost is estimated as follows:

Description	Estimated cost
	RM'000
Land acquisition ⁽¹⁾	74,000
Construction works ⁽²⁾	44,000
	118,000

Notes:

- (1) The land acquisition cost will be partially funded via our gross proceeds from the Public Issue (RM44.0 million), and the remaining RM30.0 million will be funded via bank borrowings. The drawdown of bank borrowings to fund the land acquisition cost will further increase our pro forma gearing level from 0.1 times (after Acquisitions, subsequent event, Public Issue and utilisation of proceeds) as set out in Section 12.4 to 0.3 times.

7. BUSINESS OVERVIEW (Cont'd)

- (2) The estimated costs for construction works for the new corporate office and production facility will be fully funded via our gross proceeds from the Public Issue. The approximate construction costs for the setup of corporate office and production facility are as follows:

Description^(b)	^(a)Estimated cost	
	RM'000	%
Construction works		
- Main building works	17,436	39.6
- Infrastructure works	4,533	10.3
- MEP works ^(c)	4,069	9.3
- Piling and foundation	1,162	2.6
- Landscaping works	116	0.3
	27,316	62.1
Interior fitting-out and furniture		
- Interior design works	8,101	18.4
- MEP works ^(d)	5,137	11.7
- Loose and system furniture	1,633	3.7
	14,871	33.8
Preliminaries	1,813	4.1
	44,000	100.0

Notes:

- (a) Based on fees estimation by our professional consultants.
- (b) Upon acquiring the parcel of vacant land, we will appoint a third-party contractor to undertake the construction works for our new corporate office and production facility via tender process. However, the interior fitting-out works and internal furnishing will be undertaken by our Group.
- (c) Comprises core MEP works that are carried out during the phase of civil and structural works, which includes the installation of cables and wiring for electricity supply into the building, water and sewerage piping and plumbing works within the structure of the building.
- (d) Comprises MEP works that are undertaken during the interior fitting-out phase, which includes the installation of MEP fittings such as light fixtures, air conditioning systems, sanitaryware, switches and other accessories.

As at LPD, our Group has yet to commence negotiation with any financial institutions on such bank borrowings as we have yet to obtain a decision from JKPTG on the Klang Land. Nevertheless, we are optimistic in procuring the bank borrowings in view of our healthy financial position. In the unlikely case where we are unable to procure bank borrowings, our Group intends to utilise our internally generated funds and/ or reallocate the earmarked funds for general working capital requirements towards partial payment of our land acquisition cost.

In the event there is any excess available from the above land acquisition and construction cost, such excess of proceeds will be allocated for our general working capital requirements.

7. BUSINESS OVERVIEW (Cont'd)

The indicative timeline for the setup of our new corporate office and production facility is as follows:

Timeline	Estimated timeline	Details
	February 2025	Submitted application to appropriate authority for the leasing of a piece of leasehold land⁽¹⁾
T	June 2025	Date of our Listing
T + 10 months	April 2026	Extraction of Form 5A for the payment of land premium
T + 11 months	May 2026	- Payment of land premium and completion of application for acquisition - Submission of building plan to local council
T + 17 months	November 2026	- Approved building plan obtained from local council - Commencement of construction of the corporate office and production facility
T + 32 months	February 2028	- Completion of construction - Application for CCC, manufacturing licence from MITI and other relevant licences⁽²⁾
T + 34 months	April 2028	- Obtained CCC, manufacturing licence from MITI and other relevant licences - Testing and commissioning of machinery and equipment (as set out in Section 7.19.1(b) below)
T + 36 months	June 2028	- Commence relocation of existing headquarters, office and production facilities⁽³⁾ - Commencement of operations of the corporate office and production facility

Notes:

- (1) For clarity, SAR is applying for a 99-year lease on a piece of leasehold industrial land, and not purchasing it on a freehold basis. Upon payment of land premium, SAR will be registered as the proprietor of the leasehold land.
- (2) Other relevant licences include business premise licence from local authority, wood-based industry factory licence from State Forestry Department, certificate of registration from Malaysian Timber Industry Board and fire certificate from Fire and Rescue Department of Malaysia.
- (3) Upon receiving the necessary certifications and licences, we will relocate our existing headquarters, office and production facilities as mentioned above to our new corporate office and production facility. We will give sufficient notice to the landlord for our office in Jalan Kuchai Lama, Kuala Lumpur of our intention to cease the rental of our office, and to time the cessation of the rental to accommodate our expected date of completion.

7. BUSINESS OVERVIEW (Cont'd)

Upon relocation to our new corporate office and production facility, we will no longer occupy our existing headquarters located in Kajang, Selangor as well as production facilities located in Bandar Baru Bangi and Puchong, Selangor. As at LPD, our Group has not finalised a decision in relation to the usage of these properties post relocating to our new corporate office and production facility. The decision to dispose these properties or retain them as investment properties to generate rental income will be dependent on, among others, the then prevailing property values and prevailing rental income from these properties. Our Group will undertake the necessary assessment at the appropriate time to determine the best course of action.

In the event we are unsuccessful with our application to JKPTG for the Klang Land, we will continue to identify a suitable land for our new corporate office and production facility, to be funded from the proceeds earmarked above coupled with bank borrowings, the proportion of which will be determined later.

(b) Purchase of machinery and equipment

To support our proposed plan to expand our overall production capacity and increase the level of automation for our customisation and manufacturing activities, we intend to acquire additional machinery and equipment for the proposed new production facility.

We intend to utilise RM4.0 million or 2.5% of the proceeds from our Public Issue for the purchase of additional machinery and equipment, details of which are as follows:

Description	Purpose	No. of units	Total estimated cost
			RM'000
CNC cutting machines	Used to cut, drill, groove and engrave various patterns on wood	8	1,499
Edge banding machines	Used to cover the exposed sides of wood products to increase its durability and aesthetic value	6	770
Conveyor system	Used to move heavy or bulky wood products from one location to another in a production line	1	17
Air compressor	Used to convert power into kinetic energy by compressing and pressurising air. The compressed air can then be used for a variety of applications, such as powering tools, inflating tires, or operating pneumatic equipment	3	189
Spray machine	Used to paint and coat exposed wood surfaces	1	425
Dust collection system	Used to remove particulate contaminants from the air in production facilities	1	700
Electrical wiring system	Used for power distribution within a premise	1	400
		21	4,000

7. BUSINESS OVERVIEW (*Cont'd*)

We intend to acquire the abovementioned new machinery and equipment from local suppliers. Save for the air compressor, our Group does not presently use any of the abovementioned equipment and machinery in our present production facilities. The estimated costs of these new machinery and equipment have been obtained from such suppliers.

We presently carry out our manufacturing activities by utilising our existing machinery and machinery at our current production facilities located in Bandar Baru Bangi and Puchong, Selangor. At these production facilities, our machinery and equipment include air compressors, air blow guns, air dryers, drills such as bench drills, drill presses and battery drills, saws such as table saws and angle saws. These existing machinery and equipment which were previously purchased by our Group, have been in use for approximately 10 years. For clarity, these existing machinery and equipment are semi-automated and require a higher degree of human labour to operate compared to the machinery and equipment that we intend to acquire for our new production facility. For our new production facility, we intend to acquire machinery and equipment that have a higher degree of automation that will enable us to increase our production capacity and capabilities for the supply of parts and components for our interior fitting-out projects.

The manufacturing of our carpentry/ joinery parts and integral fixtures as well as wooden furniture are currently carried out by the workers of our subcontractors with relevant experience and skills in carpentry and woodworking, and we will continue engaging subcontractors to carry out these works at our new production facility. Nevertheless, we anticipate recruiting 5 additional employees, who are skilled machine operators, as part of our production team to operate the machinery and equipment that we plan to acquire for our new production facility. The recruitment of these 5 additional employees will be funded via internally generated funds.

By investing in these new machinery and equipment, we stand to benefit from increasing our operational efficiencies and flexibility in the planning and coordination of our projects as they are essential in our implementation of interior fitting-out projects. This is expected to contribute to better time management of our project schedule to facilitate timely completion of our projects.

7.19.2 We intend to expand/ establish branch offices in Pulau Pinang and Johor to strengthen our presence regionally in Peninsular Malaysia

As at LPD, we primarily operate in the central region which is the base for our headquarters and production facilities. We also have a corporate office in Pulau Pinang to cater for our clients in the northern region. Through our offices in Selangor and Pulau Pinang, we are able to build brand presence and market our interior fitting-out services especially to clients in the central and northern regions of Peninsular Malaysia.

To capture more business opportunities for interior fitting-out services in Pulau Pinang and Johor and strengthen our market presence in the northern and southern regions of Peninsular Malaysia, we intend to expand our branch office in Pulau Pinang and establish a new branch office in Johor. The expansion/ establishment of these branch offices in Pulau Pinang and Johor will allow us to meet the demands of commercial, industrial and residential clients in the northern and southern regions. Further, we will be able to create awareness for our solutions in the northern and southern regions. This will allow us to respond more promptly to business opportunities from clients in these regions.

7. BUSINESS OVERVIEW (Cont'd)

Taking into account the additional branch offices space, we also intend to expand our headcount, particularly our project management team, as this will allow us to scale up our operations in these regions. The new branch offices in Pulau Pinang and Johor will allow us to accommodate up to 50 employees or 25 employees per office respectively. Upon commencement of operations of our new branch office in Pulau Pinang, we will relocate our existing office at Simpang Ampat, Pulau Pinang to this new branch office.

As at LPD, we are in the midst of identifying a suitable premise with built-up area ranging between 12,000 sq ft and 5,000 sq ft to rent in Pulau Pinang and Johor respectively. The exact location and size of the intended premise are subject to the changes in prevailing property prices and availability of premises. Our Group intends to allocate RM12.0 million for the expansion/ establishment of branch offices in Pulau Pinang and Johor, the breakdown of which are as follows:

Expansion/ establishment of branch offices

Description	Estimated costs RM'000
Branch office in Pulau Pinang	
- Rental expenses ⁽¹⁾	530
- Renovation expenses ⁽²⁾	2,095
Branch office in Johor	
- Rental expenses ⁽¹⁾	180
- Renovation expenses ⁽²⁾	950
	3,755

Notes:

- (1) To be utilised over a period of 30 months from the commencement of operations of the branch offices.
- (2) Comprising M&E works of which the estimated costs are based on quotations obtained from contractors.

Recruitment of employees for branch offices

Description	No. of pax	Estimated cost RM'000
Recruitment of employees for branch office in Pulau Pinang ⁽¹⁾		
- Project	13	3,150
- Finance and accounting	1	240
	14	3,390
Recruitment of employees for branch office in Johor ⁽¹⁾		
- Project	15	3,820
- Contracts	3	795
- Finance and accounting	1	240
	19	4,855
		8,245

7. BUSINESS OVERVIEW (Cont'd)

Note:

- (1) To be utilised over a period of 30 months from the commencement of operations of our new branch offices.

In the event that we have identified suitable premises for our branch offices in Pulau Pinang and Johor, and are required to execute the tenancy agreements prior to our Listing, we will fund the rental and renovation expenses using our internally generated funds and/ or bank borrowings. Upon completion of our Listing, we will replenish our internally generated funds and/ or repay our bank borrowings from the earmarked proceeds of the Public Issue.

7.19.3 We intend to increase our market share within the interior fitting-out industry in Malaysia

The availability of our working capital determines the number and size of interior fitting-out projects that we can undertake at any point in time as:

- A portion of our capital is locked up during the duration of a contract to match the bank guarantee issued as performance bond for the project. The amount of performance bond required for each project is generally 5.0% of the total contract sum. As the bank guarantee is usually secured by way of a pledge of fixed deposit to the financial institution, this affects our liquidity for the duration of the bank guarantee. In addition, the fees for the bank guarantee are also paid upfront to the financial institution; and
- During the course of our interior fitting-out works, there may be instances of mismatch in the timing of our cash flows due to time lags between making payments to our subcontractors and suppliers and receiving payments from our clients.

In order to expand our business and secure more and larger contracts, we must increase our available financial resources to satisfy the working capital required to undertake future contracts. As such, we have allocated RM30.1 million or 18.7% from the proceeds of our Public Issue for our working capital purposes. Applying a portion of the proceeds from the Public Issue to satisfy the various working capital requirements associated with undertaking contract works will better position us to tender for and expand our project portfolio.

As part of our future plans, we intend to increase our market share by tendering for more projects with larger contract sums. For FYE 2024, we secured 453 projects for interior fitting-out services with total contract sum of approximately RM436.4 million. Specifically, out of 453 projects secured in FYE 2024, our Group had completed 421 projects with combined project value of RM68.1 million and remaining 32 projects with combined project value of RM368.3 million are still on-going. With the inclusion of the 32 projects amounting to RM368.3 million secured in FYE 2024, we have a total of 69 ongoing projects with total contract value of RM902.4 million as at LPD. A steady pipeline of ongoing projects would be key in ensuring the sustainability and versatility of our business operations.

Moving forward, we will continue to replenish and grow our order book as we strive to further enhance our revenue and increase our market share in the industry.

7. BUSINESS OVERVIEW (Cont'd)

7.19.4 We intend to expand our business through strategic investments, mergers and acquisitions opportunities

We intend to increase our presence in existing markets through strategic investments, mergers and acquisitions opportunities that are aligned with and synergistic to our principal business activities. We will explore investments, merger and acquisitions activities that are complementary to our business to enhance our operational efficiencies and expand our core services. We believe that any potential investments, mergers and acquisitions would enable our Group to expand and strengthen our business and enhance our business reputation.

In particular, we are exploring the potential of venturing into upstream businesses such as the fabrication of stone and steel products, which are complementary to our interior-fitting out business. In FYE 2024, we have consistently engaged stone suppliers in supplying granite, stone and tiles for our interior fitting-out projects amounting to RM5.4 million or 10.9% of our total purchases. We believe that a strategic investment or shareholdings in our suppliers (including but not limited to granite, stone, tiles, ironmongery, metal components and sanitary fittings) would ensure minimal disruptions to our supply chain and business operations. We would also be able to efficiently implement quality control measures for our input materials. Such strategic investment, mergers and acquisitions opportunities, if any, will be funded through internally generated funds.

Although we had in 2023 ventured into and exited from the stone business via Best Stone, we believe that with the correct strategic partner(s), such upstream venture could still be beneficial to our Group.

As at LPD, we have not entered into any binding agreement for any acquisition.

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8. IMR REPORT



PROVIDENCE STRATEGIC PARTNERS SDN BHD
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29 April 2025

The Board of Directors
SIGNATURE ALLIANCE GROUP BERHAD
11 Jalan SC 6
Taman Perindustrian Sungai Chua
43000 Kajang
Selangor
Malaysia.

Dear Sirs,

Independent Market Research Report on the Outlook of the Interior Fitting-out Industry in Malaysia in conjunction with the Listing of SIGNATURE ALLIANCE GROUP BERHAD on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this independent market research report on the Outlook of the Interior Fitting-out Industry for inclusion in the Prospectus of SIGNATURE ALLIANCE GROUP BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics.

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

For and on behalf of PROVIDENCE:

A handwritten signature in black ink, appearing to read 'Elizabeth Dhoss'.

ELIZABETH DHOSS
EXECUTIVE DIRECTOR

About PROVIDENCE STRATEGIC PARTNERS SDN BHD:

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

About ELIZABETH DHOSS:

Elizabeth Dhoss is the Executive Director of PROVIDENCE. She has more than 15 years of experience in market research for capital market exercises. Elizabeth Dhoss holds a Bachelor of Business Administration from the University of Malaya, Malaysia.

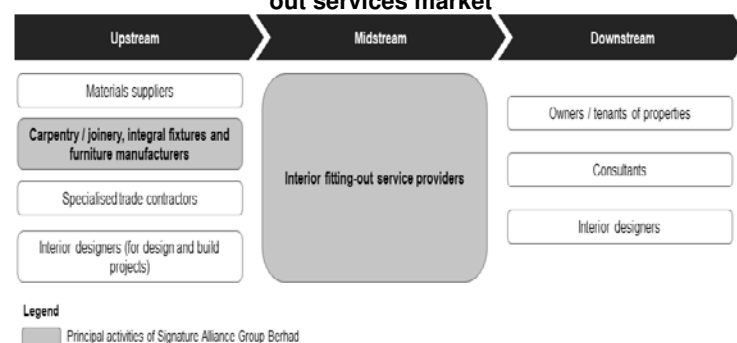
8. IMR REPORT (Cont'd)**1 INTERIOR FITTING-OUT INDUSTRY IN MALAYSIA****1.1 INTRODUCTION AND BACKGROUND**

Interior fitting-out works refer to the process of actualising designs in interior spaces, thereby making interior spaces suitable for occupation and aesthetically pleasing. It generally includes site preparation work, steel and metal work, woodwork, marble work, stone work, plastering and painting work, certain building services, such as mechanical, electrical and plumbing works. The customisation, manufacturing and supply of carpentry/joinery, integral fixtures and furniture products is also part of interior fitting-out services. Interior fitting-out services are provided to owners or tenants of residential, commercial and industrial properties.

The value chain of interior fitting-out market in Malaysia consists of upstream, midstream and downstream participants. Interior fitting-out service providers source materials and other ancillary building products from suppliers and manufacturers. Specialised contractors may be involved for the provision of mechanical, electrical and plumbing works. Interior designers may also be involved in design and build projects if the interior fitting-out service provider does not possess in-house interior design capabilities. Interior fitting-out contractors are also responsible for the overall project management works. Interior fitting-out works are generally initiated by downstream participants, including owners or tenants of properties, consultants appointed by owners or tenants of properties such as architects, and construction contractors. Owners or tenants of properties may also engage consultants to manage interior fitting-out projects on their behalf.

Signature Alliance Group Berhad is principally involved in the provision of interior fitting-out services and building construction services. Signature Alliance Group Berhad's interior fitting-out services include:

- project planning and management of interior fitting-out projects;
- customisation and supply of carpentry/joinery parts and integral fixtures, and manufacturing of wooden furniture;
- installation works, building construction works and provision of air conditioning ducting works; and
- maintenance of the projects that it undertakes on an ad-hoc basis.

Position of Signature Alliance Group Berhad in the interior fitting-out services market**1.2 INDUSTRY SIZE AND GROWTH**

Interior fitting-out services are carried out as part of building completion and finishing works, and measured in terms of value of work done. The value of work done is computed based on work progress achieved by contractors for new built, repairs, renovations and maintenance projects carried out in relation to building completion and finishing works during the calendar year period for project owners or investors, as reported by contractors to the Department of Statistics Malaysia.

The interior fitting-out services industry in Malaysia, measured in terms of value of work done for building completion and finishing works, declined from RM1.3 billion in 2019 to RM791.1 million in 2020 due to reduced work capacity in compliance to containment measures, labour shortages due to international border closures, supply chain disruptions and site shutdowns following the COVID-19 outbreak that began in 2020. The value of work done for interior fitting-out services subsequently began showing signs of recovery as it increased from RM791.1 million in 2020 to RM1.2 billion in 2023 at a compound annual growth rate ("CAGR") of 15.8% as the easing of the containment measures since August 2021 and the reopening of the economy supported the gradual improvement in building completion and finishing works. Notwithstanding the growth in the value of works done for interior fitting-out services between 2020 and 2022, there was a subsequent decline in the value of work done between 2022 (RM1.5 billion) and 2023 (RM1.2 billion). This is mainly attributable to the lower year-on-year growth rate of total property transactions in 2023 (10.2%) compared to 2022 (21.6%) as the post-COVID-19 pandemic pent-up demand for properties began normalising and households were affected by higher cost of living in 2023. The latter affected consumer spending and resulted in property owners and tenants being more cautious in their spending, scaling back and even foregoing interior fitting-out services during 2023. Further in 2024, the value of work done for building completion and finishing works increased to RM2.0 billion (2023: RM1.2 billion).

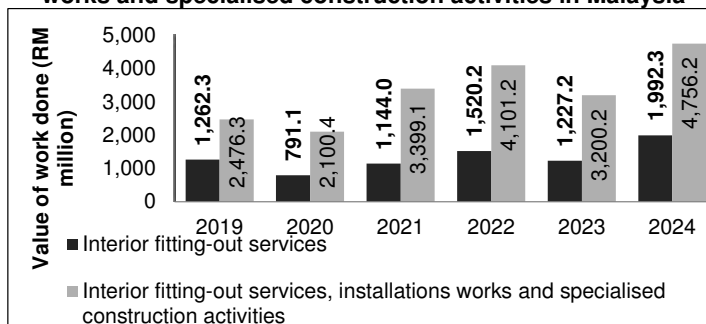
8. IMR REPORT (Cont'd)

Installations works and specialised construction activities may also be carried out in conjunction with interior fitting-out services in order to deliver interior spaces that are ready for occupancy. When taken into account collectively, the value of work done for interior fitting-out services, installations works and specialised construction activities increased from RM2.5 billion in 2019 to RM4.8 billion in 2024 at a CAGR of 13.9%.

PROVIDENCE projects the value of work done for interior fitting-out services to rise from RM2.0 billion in 2024 to RM2.9 billion in 2027 at a CAGR of 13.2%. The growth in interior fitting-out services will be supported by the:

- growth in residential, commercial and industrial properties;
- evolving requirements for unique, functional and conducive spaces;
- growth in end user industries;
- growth in tourism and retail sectors; and
- foreign investment and domestic investment growth.

Value of work done for interior fitting-out services, installation works and specialised construction activities in Malaysia



Source: Department of Statistics Malaysia, PROVIDENCE analysis

1.3 DEMAND CONDITIONS: KEY GROWTH DRIVERS**Growth in residential, commercial and industrial properties support demand for interior fitting-out services**

Between 2019 and 2024, residential, commercial and industrial property transactions rose from RM116.2 billion to RM192.9 billion at a CAGR of 10.7%. From this, residential property transactions rose from RM72.4 billion to RM106.9 billion at a CAGR of 8.1%. Comparatively, commercial property transactions rose from RM29.0 billion to RM58.1 billion at a CAGR of 14.9% while industrial property transactions rose from RM14.8 billion to RM27.9 billion at a CAGR of 13.4%.

In 2020, all economic sectors registered a contraction in growth. While the COVID-19 pandemic containment measures aided Malaysia's efforts to rein in the outbreak, the tighter operating procedures (such as operating hours, capacity limit on premise and activity restrictions), mobility restrictions and supply chain disruptions affected economic activity. Additionally, most industries also faced weaker demand conditions both domestically and externally, which further weighed on production and business activities. As a result, residential, commercial and industrial property transactions were affected in 2020. In 2021, the property market in Malaysia began showing signs of recovery, mainly supported by the implementation of various stimulus packages under Pelan Jana Semula Ekonomi Negara (PENJANA) and Prihatin Rakyat Economic Stimulus Package (PRIHATIN), as well as measures under Budget 2021 which sustained consumer confidence and spending. Among others, the Government introduced a 100% stamp duty exemption on instrument of transfer and loan agreement for the purchase of first residential home priced up to RM300,000 by Malaysian citizens. For the purchase of first home priced exceeding RM300,000 up to RM500,000, stamp duty on the instrument of transfer and loan agreement was fully exempted, limited to the first RM300,000 of the value of the property. The remaining balance of the home value was subjected to the prevailing rate of stamp duty. This exemption was effective for sale and purchase agreement executed from 1 January 2019 to 31 December 2020.

Growth in the property market in 2022 was supported by the implementation of various Government initiatives and assistance, improving labour market conditions due to the lifting of operating and capacity restrictions as COVID-19 vaccination rates improved and minimum wage increase measures increased consumer confidence and spending on home ownership, as well as higher tourist arrivals which led to the resumption of hospitality services. Several initiatives which were outlined under Budget 2022 contributed to improving property market activities such as lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6th year onwards by Malaysian citizens, permanent residents and other than companies, as well as guarantees of up to RM2.0 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing. Property market growth in 2023 was supported by the implementation of various government initiatives and assistance as well as improving labour market conditions. Several initiatives outlined under Budget 2023 also further boosted property market activities including the full exemption of stamp duty for homes valued at RM500,000 and below, and a 75.0% exemption for homes valued more than RM500,000 to RM1.0 million.

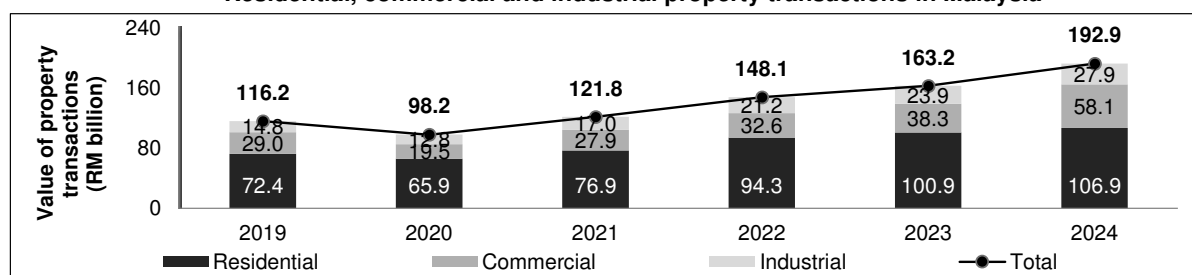
In 2024, Malaysia's economy grew by 5.1% attributable to continued expansion in domestic demand and a rebound in exports. Strong investment approvals and further progress of multi-year projects by the private and public sectors, which includes catalytic initiatives under national master plans, namely the New Industrial Master Plan, National Energy Transition Roadmap and National Semiconductor Strategy, provided further impetus to investment growth.

8. IMR REPORT (Cont'd)



Malaysia's exports also recovered amid steady global growth, continued technology upcycle as well as higher tourist arrivals and spending. The Economic Outlook 2025 by the Ministry of Finance Malaysia further projects economic growth between 4.5% and 5.5% in 2025, supported by a resilient external sector, benefitting from improved global trade and stronger demand for electrical and electronic goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. The real estate and business services subsector is forecast to increase by 6.3% in 2025, driven by sustained demand for professional services, particularly engineering-related services in construction activities, including new data centre facilities and the construction sector is forecast to increase by 9.4% in 2025, supported by the improvement in sales of residential houses and construction activities for data centers.

Residential, commercial and industrial property transactions in Malaysia



Source: National Property Information Centre (NAPIC), PROVIDENCE analysis

Owners and tenants of properties typically engage interior fitting-out service providers to create spaces that are suitable for occupation and aesthetically pleasing prior to moving into their owned or rented properties. The value of residential, commercial and industrial property transactions is an indicator of growth for Malaysia's property development and construction industries and indicator of demand for interior fitting-out services. Thus, the growth in residential, commercial and industrial property transactions will bode well for industry players offering interior fitting-out services. However, the converse also applies, whereby a slower growth rate or decline in residential, commercial and industrial transactions may also have an adverse impact on the demand for interior fitting-out services.

Evolving requirements for unique, functional and conducive spaces support demand for interior fitting-out services

Interior fitting-out service providers transform spaces into aesthetically pleasing environments that are functional. Changing consumer lifestyles and preferences and the desire for innovative and well-designed spaces that encourage productivity and create conducive environments are increasingly supporting demand for customised and visually appealing spaces. The urbanisation and expansion of cities has led to a rise in construction activities, particularly for residential and commercial properties. The increasing pace of building construction creates demand potential for the services of interior fitting-out firms to transform vacant spaces into aesthetically pleasing environments.

Business owners and property owners are increasingly investing in interior fitting out services to create unique spaces that represent their brand identities, while providing attractive and conducive working for employees. Further, the shift towards flexible, open-plan office and collaborative work environments driven by changing workforce dynamics post COVID-19 pandemic requires customised interior fitting-out works to create adaptable and collaborative spaces that foster teamwork.

In line with the expectations of residential buyers, property developers are designing homes that are contemporary, stylish and incorporate elements of technology to meet their changing lifestyle requirements and demands for comfort and functionality in their homes. Technologies such as smart building solutions, internet of things (IoT) and automation are incorporated in residential, commercial and industrial properties to enhance energy efficiency, security and overall experience.

Growth in end user industries drives demand for interior fitting-out services

The growth in the following end user industries bode well for the demand for interior fitting-out services:

Foodservice industry

The food and beverage industry consists of the retail and wholesale sales of food and beverages products by industry players that produce food and beverages products. Companies in the food and beverages industry process raw materials into food and beverage products, package and distribute them through various distribution channels to both individual customers and commercial establishments. The food service industry encompasses activities involved in preparing and serving food and beverages to people consuming food away from home. This includes all types of restaurants, institutional food operations at locations such as schools and hospitals,

8. IMR REPORT (Cont'd)

as well as other specialty vendors such as food truck operators and catering businesses.

The retail sales of food and beverages through foodservice channels in terms of sales value rose from RM31.1 billion in 2019 to RM44.9 billion in 2023¹ at a CAGR of 9.6%. In 2020, arising from the COVID-19 pandemic, at-home consumption of food and beverages increased while out-of-home consumption was severely affected by the containment measures and operating capacity restrictions imposed by the Government to curb the spread of the virus. Food delivery began gaining momentum in 2020 as the foodservice industry adapted to cope with pandemic-related restrictions and movement controls.

The foodservice sector began showing recovery in the last quarter of 2021 as more consumers resumed dining-in. This recovery came after a long period of decline in 2020 and the early part of 2021 due to the COVID-19 pandemic which saw the imposition of containment measures and operating restrictions to curb the spread of the virus. By the last quarter of 2021, food and beverage outlets were allowed to open for business with normal operation hours, while diners returned to physical premises while observing social distancing rules. As a result in 2021, the sales value of wholesale trade of food and beverages as well as sale of food and beverages through retail and foodservice channels registered a year-on-year growth rate of 3.2% (2020: -7.1%), while the sales of food and beverages through foodservice channels experienced a year-on-year contraction of 10.0% (2020: -21.6%).

The return to normal business with the reopening of international borders on 1 April 2022 and the transition to the endemic phase of the COVID-19 outbreak has supported retail spending as it boosts human traffic at shopping malls. Several malls have begun strengthening their food and beverage lineup with new tenants. The introduction of new eateries and lifestyle retail concepts aim to position shopping malls as a meeting destination for shoppers to socialise. Selected shopping malls in the Klang Valley are also transforming their properties, with more retail operators remodelling their retail spaces into food and beverage outlets.

The positive trend in the sale of food and beverages through foodservice channels has led to the opening of new foodservice outlets. In particular, local and international foodservice chains have consistent branding and specific requirements for visual display and spatial layout format across all outlets to reinforce brand identity and create a welcoming environment for patrons. Interior fitting-out service providers are typically engaged by operators of local and international foodservice chains for restaurant fit-out services prior to the launch of a new outlet or expansion of an existing outlet. Thus, growth in the sale of food and beverages through foodservice channels and the opening of new foodservice outlets will support demand for interior-fitting services.

▪ **Semiconductor and electronics industry**

The semiconductor and electronics industry encompasses the manufacturing and sales of semiconductor and electronics products, where manufacturers require cleanrooms in their production processes and plantrooms to house the factory's mechanical and electrical equipment. Semiconductors are manufactured products that are easily affected by pollutants and airborne particles, and thus are manufactured in cleanrooms where parameters such as temperature, humidity, airflow, vibration, lighting and airborne particles are controlled to maintain high air quality standards and optimising productivity. Plantrooms in semiconductor and electronics factories house critical mechanical and electrical equipment.

Between 2015 and 2024, the global semiconductor and electronics industry size, in terms of sales, has been increasing from USD335.2 billion (RM1.3 trillion) to USD626.9 billion (RM2.8 trillion), registering a CAGR of 7.2%.^{2,3} The rising worldwide demand for semiconductor and electronics products is largely driven by:

- the technological revolution with 5G adoption and the emergence of internet of things ("IoT"), artificial intelligence and big data analytics, which have resulted in the emergence of new final electronic products. New final electronic products that have been introduced to the market as a result of these technologies include smart factories (where machinery, equipment and tools are fully interconnected), autonomous cars (which are self-driving or driverless cars) and smart home devices (such as smart lighting, door locks and home appliances). This technological revolution of semiconductor and electronic products is expected to continue driving new developments in the semiconductor and electronics industry to produce more advanced semiconductor and electronic products in terms of performance, capacity and technology; and
- rapid technological advancements which have led to continuous introductions of new product innovations and advancements. Final electronic products, especially consumer electronic products, are subject to relatively shorter product lifecycles, given that consumers are highly receptive to new product innovations and advancements.

Increasingly, multinational semiconductor and electronics companies (comprising outsourced semiconductor assembly and test as well as electronic manufacturing service providers) have been relocating their

¹ Latest available statistics as at 28 April 2025

² Semiconductor Industry Association

³ Exchange rates from USD to RM in 2015 at USD1 = RM3.9064 and 2024 at USD1 = RM4.47. Sourced Central Bank of Malaysia

8. IMR REPORT (Cont'd)

manufacturing facilities to countries in Southeast Asia such as Malaysia. This is due to the lower operating costs and/or availability of talent; established local ecosystem of electronics manufacturing machinery, equipment, tools and supplies; as well as growing demand for final electronic products in these countries. Further, there are also new semiconductor chip assembly and test facilities being set up in Southeast Asia in order to alleviate the present semiconductor chip shortage. Southeast Asia also stands to benefit from the trade war between the United States of America ("**United States**") and the People's Republic of China ("**China**") which has led to more multinational semiconductor and electronics companies setting up or expanding their operations in Southeast Asian countries.

The established local ecosystem of electronics manufacturing machinery, equipment, tools and supplies, growing demand for final electronic products, availability of local talents, and lower operating costs are key factors for global electronics, brand owners and foundries to relocate to Southeast Asia. This has been the catalyst in attracting electrical and electronics ("**E&E**") manufacturing firms to consider Malaysia as their regional base. The increased outsourcing and relocation of E&E manufacturing activities to Malaysia will support demand for interior fitting-out services for as these E&E firms establish their operating premises in the country. E&E firms typically engage interior fitting-out service providers to fit-out office space and common areas such as reception lobbies, walkways and lift lobbies, which do not require the latter to possess specialised skillsets and experience in E&E manufacturing facility design and build.

Such expansions include the plans of Intel Corporation, a United States semiconductor chip manufacturer, that intends to invest approximately USD7.0 billion (approximately RM30.0 billion) in a new chip packaging and testing factory in Malaysia,⁴ as well as Infineon Technologies AG, a German semiconductor manufacturer, which will be investing over EUR2.0 billion (approximately RM9.5 billion) to expand its operations in Malaysia by 2024.⁵ In particular, exports of semiconductor and electronics products from Malaysia grew from RM277.9 billion in 2015 to RM601.2 billion in 2024 at a CAGR of 9.0%.⁶

▪ **Telecommunications industry**

Telecommunications refers to the electronic transmission of data, in the form of audio, visual and text, over a distance. The transmission of such data enables the Internet or broadband as well as mobile calls. The global mobile broadband penetration rate has grown from 44.6% in 2015 to 87.4% in 2023.⁷ The growth of the telecommunications industry will continue to be driven by the following factors:

- **Increased demand for broadband services**
In 2023, there were approximately 7.0 billion Internet users globally compared to the 3.0 billion Internet users globally in 2015. The growth was likely driven by the introduction of new devices which utilise the Internet into the market, such as smart televisions, television streaming boxes, game consoles and smartwatches.
- **Advancement of telecommunications technology to 5G**
The advancement of telecommunications technology to 5G is expected to become the standard technology for mobile communications. This is due to the advantages of 5G such as higher reliability, speed and connectivity, allowing faster data sharing as data can be transmitted at a faster rate (exceeding 10 gigabytes per second) relative to 4G technology. 5G has led to the emergence of IoT, artificial intelligence and big data for businesses, as well as new final electronic products such as smart home devices, smart factories and autonomous cars. Thus, the adoption of these new technologies in both consumer and business premises is expected to drive the usage of broadband services as user experience improves and networks become more reliable and interconnected.
- **Affordability of mobile services**
Over the years, the increased accessibility to mobile devices has led to greater affordability of mobile services. Subscription to mobile services, including both cellular and broadband data, has become more affordable globally. Between 2015 and 2022, the global median price for mobile broadband data has decreased from USD12.0 to USD7.4, while median price for mobile cellular has also dropped from USD10.9 to USD6.2.⁸ In view of more affordable mobile services globally, the usage of Internet-enabled applications is expected to continue to grow, thus benefiting the telecommunications industry.

Growth in demand in the telecommunications industry is expected to bode well for interior fitting-out service providers, as telecommunication companies open new office spaces or retail units, expand existing capacity, upgrade or retrofit their commercial spaces.

▪ **Data centre industry**

Data centres are a critical digital enabler. The development of digital infrastructures, such as data centres, are

⁴ Intel to invest USD7 billion in chip packaging facility in Malaysia, The Economic Times, 14 December 2021

⁵ Infineon to boost Kulim capacity, The Star, 18 February 2022. Latest available information as at 28 April 2025

⁶ Malaysia External Trade Development Corporation (MATRADE), PROVIDENCE analysis

⁷ International Telecommunication Union. Latest available statistics as at 28 April 2025

⁸ International Telecommunication Union. Latest available statistics as at 28 April 2025

8. IMR REPORT (Cont'd)

central to enabling 5G applications. Due to a growth of cloud computing, demand for data centres is growing significantly and Malaysia is fast becoming a hub. The data centre colocation market in Malaysia has been witnessing very steady growth due to the increasing volume of data generated and the increased usage of Internet-based services. The use of the internet in commerce, social media, entertainment and cloud adoptions has become more extended during the COVID-19 lockdowns. The pandemic has accelerated the migration towards cloud infrastructure as organisations look for business agility and growth in digital services.

Data centre development in Malaysia has predominantly taken place in Cyberjaya, Selangor, as well as Sedenak Tech Park, Nusajaya Tech Park and YTL Green Data Centre Park in Johor. Cyberjaya has been a primary location for data centre development in Malaysia due to its proximity to Kuala Lumpur. Malaysia's data centre market has witnessed investments in recent times, partly attributable to the increasing adoption of technology by local businesses, especially small and medium enterprises.

In 2021, Microsoft Corporation, an American information technology company, announced plans to establish its first data centre in Malaysia to deliver cloud services locally. Further in 2024, Microsoft Corporation announced that it would invest RM10.5 billion over the next four years to support Malaysia's digital transformation.⁹ In 2021, NASDAQ listed Chindata Group Holdings Limited, a China data centre solution provider, announced the construction of its fourth hyperscale data centre in Johor with an investment value of about RM2.5 billion over a five-year period. Malaysia has also attracted Hong Kong-listed GDS Holdings Ltd, a China data centre developer and operator, which broke ground in Johor in April 2022 for the development of a data centre with a total investment value of RM1.38 billion. YTL Power International Berhad, a subsidiary of YTL Corporation and Malaysian independent power producer, through its subsidiary, YTL Data Center Holdings Pte Ltd, announced investments of RM1.5 billion for the first phase of the YTL Green Data Centre Park in Johor. During the year, Japan-listed Nippon Telegraph and Telephone Corporation, a Japanese telecommunications company, also announced plans to invest over USD50.0 million (RM227.0 million) for its sixth data centre in Cyberjaya.¹⁰

In 2022, Google LLC announced plans to include Malaysia as its new Google Cloud region, an investment that will involve a data centre. Subsequently in November 2023, Google LLC announced a strategic collaboration with the Government to invest in Malaysia's digital competitiveness, including infrastructure and artificial intelligence innovation programmes. These initiatives are built on Google LLC's investments in Malaysia over the last 12 years. In 2022 alone, Google LLC's products and programmes had supported more than 47,900 jobs and also contributed, directly and indirectly, an estimated USD2.8 billion in economic benefits to local businesses. Further in 2024, Google Inc committed USD2.0 billion (approximately RM9.4 billion) in Malaysia, including the development of its first Google data centre and Google Cloud region to meet the growing demand for cloud services locally and around the world, as well as artificial intelligence (AI) literacy programmes for students and educator. The data centre will power its popular digital services such as Search, Maps and Workspace, that people and organisations worldwide use on a daily basis.¹¹

Further, the Malaysia Digital Economy Blueprint aims to provide access to extensive and high-quality digital infrastructure, such as broadband, data centres and submarine cable landing stations, which allow for the generation, flow, exchange, consumption and storage of data as well as enable people to participate in the digital economy. Under Budget 2022, the Digital Ecosystem Acceleration ("DESAC") scheme was also introduced to strengthen the digital ecosystem in Malaysia. DESAC encourages investments by digital technology providers involved in providing digital services based on Industrial Revolution 4.0 and digitalisation technology related to manufacturing and manufacturing-related services, as well as digital infrastructure providers that provide infrastructure such as data centres and submarine cables. Under Budget 2023, the Government will ensure that more data centres can be set up in Malaysia by providing suitable tax incentives, security infrastructure, green energy facilities, and locations for these centres.

Several factors support Malaysia's position as a potential leading data centre market globally including the country being an existing regional hub for manufacturing, logistics and big data analytics; low electricity tariffs; adequate and affordable water supply for the cooling of data centres; tax incentives of up to five years by the Government; high literacy rates; free of natural disasters; and ample land supply at attractive prices. The growth of Malaysia's data centre market will support the development and digitalisation of small, medium and large enterprises and attract multinational and foreign corporations to establish presence in Malaysia which will create opportunities for industry players that offer interior fitting-out services.

Growth in tourism and retail sectors drive demand interior fitting-out services

Tourism is a social, cultural and economic phenomenon which entails the movement of people to countries or places outside their usual environment for personal and/or business/professional purposes. These people are

⁹ Microsoft to invest RM10.5bil in Malaysia's cloud and AI infrastructure, NST, 1 May 2024

¹⁰ Data centre investments – good or bad for Malaysia, Malaysian Investment Development Authority ("MIDA"), 17 September 2022

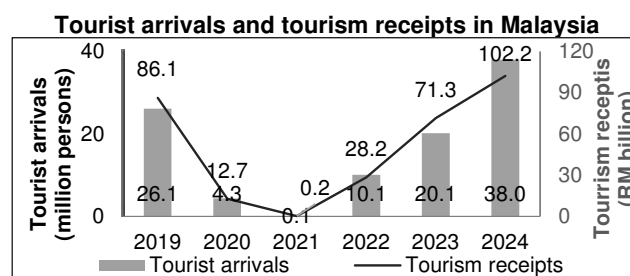
¹¹ Google to invest RM9.4 bln in Malaysia, develop data centre, cloud region, MIDA, 30 May 2024

8. IMR REPORT (Cont'd)

called visitors (which may be either tourists or excursionists; residents or non-residents) and tourism has to do with their activities, some of which involve tourism expenditure.

The tourism sector in Malaysia is an important economic sector that has experienced growth over the years and has been identified as a key driver for growth in the services sector. Tourism is a key source of foreign currency earnings for Malaysia, contributing to GDP growth, investment and employment as well as strengthening the services account in the nation's balance of payment. Malaysia's tourism industry encompasses leisure and business tourism, and includes the accommodation, shopping, tourism products, food and beverage as well as inbound and domestic transportation sub-sectors.

Malaysia's tourism receipts dropped from RM86.1 billion in 2019 to RM12.7 billion in 2020 due to the COVID-19 pandemic which saw Malaysia closing its international borders to curb the spread of the COVID-19 virus. After the World Health Organisation's declaration of COVID-19 as a pandemic on 11 March 2020, the Government imposed the movement control order, barring entry of international tourists beginning 18 March 2020. As a result, tourist arrivals declined from 26.1 million persons in 2019 to 4.3 million persons in 2020. In 2021, Malaysia's tourism receipts continued declining to RM0.2 billion as tourist arrivals also dropped to 0.1 million. The reopening of Malaysia's international borders in April 2022 and the transition to the endemic phase of the pandemic supported growth of Malaysia's tourism industry in 2022, evidenced by the recovery in tourist arrivals to 10.1 million (2021: 0.1 million) which generated tourism receipts of RM28.2 billion (2021: RM0.2 billion). In 2023, tourist arrivals in Malaysia further rose to 20.1 million and tourism receipts increased to RM71.3 billion. In 2024, tourist arrivals in Malaysia continued witnessing positive growth as tourist arrivals increased to 38.0 million and tourism receipts increased to RM102.2 billion.



Source: Malaysia Tourism Promotion Board, PROVIDENCE analysis

The reopening of Malaysia's international borders in April 2022 and the transition to the endemic phase has supported retail spending and boosted human traffic at shopping malls. Several shopping malls have begun strengthening their retail lineup with new tenants, as well as introducing new eateries, lifestyle retail concepts and key supermarket chains aimed at attracting more traffic to shopping malls.

The growth in Malaysia's retail industry is evidenced by the growth in shopping mall area, which increased from 16.5 million square meters in 2019 to 17.7 million square meters in 2023. The occupancy rates for shopping malls in Malaysia have been gradually recovering post COVID-19 pandemic in line with improving consumer sentiment and retail spending, as occupancy rates which declined from 79.4% in 2019 to 77.4% in 2020 have over the years, reached 78.8% in 2024.

Supply of shopping malls and occupancy rates in Malaysia

	2019	2020	2021	2022	2023	2024
Total retail space (million square meters)	16.5	16.9	17.3	17.5	17.7	18.0
Space occupied (million square meters)	13.1	13.1	13.2	13.2	13.7	14.2
Occupancy rate (%)	79.4	77.5	76.3	75.4	77.4	78.8

Source: National Property Information Centre, Department of Statistics Malaysia, PROVIDENCE analysis

The growth in the tourism and retail sectors will positively support demand for interior-fitting out services. The opening of new outlets, as well as capacity expansion, upgrades or retrofitting of existing outlets supports demand for interior fitting-out services.

Foreign investment and domestic investment growth support demand for interior fitting-out services

Malaysia recorded RM378.5 billion in approved investments in 2024, a 14.9% year-on-year growth compared to the RM329.5 billion raised in 2023. The services sector continues to be a key driver of Malaysia's economic expansion, securing RM252.7 billion in approved investments or 66.8% of the total approvals. The information and communication sub-sector led the sector's growth, attracting RM136.0 billion or 53.8% of total service sector investments. These investments reflect the country's rapid adoption of digital technologies across industries such as agriculture, healthcare, finance, tourism, and Islamic digital economy. Other segments of the services sector also received approved investments, namely real estate (RM64.5 billion), support services (RM12.9 billion), utilities (RM11.1 billion) and transport services (RM8.5 billion). Malaysia's manufacturing sector secured RM120.5 billion in approved investments or 31.8% of the total approvals. Foreign investments were the dominant contributor, totalling RM88.9 billion (73.8%), while domestic investments remained substantial at RM31.6 billion. This inflow of foreign capital underscores Malaysia's appeal as a global manufacturing hub. The electrical and electronics (E&E) industry secured the major share of investments in the manufacturing sector with RM55.8 billion or 46.3% affirming

8. IMR REPORT (Cont'd)

Malaysia's role in the global technology supply chain. Other segments within the manufacturing sector that also received approved investments include transport equipment (RM15.8 billion), chemicals and chemical products (RM10.6 billion), machinery and equipment (RM10.6 billion) and food manufacturing (RM6.1 billion). The primary sector registered approved investments of RM5.3 billion or 1.4% of the total approvals. The segments within the primary sector that received approved investments are mining (RM4.5 billion), agriculture (RM766.8 million) and plantation and commodities (RM71.6 million).¹²

Malaysia aims to attract quality investments to drive economic growth and achieve its aspirations of becoming a high-income nation. Foreign and domestic investments also play an important role in supporting Malaysia's move to become a high-income technology-based economy. As such, investments in new built commercial and industrial properties are crucial to support the investment prospects of Malaysia for foreign and domestic investors. Such investments are expected to benefit industry players offering interior fitting-out services.

1.4 INDUSTRY DYNAMICS***Dependency on imports and foreign labour***

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

Industry challenges

Interior fitting-out activities are exposed to risks such as project delays, poor quality of work and on-site accidents that have consequences on the industry and its stakeholders. These risks lead to client and/or public complaints, loss of reputation and revenue. Project delays typically lead to increased overheads and cost overruns. Increased overheads affect the ability of industry players to complete projects on time as a result of financial shortages or budget overruns, and loss of opportunity if resources have been committed to a delayed project. The oversupply of properties and economic downturn may also lead to a slowdown in construction and property development activities, thereby affecting demand for interior fitting-out services.

Interior fitting-out service providers require initial capital for operational needs, including prepayments and deposits for subcontractors, suppliers and manufacturers. Failure to make timely payments may delay project schedules and affect the interior fitting-out service provider's credibility. Moreover, interior fitting-out service providers may also require capital for the issuance of performance bonds to clients. New entrants without sufficient cash flow may therefore encounter difficulties in sustaining their operations. Initial capital outlay requirement is a high barrier to entry for new entrants.

When appointing interior fitting-out service providers, clients seek industry players with experience and track record. An interior fitting-out service provider with a reputable track record often stands out against other industry players, raising the chance of securing a project. This will act as a high barrier for new market entrants as it may take time to recruit experienced employees and train new hires.

1.5 COMPETITIVE LANDSCAPE

Clients engage interior fitting-out service providers to actualise designs in interior spaces thereby making interior spaces suitable for occupation and aesthetically pleasing. In Malaysia, interior fitting-out services may be provided by interior fitting-out service providers, interior designers and renovation contractors. Their range of services differ depending on their capabilities, with some industry players being able to offer design, project planning and management, manufacturing of carpentry/ joinery parts, integral fixtures and wooden furniture, installation works and maintenance services. As at 28 April 2025, there were 10,180 contractors registered with CIDB Malaysia under the building category with Grade G7. Of these 10,180 contractors, 868 contractors were registered to undertake interior design works.

In the FYE 31 December 2024, Signature Alliance Group Berhad generated a revenue of RM386.0 million from the provision of interior fitting-out services. When comparing the revenue of Signature Alliance Group Berhad of RM386.0 million to the value of work done for interior fitting-out services, installations works and specialised construction activities of RM4.8 billion, Signature Alliance Group Berhad secured a market share of 8.1%.

The future prospects of Signature Alliance Group Berhad will be supported by the growth in residential, commercial and industrial properties, long term growth of end user industries, growth in tourism and retail sectors, foreign investment and domestic investment growth.

¹² Malaysia Performance Investment Report 2024, MIDA

8. IMR REPORT (Cont'd)**Financial performance of industry players that are involved in the provision of interior fitting-out services**

The following sets out the latest available revenues of private and public firms in Malaysia that are involved in the provision of interior fitting-out services with Group revenue ranging between RM15.0 million and RM400.0 million in the latest available audited financial statements.

Industry player	Business activities ^a	Latest available financial year ended	Segmental revenue (RM)	Group revenue ^b (RM)	Gross profit (RM)	Gross profit margin ^c (%)	Profit before tax (RM)	Profit after tax (RM)	Profit after tax margin ^c (%)
Comston Sdn Bhd	Involved in renovation, interior decoration and loose furniture	31 December 2023		16,234,956	Not available	Not available	729,517	590,475	3.6
Eco Interiors International Sdn Bhd	Involved in interior fit-out services, decorators and interior design consultants	31 March 2024		138,076,379	20,760,805	15.0	4,616,117	3,543,549	2.6
Federal International Holdings Berhad ^d	Manufacturing and trading of furniture, renovation and interior design, construction business and investment holding	30 June 2024	94,491,503	110,166,205	18,778,732	17.0	2,011,802	1,325,251	1.2
GSIB Sdn Bhd	Involved in interior fitting-out works to development of buildings for corporate retail, corporate workplaces, corporate facilities, commercial retail and hospitality sectors including green field projects	31 December 2023		60,852,261	4,593,354	7.5	552,797	430,762	0.7
Jalex Sdn Bhd	Involved in project management and build services supported by in-house manufacturing facilities in timber, metal, and stone	31 December 2023		178,916,693	31,217,604	17.4	7,908,973	5,542,888	3.1
Pena Builders Sdn Bhd	Involved in project management, interior fitting-out, construction management and refurbishment	31 December 2023		65,870,923	7,866,035	11.9	3,211,020	3,000,133	4.6
PLM Interiors Sdn Bhd	Involved in interior fitting-out, building refurbishment, design and build and mechanical and electrical engineering works	30 June 2024		39,636,940	8,761,264	22.1	212,853	196,040	0.5
Signature Alliance Group Berhad	Involved in interior fitting-out services including project planning and management of interior fitting-out projects;	31 December 2024	386,016,000	386,016,000	81,675,000	21.2	54,278,000	40,520,000	10.5

8. IMR REPORT (Cont'd)

Industry player	Business activities ^a	Latest available financial year ended	Segmental revenue (RM)	Group revenue ^b (RM)	Gross profit (RM)	Gross profit margin ^c (%)	Profit before tax (RM)	Profit after tax (RM)	Profit after tax margin ^c (%)
	customisation and supply of carpentry/ joinery parts and integral fixtures, and manufacturing of wooden furniture; installation of interior fitting-out works; and maintenance of the projects that it undertakes on an ad-hoc basis								
Sunray Construction & Interior Sdn Bhd	Involved in interior fit-out of diverse establishments such as hotels, restaurants, banks, offices, retail stores and museums.	30 June 2024		226,489,778	23,916,930	10.6	18,642,520	14,028,390	6.2
VCS Interior Sdn Bhd	Involved in interior design consultancy / design works, interior design fitting-out works, mechanical and electrical engineering, project management, sound and visual, loose furnishing / decoration	30 September 2023		59,658,206	9,405,924	15.8	556,901	105,984	0.2

Notes:

The key industry players that are involved in the provision of interior fitting-out services were identified based on publicly available sources, such as the internet, published documents and industry trade directories.

^a Save for Signature Alliance Group Berhad, based on publicly available information sourced from the websites of identified industry players

^b May include revenue derived from other businesses as segmental revenue is not publicly available from the audited financial statements of the identified private companies from the Companies Commission of Malaysia

^c Computed in relation to group revenue

^d Listed on the Main Market of Bursa Malaysia Securities Berhad

Latest available as at 28 April 2025

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

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS

9.1.1 Our business is dependent on our ability to secure new projects and replenish our order book

As we provide our interior fitting-out services to our clients on a project-by-project basis, our clients are under no obligation to continue to award contracts to us and there is no guarantee that we will be able to secure new contracts from the same clients in the future.

The financial performance of our Group depends on our ability to secure new projects to sustain our order book. Any significant decline in our order book will materially and adversely impact our sustainability, growth potential, and future financial performance. As at LPD, the total unbilled contract value of our ongoing projects based on contracts secured was RM388.6 million and our Group expects that our unbilled order book as at LPD will be recognised over the next 1 to 2 financial years. However, there is no assurance that we will be able to maintain our order book at such levels in the future. In addition, our order book may be subject to unexpected project cancellations or scope adjustments which may occur from time to time. There can also be no certainty that projects from our order book will not be delayed or terminated or we may face situation of delays in securing new contracts due to factors outside our control such as deferment in project awarded by our clients or economic downturns. Any delay or cancellation or reduction in the contract value or scope of work of projects secured may reduce the value of our order book and in turn, affect our future financial performance.

Our tender success rate is affected by a range of factors including our pricing and tender strategy, our in-house capabilities, competitors' tender and pricing strategy, level of competition and our clients' evaluation standards. There is no guarantee that we will be able to achieve a tender success rate similar to those during FYE 2021 to 2024 in the future.

Depending on the market condition and competitive landscape, we may have to lower our pricing or adjust our tender strategy in order to maintain the competitiveness of our tenders. In the event that our Group fails to secure new projects from our clients of similar or more favourable contract values, size and/ or margins comparable to existing ones, our business and financial performance may be materially and adversely affected.

9.1.2 We rely on certain approvals, licences and permits

We are required to obtain and hold valid approvals, licences and permits such as licence registrations with CIDB for the provision of interior fitting-out services, manufacturing licence for our production facility as well as other approvals, licences and permits. Further details of our approvals, licences and permits are set out in Section 6.7.

As at LPD, we have obtained all approvals, licences and permits to undertake our business. We must comply with the restrictions and conditions imposed by the relevant authorities for us to maintain the validity of such approvals, licences and permits. In the event we fail to comply with the applicable requirements or any required conditions, our approvals, licences and permits may be cancelled or suspended. Delay in renewing such approvals, licences and permits upon expiry may also result in temporary suspension or restriction of our business operation. Therefore, any revocation and/ or failure to obtain renewals for such approvals, licences and permits may affect our business operations.

9. RISK FACTORS (Cont'd)

As at LPD, we have not experienced any past instances where our approvals, licences and permits have been revoked or suspended prior to their expiration, or where renewals of such approvals, licences and permits were not successful.

9.1.3 We rely on our suppliers and subcontractors to complete our interior fitting-out projects

We engage suppliers to manufacture, procure and supply key components, furniture and building materials for our interior fitting-out projects, which are then installed by our subcontractors at our client's project site or assembled before delivery to site. The main components, furniture and building materials which we purchase from our suppliers include light fittings, loose furniture, plywood, laminates, wooden boards, tiles, mortar and drymix products, fire rated and non-fire rated doors and fabrics. For FYE 2021 to 2024, our major suppliers accounted for 15.5%, 15.2%, 26.3% and 22.4% of our Group's total purchases respectively. Further, our total purchases for FYE 2021 to 2024 accounted for:

- (i) 34.3%, 26.7%, 20.9% and 16.3% of our Group's total cost of sales respectively; and
- (ii) 28.1%, 23.3%, 17.3% and 12.9% of our Group's total revenue respectively.

We engage subcontractors to carry out interior fitting-out works, and these subcontractors also supply the corresponding materials related to the works they undertake. The main activities which we engage subcontractors to perform include the supply and installation of office furniture, carpet works, partitions, electrical works, office workstations, air conditioning and mechanical works and joinery works. For FYE 2021 to 2024, our major subcontractors contributed to 46.6%, 34.0%, 25.6% and 23.7% of our Group's total subcontractor costs respectively. Further, our total subcontractor costs for FYE 2021 to 2024 accounted for:

- (i) 63.3%, 70.4%, 75.6% and 81.2% of our Group's total cost of sales respectively; and
- (ii) 51.7%, 61.3%, 62.9% and 64.0% of our Group's total revenue respectively.

We are dependent on our suppliers and subcontractors for the delivery of materials or completion of works in a timely and reliable manner. In addition, as we do not sign any long-term agreement with our suppliers and subcontractors, there is no assurance that they will be able to continue to provide materials and services at acceptable price to our Group or that our Group can maintain our relationship with them in the future. In the event that any of our major suppliers or subcontractors are unable to provide the required materials and/ or services to our Group and if we are unable to procure alternative providers with similar or more favourable terms, our business operations and financial performance may be adversely affected.

Our suppliers and subcontractors may either be selected by us or are nominated by our clients and/ or their appointed consultants. In the case where the suppliers and subcontractors are selected by us, the selection criteria will be based on, amongst others, their levels of competency, market reputation, quality of services/ materials, their competitiveness in terms of their pricing, and timeliness in delivery and completion. We cannot be assured that the materials and services rendered by our suppliers and subcontractors will meet our requirements for quality, or that they will be able or willing to continue providing materials and services to us.

If these suppliers and subcontractors experience difficulties that affect their ability to supply products or carry out services, for which they were contracted, whether in terms of quantity, quality, timeliness in delivery or otherwise, thus delaying the completion of or failure to complete our projects, this may result us to incur additional costs or expose us to the risk of LAD.

9. RISK FACTORS *(Cont'd)*

Our subcontractor is liable for any damages in the event works are not able to be delivered. However, we may not be able to rectify the substandard works delivered by our subcontractor or engage a replacement subcontractor in time or at all, which in turn may harm our reputation and expose us to litigation and claims for damages. We have in place back-to-back agreements with our subcontractors where they will be responsible for such additional costs. Notwithstanding the above, in the event we are unable to pass such costs on to our subcontractors, our business operations and financial performance may be adversely affected.

9.1.4 We may incur cost overrun which are not recoverable from our clients due to failure to accurately estimate time and control costs

We determine the price of our projects based on various factors including but not limited to the duration of works, estimated costs including subcontracting costs and material costs, the scope and complexity of works, our previous tender records, the awarded tender prices or quotation prices of similar projects, our relationship with potential clients, payment terms and prevailing market conditions at the time when we submit our tenders or quotations to our potential clients. Significant deviation in any of these factors from the actual timeline and cost may lead to delay in completion and cost overrun by us or even unilateral termination of contracts by our clients due to unsatisfactory performance and hence adversely affect our financial performance.

The actual costs incurred may be affected by various unforeseen circumstances including but not limited to disputes with our clients/ consultants, suppliers and/ or subcontractors, unfavourable changes such as shipment delays, government policies and inflation rates, adverse weather conditions and other unforeseen circumstances. Further, we are liable at our own expense for any rectification works for defects identified during the DLP. If there is any rectification required on material defects, the costs involved with such rectification may not be recoverable from our suppliers and/ or subcontractors and may have a material adverse effect on our financial performance.

Although we have the experience in project budgeting to estimate the costs (including price fluctuations of materials and subcontractor services) that we would incur up to completion of the project for the submission of tenders or quotation proposals, we are still subject to unanticipated cost increases which are beyond our control.

9.1.5 We may not be adequately insured

We are responsible for the safety of our employees and subcontractors at our production facilities and our project sites. As at LPD, we procure and maintain insurance policies relevant for our projects, including:

- (a) contractors all risks insurance, which covers material damage from contract works (including all materials to be incorporated therein), the loss of or damage to the principal's existing property within the worksite, and third-party liability damages which includes bodily injury and property damage; and
- (b) workmen's compensation insurance, which covers our employees and subcontractors against personal injury by accident arising out of and in the course of his employment or in its work as subcontractor.

We are aware of the adverse consequences arising from inadequate insurance coverage that could potentially affect our business, operations and financial performance. We have also purchased business insurance policies to protect our business, properties, equipment, machinery and office furniture against unexpected losses or damage due to break-ins or loss of monies and policies to insure our vehicles.

9. RISK FACTORS (*Cont'd*)

Although we have procured and maintained the relevant insurance policies for our projects, we may receive claims from our clients, subcontractors or other parties in respect of various matters concerning our interior fitting-out projects from time to time. There is no assurance that our current insurance policies will sufficiently protect us against all potential liabilities arising from any claims or losses.

Further, our insurance coverages are subject to exclusions and limitations of liability both in amount and with respect to the insured events. The outcome of any claim is subject to the relevant parties' negotiation and the result of claims may be unfavourable to us. If we are held liable for uninsured losses or the amounts of claims for insured losses exceed the limit of our insurance coverage, our business and financial performance may be adversely affected.

For FYE 2021 to 2024 and up to LPD, we have not encountered any events that resulted in any insurance claims that materially affected our business and financial performance.

9.1.6 We are dependent on our Executive Directors and key senior management

Our future success will depend to a significant extent on the continued efforts of our Executive Directors and key senior management who have provided significant contributions to our Group since our inception in terms of business strategies and development and maintenance of business confidence and relationships with our clients, suppliers and subcontractors. Our Group's success and growth depends on our ability to identify, recruit, train and retain experienced and skilled personnel.

Any loss of our Executive Directors and key senior management simultaneously without timely replacement could impair our ability to operate and make it difficult to execute our internal growth strategies. We may be unable to replace our key personnel with another qualified person who possesses equivalent expertise and experience within a reasonable period of time which may result in severe disruption of our business and operations.

9.1.7 We may be subject to disruptions in operations or unplanned shutdowns at our production facilities

We customise carpentry/ joinery parts and integral fixtures as well as manufacture wooden furniture for interior fitting-out projects undertaken by our Group. Despite implementing safety measures, our production facilities are still susceptible to disruptions which may be in the form of accidents, equipment malfunctions, electricity supply disruptions or other unforeseen events that may occur unexpectedly and affect our production processes. Such disruptions could delay production schedules, affecting our ability to meet project deadlines and fulfil orders.

In the event of significant production delays, we may face LAD, damage to relationship with our clients and a potential loss of future contracts. Additionally, if production disruptions extend over a prolonged period, we could incur significant financial losses due to idle labour, increased operating costs, and the potential need to expedite orders or find alternative solutions at a higher cost.

While we maintain insurance coverage for certain risks associated with operational disruptions, there is no assurance that such coverage will be adequate to fully mitigate the financial impact of such events. Repeated or prolonged disruptions could erode client confidence, resulting in long-term damage to our reputation.

9. RISK FACTORS (Cont'd)

9.1.8 We are exposed to interest rate risk or we may not secure the requisite funding to undertake the setup of our new corporate office and production facility in Selangor

As at 31 December 2024, our total outstanding borrowings stood at RM45.8 million, which mainly comprise term loans, bankers' acceptance and bank overdrafts, and with interest rates ranging from 2.56% to 5.51% per annum, resulting in a gearing ratio of 0.7 times. Further details of our total outstanding borrowings are set out in Section 12.4.

Given all of our bank borrowings are interest-bearing, any hikes in interest rates would increase our interest expenses, and thus, will adversely affect our profitability and cash flow. In the event our Group fails or encounters difficulties to meet our financial obligations when they fall due, this will have an adverse impact on our financial performance.

For FYE 2021 to 2024 and up to LPD, we have not defaulted on any payments of either the principal sums and/ or interests in relation to our borrowings. Nevertheless, there can be no assurance that we will continue to make principal and interest payments on time in the future.

Further, our business strategies involve the setup of our new corporate office and production facility in Selangor (as outlined in Section 7.19.1(a)). Pursuant thereto, we intend to finance a portion of the land acquisition cost of our new corporate office and production facility through bank borrowings. While we are optimistic in procuring bank borrowings in view of our healthy financial position, there is no guarantee that we will be able to secure the required funding on commercially favourable or acceptable terms, including acceptable interest rates, or at all.

In such situation, we intend to utilise our internally generated funds and/ or reallocate the earmarked funds for general working capital requirements towards partial payment for our land acquisition cost. In the event the earmarked funds for general working capital requirements or cash generated from our operations is insufficient for our future working capital requirements, insufficiency of working capital could materially affect our business, financial condition and results of operations.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are exposed to risks associated with the property development and construction industries

Majority of our revenue was derived from our provision of interior fitting-out services in Malaysia during FYE 2021 to 2024. The interior fitting-out services industry is part of the property development and construction value chain. Thus, any downturn in the property development and construction industries in Malaysia may affect our Group.

The property development and construction industries are affected by factors such as the prevailing state of the general economy, unemployment rates, interest rates, inflation, pandemics and government plans and policies. Any adverse change in factors may dampen the general sentiments of the property development and construction industries, leading to lower demand for our interior fitting-out services.

9.2.2 We are dependent on foreign workers for the completion of works

The interior fitting-out industry has a degree of reliance on foreign workers, which is due to the reliance of industry players on subcontractors who in turn employ foreign labour to execute and complete construction, contracting and installation works. As at LPD, we do not employ any foreign workers. However, our subcontractors may engage foreign labour for the completion of our interior fitting-out projects, where required.

9. RISK FACTORS (Cont'd)

As foreign workers come from various countries, any unfavourable changes of labour policies and visa restrictions in these countries may cause disruptions to our project site works and business operations due to the shortage of foreign labour of our subcontractors. Further, the supply of foreign workers in Malaysia is subject to the policies and regulations imposed by the Government from time to time. As a result, our subcontractors may face shortage in workers to meet the needs of the manpower requirements of our projects.

As at LPD, our Group has not experienced any past incidents involving shortage of workers and manpower which had materially affected our projects.

9.2.3 We operate in a competitive industry

The interior fitting-out industry in Malaysia is competitive, and such competition may intensify in the future due to factors such as consolidation among industry players or the entry of new players. In the event that our competitors are able to provide comparable or better services at more competitive prices or respond to changes in market conditions more swiftly or effectively than we do, our business growth and financial performance may be adversely affected. There is no assurance that we will be able to compete effectively with our existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by us to remain competitive moving forward will adversely affect the demand for our services and our financial performance.

9.2.4 We may be affected by any changes in the general economic, regulatory, political and social conditions and developments globally

Our business and prospects may be affected by any adverse local and global developments in relation to inflation, bank interest rates, foreign exchange rates, government policies and regulations and other conditions which may impact economic, regulatory, political and social stability in Malaysia. We have no control over such conditions and developments and there is no assurance that such conditions and developments will not occur and adversely affect our business operations. Negative developments in the socio-political climate in Malaysia may also adversely affect our Group's business, financial condition and prospects. Any changes implemented by the Government resulting, among others, in currency and interest rate fluctuations, capital restrictions, and changes in duties and taxes detrimental to our business could materially and adversely affect our business, financial position and prospects.

Our business may be affected by macroeconomic factors such as general economic conditions, foreign direct investments in Malaysia, market sentiment and consumer confidence in the jurisdictions we operate in and regulatory policies, all of which are beyond our control. Any such events may cause damage or disruption to our business, markets, clients, suppliers and/or subcontractors and could materially and adversely affect our business, financial performance and prospects.

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

There was no public trading market for our Shares prior to our IPO. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or, if developed, that such a market can be sustained. Our IPO Price was determined after taking into consideration various factors including but not limited to our business strategies, future plans and our financial and operating history.

9. RISK FACTORS (Cont'd)

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

9.3.2 There may be a potential delay to or cancellation of our Listing

Our Listing may be aborted or delayed due to possible occurrences of certain events, which include, among others, the following:

- (a) the selected investors fail to subscribe for the portions of our IPO Shares;
- (b) our Joint Underwriters exercises their rights under the Underwriting Agreement to discharge themselves from their obligations therein;
- (c) we are unable to meet the minimum public shareholding spread requirement under the Listing Requirements, whereby at least 25.0% of our total number of Shares for which our Listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares at the point of our Listing; and/or
- (d) the revocation of the approvals from the relevant authorities for our Listing for whatever reason.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA shall apply. Our Company shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC upon expiration of that period until the full refund is made.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules. Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of the High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution, and us meeting the solvency requirements under Section 117(3) of the Act. There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

Nonetheless, our Board will endeavour to comply with the various regulatory requirements, including, inter alia, public shareholding spread requirements for our Listing. However, there can be no assurance that the abovementioned factors/ events will not cause a delay in or non-implementation of our Listing.

9.3.3 The trading and performance of our Shares following our Listing is subject to fluctuations

Upon completion of our Listing, the trading price of our Shares could be subject to significant fluctuation due to factors specific to our Group or industry in which our Group is operating. Some factors may not be within our control and are unrelated or disproportionate to our financial results. These factors may include, among others, variations in the results of our operations, changes in analyst's recommendations or projections, changes in general market conditions and broad market fluctuations.

9. RISK FACTORS (Cont'd)

The performance of the stock market is also affected by the external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on the stock market, thus adding risks to the market price of our Shares.

9.4 OTHER RISKS**9.4.1 Our Promoters will be able to exercise significant control over our Company**

Upon Listing, our Promoters will collectively hold approximately 74.0% of our enlarged number of issued Shares. As a result, they will be able to effectively control the business direction and management of our Group and as such there can be no assurance that the interests of our Promoters will be aligned with those of our other shareholders. The interests of our Promoters may differ from the interests of our other shareholders and they may be able to exercise significant influence over the vote of our Shares. Our Promoters could also have significant influence in determining the outcome of any corporate transactions or other matters submitted to our shareholders for approval. This includes the election of Directors, approval of business ventures and having substantial voting control over our Group. As such, our Promoters will have a deciding vote on the outcome of any ordinary resolution (which requires a simple majority of 50% plus 1 voting share) to be tabled at general meeting, unless they are required to abstain from voting by law, relevant guidelines or regulations.

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10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Save for the Acquisitions and as disclosed below, there were no transactions, existing and/ or potential, entered or to be entered into by our Group which involve the interests, direct or indirect, of our Directors, substantial shareholders and/ or persons connected with them which are material to our Group during FYE 2021 to 2024 and up to LPD:

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
(a)	Signature Cabinet Bhd	Sdn	SAC	SIB	SIB is our Promoter and substantial shareholder. Signature Cabinet Sdn Bhd is a subsidiary of SIB	Provision of interior fitting-out works by SAC, SAF and Zig Zag Builders to Signature Cabinet Sdn Bhd ⁽¹⁰⁾	-	-	1	⁽²⁾ <0.1	420	⁽²⁾ 0.2	983	⁽²⁾ 0.3	277	N/A
			SAF	Lau Kock Sang	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Zig Zag Builders	Datuk Seri Chiau Beng Teik, JP	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
				Chiau Haw Choon												

10. RELATED PARTY TRANSACTIONS (Cont'd)

						Transaction value									
No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	FYE 2021		FYE 2022		FYE 2023		FYE 2024		⁽¹⁾ 1 January 2025 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(b)	Signature Manufacturing Sdn Bhd	SACabinet	SIB	SIB is our Promoter and substantial shareholder.	Supply of customised MDFs by SACabinet and SAF to Signature Manufacturing Sdn Bhd	-	-	20	⁽²⁾ <0.1	40	⁽²⁾ <0.1	15	⁽²⁾ <0.1	-	-
		SAF	Lau Kock Sang	Signature Manufacturing Sdn Bhd is a subsidiary of SIB											
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(c)	Signature Manufacturing Sdn Bhd	SACabinet	SIB	SIB is our Promoter and substantial shareholder.	Purchase of kitchen cabinet door from Signature Manufacturing Sdn Bhd	-	-	(6)	⁽³⁾ <0.1	-	-	(1)	⁽³⁾ <0.1	(1)	N/A
		SAF	Lau Kock Sang	Signature Manufacturing Sdn Bhd is a subsidiary of SIB											
		Zig Zag Builders	Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(d)	SA Aluminium Façade Sdn Bhd (formerly known as Signature Aluminium Sdn Bhd)	SAC SACabinet	SIB Lau Kock Sang Datuk Seri Chiau Beng Teik, JP Chiau Haw Choon	SIB is our Promoter and substantial shareholder. SA Aluminium Façade Sdn Bhd (formerly known as Signature Aluminium Sdn Bhd) was a former subsidiary of SIB Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB	Supply and installation of glass and aluminium works for interior fitting-out works by SA Aluminium Façade Sdn Bhd to SAC and SACabinet	-	-	(248)	⁽³⁾ 0.2	-	-	-	-	-	-	

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
(e)	Signature Distribution Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder.	Provision of interior fitting-out works by	-	-	-	-	305	⁽²⁾ 0.2	350	⁽²⁾ 0.1	-	-	
		Zig Zag Builders	Lau Kock Sang	Signature Distribution Sdn Bhd is a subsidiary of SIB	SAC ^{(11)(a)} and Zig Zag Builders ^{(11)(b)} to											
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB	Signature Distribution Sdn Bhd											
			Chiau Haw Choon													
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(f)	Signature Distribution Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder.	Purchase of kitchen equipment for interior fitting-out works by	-	-	(5)	⁽³⁾ <0.1	-	-	(5)	⁽³⁾ <0.1	-	-	
			Lau Kock Sang	Signature Distribution Sdn Bhd is a subsidiary of SIB	SAC from											
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB	Signature Distribution Sdn Bhd											
			Chiau Haw Choon													

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(g)	Signature Kitchen Bhd	Sdn SACabinet	SIB	SIB is our Promoter and substantial shareholder. Signature Kitchen Sdn Bhd is a subsidiary of SIB	Provision of interior fitting-out works for SIB's sales gallery by SAC and SACabinet to Signature Kitchen Sdn Bhd	-	-	5,351	⁽²⁾ 3.8	105	⁽²⁾ 0.1	-	-	-	-	
			Lau Kock Sang	Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(h)	Chiau Choon	Haw SACabinet	SIB	SIB is our Promoter and substantial shareholder. Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB and is also the Managing Director of SIB	Provision of interior fitting-out works by SACabinet to Chiau Haw Choon	-	-	34	⁽²⁾ <0.1	-	-	-	-	-	-	
			Lau Kock Sang													
			Chiau Haw Choon													

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
				Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB												
(i)	Kubiq Sdn Bhd	SACabinet	SIB	SIB is our Promoter and substantial shareholder.	Provision of interior fitting-out works for Kubiq Sdn Bhd's showroom by SACabinet to Kubiq Sdn Bhd	-	-	-	-	517	⁽²⁾ 0.3	-	-	-	-	
			Lau Kock Sang	Kubiq Sdn Bhd is a subsidiary of SIB												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB												
			Chiau Haw Choon	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(j)	Kubiq Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder.	Provision of subcontracting works by Kubiq Sdn Bhd to SAC ⁽¹²⁾	-	-	-	-	(45)	⁽³⁾ <0.1	(10)	⁽³⁾ <0.1	-	-	
			Lau Kock Sang	Kubiq Sdn Bhd is a subsidiary of SIB												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB												
			Chiau Haw Choon													

10. RELATED PARTY TRANSACTIONS (Cont'd)

						Transaction value										
No.	Related party		Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	FYE 2021		FYE 2022		FYE 2023		FYE 2024		⁽¹⁾ 1 January 2025 up to LPD	
							RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
					Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(k)	Fortune Metal Treatment Sdn Bhd (formerly known as Signature Metal Treatment Sdn Bhd)	SACabinet	SIB	SIB is our Promoter and substantial shareholder. Fortune Metal Treatment Sdn Bhd was a former subsidiary of SIB	Provision of installation works of steel staircase and handrail by Fortune Metal Treatment Sdn Bhd to SACabinet	-	-	-	-	(41)	⁽³⁾ <0.1	-	-	-	-	
			Lau Kock Sang													
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB												
			Chiau Haw Choon													
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(l)	Signature Cabinet Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder. Signature Cabinet Sdn Bhd is a subsidiary of SIB	Provision of subcontracting works by Signature Cabinet Sdn Bhd to SAC ^{(13)(a)} and Zig Zag Builders ^{(13)(b)}	-	-	-	-	(69)	⁽³⁾ <0.1	(957)	⁽³⁾ 0.3	(126)	N/A	
		Zig Zag Builders	Lau Kock Sang													
			Datuk Seri Chiau Beng Teik, JP													

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								(1) 1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024			
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
			Chiau Haw Choon	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(m)	Signature Cabinet Bhd	SAC Sdn Bhd	SIB	SIB is our Promoter and substantial shareholder. Signature Cabinet Sdn Bhd is a subsidiary of SIB	Rental of warehouse from Signature Cabinet Sdn Bhd ⁽¹⁷⁾	-	-	-	-	-	-	(48)	⁽³⁾ <0.1	(6)	N/A
		Zig Builders	Lau Kock Sang												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2021		FYE 2022		FYE 2023		FYE 2024		(1) 1 January 2025 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(n)	Signature Contempo Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder.	Purchase of loose furniture fittings for interior fitting-out works by	-	-	(12)	(3)<0.1	(198)	(3)0.1	(251)	(3)0.1	(3,137)	N/A
		Zig Builders	Lau Kock Sang	Signature Contempo Sdn Bhd is a subsidiary of SIB	for loose furniture fittings for interior fitting-out works by										
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB	SAC and Zig Builders from Signature Contempo Sdn Bhd ⁽⁹⁾										
			Chiau Haw Choon	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(o)	Boon Koon Commercial Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for Chin Hin's sales gallery by SAC to Boon Koon Commercial Sdn Bhd	-	-	-	-	731	(2)0.4	128	(2)<0.1	-	-
			Lau Kock Sang	Both SIB and Boon Koon Commercial Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
			Chin Hin												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								(1) 1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024			
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(p)	BKG Development Sdn Bhd	SACabinet SAF	SIB Lau Kock Sang Chin Hin Datuk Seri Chiau Beng Teik, JP Chiau Haw Choon	SIB is our Promoter and substantial shareholder Both SIB and BKG Development Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB	Provision of interior fitting-out works for Chin Hin's office by SACabinet and SAF to BKG Development Sdn Bhd	-	-	-	-	245	(2)0.1	210	(2)0.1	1	N/A

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2021		FYE 2022		FYE 2023		FYE 2024		(1) 1 January 2025 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(q)	Chin Hin	SACabinet	SIB	SIB is our Promoter and substantial shareholder.	Provision of maintenance works for Chin Hin's office by SACabinet and Zig Zag Builders to Chin Hin	-	-	18	(2)<0.1	39	(2)<0.1	3	(2)<0.1	-	-
		Zig Zag Builders	Lau Kock Sang	SIB is a subsidiary of Chin Hin. Chin Hin is our substantial shareholder											
			Chin Hin	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Datuk Seri Chiau Beng Teik, JP												
			Chiau Haw Choon	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(r)	PP Chin Hin Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder	Purchase of building materials for interior fitting-out works by SAC, SAF and Zig Zag Builders from PP Chin Hin Sdn Bhd ⁽⁹⁾	-	-	(456)	(3)0.4	(1,205)	(3)0.8	(1,786)	(3)0.6	(530)	N/A
		SAF	Lau Kock Sang	Both SIB and PP Chin Hin Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
		Zig Zag Builders	Chin Hin												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								(1) 1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024			
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(s)	Starken AAC Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder	Purchase of building materials for interior fitting-out works by SAC from Starken AAC Sdn Bhd ⁽⁹⁾	-	-	(1,448)	⁽³⁾ 1.2	(231)	⁽³⁾ 0.2	(132)	⁽³⁾ <0.1	(11)	N/A
			Lau Kock Sang	Both SIB and Starken AAC Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
			Chin Hin												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value									
						FYE 2021		FYE 2022		FYE 2023		FYE 2024		(1) 1 January 2025 up to LPD	
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(t)	Starken Drymix Solutions Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder	Purchase of building materials for interior fitting-out works by SAC from Starken Drymix Solutions Sdn Bhd ⁽⁹⁾	-	-	(577)	⁽³⁾ 0.5	(392)	⁽³⁾ 0.3	(445)	⁽³⁾ 0.1	(64)	N/A
			Lau Kock Sang	Both SIB and Starken Drymix Solutions Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
			Chin Hin												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(u)	Fiamma Trading Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder	Purchase of sanitary fittings for interior fitting-out works by SAC from Fiamma Trading Sdn Bhd ⁽⁹⁾	-	-	-	-	(5)	⁽³⁾ <0.1	(28)	⁽³⁾ <0.1	-	-
			Lau Kock Sang	Fiamma Holdings Berhad is an associate company of SIB. Fiamma Trading Sdn Bhd is a subsidiary of Fiamma Holdings Berhad											
			Datuk Seri Chiau Beng Teik, JP												
			Chiau Haw Choon												

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
				Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(v)	Best Stone ⁽⁸⁾	SAC	SAC	Best Stone was a 60.0%-owned subsidiary of SAC	Purchase of granite and stone products by SAC from Best Stone	-	-	-	-	(659)	⁽³⁾ 0.5	-	-	-	-	
			Chang Chung Fei	Chang Chung Fei is our Promoter, substantial shareholder and Executive Director/Group Chief Executive Officer												
			Lau Kock Sang	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB												
				Both Chang Chung Fei and Lau Kock Sang were directors of Best Stone												

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										(1)1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
(w)	SIB	SAC	SIB	SIB is our Promoter and substantial shareholder	Advances made by SIB to SAC, which was used for capital injection into Best Stone	-	-	-	-	1,805	(4)4.7	-	-	-	-	
			Lau Kock Sang	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB	Repayment from SAC to SIB in respect of the above advances	-	-	-	-	-	-	(1,805)	(4)2.7	-	-	
			Datuk Seri Chiau Beng Teik, JP	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
			Chiau Haw Choon													
(x)	Chang Fei	Chung	SAC	Chang Chung Fei	Chang Chung Fei is our Promoter, substantial shareholder and Executive Director/ Group Chief Executive Officer	Advances made by Chang Chung Fei to SAC(6)	2,000	(4)11.6	2,752	(4)12.1	12,214	(4)31.7	-	-	-	-
					Repayment from SAC to Chang Chung Fei in respect of the above advances		(4,300)	(4)24.9	(1,252)	(4)5.5	(12,500)	(4)32.4	(1,214)	(4)1.8	-	-

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								(1) 1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024			
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(y)	Ng Mun Moh	SAC	Ng Mun Moh	Ng Mun Moh is our Promoter, substantial shareholder and Chief Executive Officer – Central Region	Advances made by Ng Mun Moh to SAC ⁽⁷⁾	-	-	98	⁽⁴⁾ 0.4	520	⁽⁴⁾ 1.3	-	-	-	-
					Repayment from SAC to Ng Mun Moh in respect of the above advances	-	-	(98)	⁽⁴⁾ 0.4	-	-	(520)	⁽⁴⁾ 0.8	-	-
(z)	SIB	Zig Zag Builders	SIB	SIB is our Promoter and substantial shareholder	Advances made by SIB to Zig Zag Builders for its working capital requirements	-	-	-	-	3,000	⁽⁴⁾ 7.8	-	-	-	-
			Lau Kock Sang	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB	Repayment from Zig Zag Builders to SIB in respect of the above advances	-	-	-	-	-	-	(3,000)	⁽⁴⁾ 4.5	-	-
			Datuk Seri Chiau Beng Teik, JP												
			Chiau Haw Choon	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											

10. RELATED PARTY TRANSACTIONS (Cont'd)

		Transacting company in our Group		Interested person		Nature of relationship	Nature of transaction	Transaction value									
																(1) 1 January 2025 up to LPD	
No.	Related party							RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(aa)	Foo Khai Shin	Zig Builders	Zag	Foo Khai Shin	Foo Khai Shin is our Promoter, substantial shareholder and Executive Director/ Chief Executive Officer – Northern Region	Advances made by Foo Khai Shin to Zig Zag Builders for its working capital requirements	-	-	-	-	5	(4)<0.1	-	-	-	-	
						Repayment from Zig Zag Builders to Foo Khai Shin in respect of the above advances	-	-	-	-	-	-	(5)	(4)<0.1	-	-	
						Disposal of motor vehicle that are no longer in use from Zig Zag Builders to Foo Khai Shin	-	-	-	-	-	-	(27)	(4)<0.1	-	-	
(bb)	Best Stone(8)	SAC		SAC	Best Stone was a 60.0%-owned subsidiary of SAC	Advances made by SAC to Best Stone for its working capital requirements	-	-	-	-	(1,200)	(4)3.1	-	-	-	-	
				Chang Chung Fei	Chang Chung Fei is our Promoter, substantial shareholder and Executive Director/ Group Chief Executive Officer	Payment made by SAC on behalf of Best Stone for the purchase of materials	-	-	-	-	(872)	(4)2.3	-	-	-	-	
				Lau Sang	Kock												

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
				Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB	Repayment from Best Stone to SAC in respect of the above advances and payment on behalf	-	-	-	-	872	⁽⁴⁾ 2.3	1,200	⁽⁴⁾ 1.8	-	-	
				Both Chang Chung Fei and Lau Kock Sang were directors of Best Stone	Advances made by Best Stone to SAC ⁽¹⁴⁾	-	-	-	-	3,540	⁽⁴⁾ 9.2	-	-	-	-	
(cc)	Signature Obicorp Bhd	Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder. Signature Obicorp Sdn Bhd is a subsidiary of SIB	Supply of home appliances by Signature Obicorp Sdn Bhd to SAC and Zig Zag Builders	-	-	-	-	-	-	(48)	⁽³⁾ <0.1	-	-
			Zig Zag Builders	Lau Kock Sang												
				Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
				Chiau Haw Choon	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										(1)1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024					
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
(dd)	Corten	SAC	SIB	SIB is our Promoter and substantial shareholder.	Supply of panels by Corten to SAC ⁽¹⁵⁾	-	-	-	-	-	-	(1,661)	⁽³⁾ 0.5	(1,361)	N/A		
			Lau Kock Sang	Corten is a subsidiary of SIB													
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
			Chiau Haw Choon														
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													
(ee)	Stellar 8 Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for common area of Chin Hin's office by SAC to Stellar 8 Sdn Bhd	-	-	-	-	-	-	122	⁽²⁾ <0.1	-	-		
			Lau Kock Sang	Both SIB and Stellar 8 Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder													
			Chin Hin														
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
			Chiau Haw Choon														

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								(1) 1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024			
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(ff)	Asia Roofing Industries Sdn Bhd ("Asia Roofing")	SAF	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works by SAF for Asia Roofing's office	-	-	-	-	-	-	432	(2)0.1	-	-
			Lau Kock Sang	Both SIB and Asia Roofing are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
			Chin Hin												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(gg)	Asia Roofing	SAC	SIB	SIB is our Promoter and substantial shareholder	Purchase of metal door frame by SAC from Asia Roofing ⁽⁹⁾	-	-	-	-	-	-	(38)	(3)<0.1	-	-
			Lau Kock Sang	Both SIB and Asia Roofing are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
			Chin Hin												

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										(1)1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024					
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
			Chiau Haw Choon	Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													
(hh)	PP Chin Hin Realty	SAC	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for PP Chin Hin Realty's office by SAC	-	-	-	-	-	-	21,740	(2)5.6	52,454	N/A		
			Lau Kock Sang	SIB is a subsidiary of Chin Hin. Chin Hin is our substantial shareholder													
			Chin Hin	Chin Hin is a subsidiary of PP Chin Realty. PP Chin Hin Realty is our substantial shareholder through its indirect interest in SIB													
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
			Chiau Haw Choon														

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										(1)1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024					
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													
(ii)	Ajiya Safety Glass Sdn Bhd	SAF	SIB	SIB is our Promoter and substantial shareholder	Purchase of tempered glass by SAF from Ajiya Safety Glass Sdn Bhd	-	-	-	-	-	-	(5)	(3)<0.1	-	-		
			Lau Kock Sang	Both SIB and Ajiya Safety Glass Sdn Bhd are subsidiaries of Chin Hin.													
			Chin Hin	Chin Hin is our substantial shareholder	Provision of interior fitting-out works by SAF for Ajiya Safety Glass Sdn Bhd's office	-	-	-	-	-	-	144	(2)<0.1	32	N/A		
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
			Chiau Haw Choon														
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party		Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD	
							FYE 2021		FYE 2022		FYE 2023		FYE 2024					
							RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
(jj)	Fiamma Bhd	Sdn	SAC	SIB	SIB is our Promoter and substantial shareholder	Purchase of sanitary wares and fittings by SAC and Zig Zag Builders from Fiamma Sdn Bhd ⁽⁹⁾	-	-	-	-	-	-	(27)	⁽³⁾ <0.1	(8)	N/A		
			Zig Builders	Lau Kock Sang	Fiamma Holdings Berhad is an associate company of SIB. Fiamma Sdn Bhd is a subsidiary of Fiamma Holdings Berhad													
				Datuk Seri Chiau Beng Teik, JP														
				Chiau Haw Choon	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
					Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													
(kk)	Kayangan Kemas Sdn Bhd		Zig Builders	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for a factory mock-up unit by Zig Zag Builders to Kayangan Kemas Sdn Bhd ⁽¹⁶⁾	-	-	-	-	-	-	106	⁽²⁾ <0.1	98	N/A		
				Lau Kock Sang	Both SIB and Kayangan Kemas Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder													
				Chin Hin														
				Datuk Seri Chiau Beng Teik, JP														
				Chiau Haw Choon														

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group		Interested person	Nature of relationship	Nature of transaction	Transaction value										(1) 1 January 2025 up to LPD	
							FYE 2021		FYE 2022		FYE 2023		FYE 2024					
							RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
					Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
					Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													
(II)	Ace Logistic Sdn Bhd	Zig Builders	Zag	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out and building construction works for Ace Logistic Sdn Bhd's factory by Zig Zag Builders	-	-	-	-	-	-	33,024	(2)8.6	3,312	N/A		
				Lau Kock Sang	SIB is a subsidiary of Chin Hin. Chin Hin is our substantial shareholder													
				PP Chin Hin Realty	Both Chin Hin and Ace Logistic Sdn Bhd are subsidiaries of PP Chin Hin Realty. PP Chin Hin Realty is our substantial shareholder through its indirect interest in SIB													
				Chin Hin														
				Datuk Seri Chiau Beng Teik, JP		Interest income charged by Zig Zag Builders on late payment by Ace Logistics Sdn Bhd	-	-	-	-	-	-	82	(5)13.6	-	-		
				Chiau Haw Choon	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group		Interested person	Nature of relationship	Nature of transaction	Transaction value										(1)1 January 2025 up to LPD	
							FYE 2021		FYE 2022		FYE 2023		FYE 2024					
							RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
					Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													
(mm)	Sage Billion Sdn Bhd	Zig Builders	Zag	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for a cafeteria by Zig Zag Builders to Sage Billion Sdn Bhd	-	-	-	-	-	-	543	(2)0.1	-	-		
				Shelly Chiau Yee Wern	Shelly Chiau Yee Wern is the Executive Director of SIB. She is also the director and shareholder of Sage Billion Sdn Bhd													
				Lau Kock Sang	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
(nn)	FHB Management Sdn Bhd	Zig Builders	Zag	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for FHB Management Sdn Bhd's office by Zig Zag Builders to FHB Management Sdn Bhd	-	-	-	-	-	-	35	(2)<0.1	-	-		
				Lau Kock Sang	Fiamma Holdings Berhad is an associate company of SIB. FHB Management Sdn Bhd is a subsidiary of Fiamma Holdings Berhad													
				Datuk Seri Chiau Beng Teik, JP														
				Chiau Haw Choon														

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value										⁽¹⁾ 1 January 2025 up to LPD
						FYE 2021		FYE 2022		FYE 2023		FYE 2024				
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%	
				Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB												
(oo)	BKSP Autoworld Sdn Bhd	Zig Builders	Zag	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for BKSP Autoworld Sdn Bhd's sales gallery by Zig Zag Builders to BKSP Autoworld Sdn Bhd	-	-	-	-	-	-	389	⁽²⁾ 0.1	-	-
				Lau Kock Sang	Both SIB and BKSP Autoworld Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
				Chin Hin												
				Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
				Chiau Haw Choon												
					Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party		Transacting company in our Group		Interested person	Nature of relationship	Nature of transaction	Transaction value										(1) 1 January 2025 up to LPD	
								FYE 2021		FYE 2022		FYE 2023		FYE 2024					
								RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%		
(pp)	Chin Property (Melaka) Bhd	Hin Sdn Bhd	Zig Builders	Zag	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for Chin Hin Property (Melaka) Sdn Bhd's sales gallery by Zig Zag Builders to Chin Hin Property (Melaka) Sdn Bhd	-	-	-	-	-	-	3,375	(2)0.9	2,930	N/A		
					Lau Kock Sang	Both SIB and Chin Hin Property (Melaka) Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder													
					Chin Hin														
					Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB													
					Chiau Haw Choon														
						Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB													
(qq)	Exact Sdn Bhd	Quality Sdn Bhd	Zig Builders	Zag	SIB	SIB is our Promoter and substantial shareholder	Provision of interior fitting-out works for Exact Quality Sdn Bhd's office by Zig Zag Builders to Exact Quality Sdn Bhd	-	-	-	-	-	-	163	(2)<0.1	-	-		
					Lau Kock Sang	Fiamma Holdings Berhad is an associate company of SIB. Exact Quality Sdn Bhd is a subsidiary of Fiamma Holdings Berhad													
					Datuk Seri Chiau Beng Teik, JP														
					Chiau Haw Choon														

10. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Related party	Transacting company in our Group	Interested person	Nature of relationship	Nature of transaction	Transaction value								(1) 1 January 2025 up to LPD	
						FYE 2021		FYE 2022		FYE 2023		FYE 2024			
						RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
				Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											
(rr)	Stradaverse Sdn Bhd	SAC	SIB	SIB is our Promoter and substantial shareholder	Subscription of Stradaverse Sdn Bhd's information technology system by SAC and Zig Zag Builders ⁽⁹⁾	-	-	-	-	-	-	-	-	(32)	N/A
		Zig Zag Builders	Lau Kock Sang	Both SIB and Stradaverse Sdn Bhd are subsidiaries of Chin Hin. Chin Hin is our substantial shareholder											
			Chin Hin												
			Datuk Seri Chiau Beng Teik, JP	Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB											
			Chiau Haw Choon												
				Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our substantial shareholders through their indirect interest in SIB											

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Notes:

- (1) The percentage of the related party transaction is not calculated as the financial statements up to LPD was not prepared.
- (2) Calculated based on our Group's revenue for each of the respective financial years.
- (3) Calculated based on our Group's cost of sales for each of the respective financial years.
- (4) Calculated based on our Group's NA for each of the respective financial years.
- (5) Calculated based on our Group's other income for each of the respective financial years.
- (6) Save for advances provided for the incorporation cost of SACabinet, SAF and SAR of RM0.3 million in FYE 2022 and advances provided for the acquisition of Best Stone of RM1.2 million in FYE 2023, the remaining advances provided was for our Group's working capital requirements.
- (7) Relates to advances provided for the incorporation cost of SACabinet, SAF and SAR of RM0.1 million in FYE 2022 and advances provided for the acquisition of Best Stone of RM0.5 million in FYE 2023.
- (8) Best Stone was incorporated on 9 February 2023 by SAC (60.0%) with 2 other non-related parties, Tey Kok Lean (20.0%) and Siah Kim Eng (20.0%) to supply stone products. For information, save for the prior business relationship where our Group purchased stone products from Best Stone Building Materials Sdn Bhd (where Tey Kok Lean and Siah Kim Eng are shareholders), there are no familial relationship or otherwise, between Tey Kok Lean and Siah Kim Eng with our Group and/ or Promoters. Upon incorporation, Chang Chung Fei and Lau Kock Sang were appointed as Directors of Best Stone. Subsequently, on 21 September 2023, Best Stone incorporated Best Stone Solutions, as its wholly-owned subsidiary to fabricate stone products. However, after 10 months of operations, there were differences between SAC and the other shareholders in terms of the strategic direction and operational management of Best Stone. As such, on 29 December 2023, SAC disposed its entire 60.0%-shareholdings in Best Stone to Tey Kok Lean and Siah Kim Eng (the remaining shareholders of Best Stone) for RM7.1 million, based on SAC's capital contribution of RM7.1 million, details of which are set out in Section 6.5. Such disposal stems from SAC's lack of expertise, industrial knowledge in operating Best Stone's business effectively in the absence of the initial shareholders (i.e. Tey Kok Lean and Siah Kim Eng). Subsequently, both Chang Chung Fei and Lau Kock Sang resigned as Directors on 17 January 2024 and Best Stone ceased to be our Group's related party.
- (9) These transactions will subsist after our Listing.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

- (10) Signature Cabinet Sdn Bhd was appointed as a main contractor to supply and install modular kitchen and wardrobe systems for several commercial and residential projects. As part of the contracts, Signature Cabinet Sdn Bhd subcontracted the supply and installation works for customised wooden furniture to SAC, SAF and Zig Zag Builders.
- (11)
 - (a) Signature Distribution Sdn Bhd was appointed as a main contractor to supply and install modular kitchen and wardrobe systems for Chin Hin's office. As part of the contract, Signature Distribution Sdn Bhd subcontracted the supply and installation works for customised wooden furniture to SAC.
 - (b) Relates to provision of interior fitting-out works by Zig Zag Builders for SIB's showroom.
- (12) Relates to supply and installation of modular kitchen and wardrobe systems by KubiQ Sdn Bhd to SAC for Chin Hin's sales gallery, where SAC was contracted to provide interior fitting-out works for the sales gallery.
- (13)
 - (a) Relates to supply and installation of modular kitchen and wardrobe system by Signature Cabinet Sdn Bhd to SAC for a commercial project, where SAC was contracted to provide A&A works for this project.
 - (b) Relates to supply and installation of modular kitchen and wardrobe system by Signature Cabinet Sdn Bhd to Zig Zag Builders for a commercial project, where Zig Zag Builders was contracted to provide interior fitting-out works for this project.
- (14) This advances have been fully offset as part of the disposal consideration upon our Group's disposal of its entire shareholdings in Best Stone.
- (15) Relates to panels with brand name "RIMADESIO" where Corten is the exclusive distributor in Singapore.
- (16) Kayangan Kemas Sdn Bhd was appointed as a main contractor to undertake building construction works for a factory. As part of the contracts, Kayangan Kemas Sdn Bhd subcontracted the interior fitting-out works to Zig Zag Builders.
- (17) Our Group's subsidiaries, namely SAC and Zig Zag Builders, rented different warehouse spaces within the factory and office located at Lot 24, Jalan Teknologi, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor from Signature Cabinet Sdn Bhd, details of which are as follows:
 - (i) The tenancy period of SAC is from 1 March 2024 to 31 December 2025, at a monthly rental of RM2,160. We intend to renew this tenancy upon its expiry. Further details are set out in Section 6.9.2(g).
 - (ii) The tenancy period of Zig Zag Builders was from 1 March 2024 to 31 August 2024, at a monthly rental of RM5,400. This rental arrangement ceased on 31 August 2024. We do not intend to renew this tenancy.

10. RELATED PARTY TRANSACTIONS (Cont'd)

The advances from related parties to our Group as set out in items (w), (x), (y), (z) and (aa) as well as advances to and payment on behalf of our Group's related party as set out in item (bb) were not conducted on arm's length basis as they were interest free. The nature of such advances and payment on behalf were mainly in relation to the acquisition of Best Stone, incorporation cost and for our Group's working capital requirements.

All advances have been fully settled as at LPD. Moving forward, our Group will not receive any advances from our related parties, and will also not provide any advances to our related parties.

In relation to the advances from our Group's Directors and shareholders, our Board is of the view that as the advances were interest free, they were not detrimental to our Group. In relation to the advances to and payment made on behalf of our Group's related party (i.e. Best Stone), our Board is of the view that such transactions, although interest free, were not detrimental as they were intended to support the operations of Best Stone when it was a 60%-owned subsidiary of SAC. Following SAC's divestment of Best Stone, all amounts owing by Best Stone have been fully settled.

In relation to the subscription of Stradaverse Sdn Bhd's information technology system by SAC and Zig Zag Builders, no third-party quotations was obtained as the information technology system is custom-developed for our Group's business operations. For information, the information technology system is an electronic capital expenditure approval system for our Group's purchase of fixed assets whereby such system is not commercially available as a standalone product in the market in view of its specialised nature as it is typically embedded within enterprise resource planning systems based on our Group's internal requirements and operational workflows. As such, although no third-party quotation was obtained, our Board is satisfied that such transaction is not detrimental to our Group due to the specialised nature of the information technology system developed by Stradaverse Sdn Bhd and the subscription paid is not material to our Group.

Save for items (w), (x), (y), (z), (aa), (bb) and (rr) above, our Board is of the view that all other related party transactions were conducted on arm's length basis and on competitive commercial terms which are not more favourable to the related parties on the following basis:

- (i) purchase of materials were based on the comparable quotations obtained from unrelated third parties;
- (ii) provision of interior fitting-out works by our Group were based on the comparable or similar works performed for unrelated third parties;
- (iii) provision of subcontracting works to our Group were based on the comparable quotations obtained from unrelated third parties;
- (iv) rental expenses paid to the related party were based on the then prevailing market rental rates; and
- (v) interest charges for late payment were applied at the standard rate applicable to unrelated third party clients.

10. RELATED PARTY TRANSACTIONS *(Cont'd)*

Our Board is of the view that the above related party transactions (other than items (w), (x), (y), (z), (aa), (bb) and (rr) above) were conducted on an arm's length basis and on competitive commercial terms not more favourable to the related parties than those generally available to the public and are not detrimental to our Group.

Moving forward, in order to ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) Recurrent related party transactions

- (i) at least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, wherever possible, to determine if the price and terms offered by related parties are fair and reasonable and comparable to those offered by other third parties for the same or substantially similar type of products/ services and/ or quantities; or
- (ii) if quotation or comparative pricing from third parties cannot be obtained, the transaction price will be determined by our Group based on those offered by other third parties for substantially similar type of transaction to ensure that the recurrent related party transactions are not detrimental to us.

Our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting. Due to its time-sensitive nature, the shareholders' mandate will enable us to enter into such recurrent transactions which are transacted in our ordinary course of business without having to convene numerous general meetings to approve such recurrent transactions as and when they are entered into.

(b) Other related party transactions

- (i) whether the terms of the related party transaction are fair and on arm's length basis to our Group and would apply on the same basis if the transaction did not involve a related party;
- (ii) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any; and
- (iii) whether the related party transaction would present a conflict of interest between our Group and the related parties, taking into account the size of the transaction and the nature of the related parties' interest in the transaction.

Where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened. An independent adviser may be appointed to comment as to whether the related party transaction is fair and reasonable so far as the shareholders are concerned; and whether the transaction is to the detriment of minority shareholders. In such instances, the independent adviser shall also advise minority shareholders on whether they should vote in favour of the transaction.

10. RELATED PARTY TRANSACTIONS (Cont'd)

For related party transactions that require shareholders' approval, our Directors, major shareholders and/ or persons connected with such Director or major shareholder, which have any interest, direct or indirect, in the proposed related party transaction will abstain from voting in respect of their direct and/or indirect shareholdings. Where a person connected with a Director or major shareholder has interest, direct or indirect, in any proposed related party transactions, the Director or major shareholder concerned will also abstain from voting in respect of his direct and/or indirect shareholdings. Such interested Directors and/or major shareholders will also undertake that he shall ensure that the persons connected with him will abstain from voting on the resolution approving the proposed related party transaction at the general meeting. The relevant directors who are deemed interested or conflicted in such transactions shall also abstain from our Board deliberations and voting on the Board resolutions relating to these transactions.

In addition, to safeguard the interest of our Group and our minority shareholders, and to mitigate any potential conflict of interest situation, our Audit Committee will, amongst others, supervise and monitor any related party transaction and the terms thereof and report to our Board for further action. If a member of our Audit Committee has an interest in any related party transaction, he/ she will abstain from participating in the review and approval process in relation to that transaction. Where necessary, our Board would make appropriate disclosures in our annual report with regard to any related party transaction entered into by us.

10.2 OTHER TRANSACTIONS

10.2.1 Transactions entered into that are unusual in their nature or conditions

There were no transactions that were unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Group was a party for FYE 2021 to 2024, and up to LPD.

10.2.2 Outstanding loans (including guarantees of any kind)

(a) Outstanding loans and/or balances

As at LPD, there are no outstanding loans made by our Group to/ for the benefit of a related party or granted by the related parties for the benefit of our Group.

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10. RELATED PARTY TRANSACTIONS (Cont'd)**(b) Guarantees**

- (i) As at LPD, the following individuals and company have jointly and severally provided personal and corporate guarantees for the banking and hire purchase facilities extended by the following financial institutions ("**Financiers**"):

Financiers	Type of facilities	Outstanding balance as at LPD RM'000	Facility limit RM'000	Guarantor
Ambank (M) Berhad	4 term loans 5 trade facilities	23,425	40,613	(i) Chang Chung Fei (ii) Ng Mun Moh (iii) SIB
Ambank Islamic Berhad	1 term loan	80	958	(i) Chang Chung Fei (ii) Ng Mun Moh (iii) SIB
CIMB Bank Berhad	2 term loans 4 trade facilities	28,429	45,113	(i) Chang Chung Fei (ii) Ng Mun Moh (iii) SIB
CIMB Islamic Bank Berhad	2 term loans	3,629	4,140	Foo Khai Shin ⁽²⁾
Maybank Islamic Berhad	2 trade facilities⁽³⁾	-	785	(i) Foo Khai Shin (ii) Tan Leek Hui ⁽¹⁾
Affin Bank Berhad	2 hire purchase facilities	98	578	(i) Foo Khai Shin (for 1 hire purchase facility only) (ii) Ng Mun Moh (for 1 hire purchase facility only)
Alliance Bank Malaysia Berhad	5 trade facilities	4,995	5,500	SIB
		60,656	97,687	

Notes:

- (1) The guarantee was provided by a former director of Zig Zag Builders, Tan Leek Hui.
- (2) In addition to his personal guarantee, Foo Khai Shin has assigned an insurance policy with the sum insured of not less than RM3.0 million for one of the term loans.
- (3) As at LPD, Zig Zag Builders has not utilised these trade facilities and has written to the financier to cancel such facilities. The cancellation of such facilities has been completed on 23 April 2025.

10. RELATED PARTY TRANSACTIONS (*Cont'd*)

In conjunction with our Listing, we have applied to the Financiers to obtain conditional consent for the release and/ or discharge of the personal guarantees and assignment of insurance policy by substituting the same with a corporate guarantee from our Company and/ or other securities from our Group acceptable to the Financiers. Until such release and/ or discharge are obtained from the respective Financiers, our Promoters and former director of Zig Zag Builders will continue to guarantee and the personal and/ or corporate guarantees will remain intact as security for the banking facilities and hire purchase facilities extended to our Group.

As at LPD, we have received conditional approvals from all of our Financiers, namely Affin Bank Berhad, AmBank (M) Berhad, AmBank Islamic Berhad, CIMB Bank Berhad, CIMB Islamic Bank Berhad and Alliance Bank Malaysia Berhad (subject to, among others, our Listing) to discharge the above guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financial institutions.

(c) Financial assistance provided for the benefit of a related party

As at LPD, there is no financial assistance provided by us for the benefit of any related party.

(d) Financial assistance provided for the benefit of our Group

As at LPD, save for the advances provided by the related parties as disclosed in Sections 10.1(w), (x), (y), (z) and (aa), and the guarantees given by the Promoters and former director as disclosed in Section 10.2.2(b), there is no financial assistance provided by any related party for the benefit of our Group.

10.2.3 Transactions entered into with M&A Securities

Save as disclosed below, we have not entered into any transactions with M&A Securities who is the Adviser, Sponsor, Managing Underwriter, Joint Underwriter and Joint Placement Agent for our Listing:

- (a) Agreement dated 2 November 2023 between SAC and M&A Securities for the appointment of M&A Securities as Adviser, Placement Agent and Sponsor for our Listing; and
- (b) Underwriting Agreement dated 15 April 2025 entered into between our Company and our Managing Underwriter, M&A Securities and Joint Underwriters, M&A Securities and Affin Hwang IB, for the underwriting of 100,000,000 Issue Shares.

11. CONFLICT OF INTEREST

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CLIENTS AND SUPPLIERS

Save as disclosed below, as at LPD, none of our Directors and substantial shareholders has any interest, direct or indirect, in other businesses and corporations which are carrying on a similar trade as our Group, or which are clients and/ or suppliers of our Group:

11.1.1 Entities which are carrying on a similar or related trade

(i) DCSL Property Sdn Bhd (formerly known as Space Alliance Interiors Sdn Bhd)

Chang Chung Fei is our Executive Director/ Group Chief Executive Officer, Promoter and substantial shareholder. He is also the director and shareholder of DCSL Property Sdn Bhd (formerly known as Space Alliance Interiors Sdn Bhd), a dormant company as at LPD, with property investment as the intended future principal activities. DCSL Property Sdn Bhd (formerly known as Space Alliance Interiors Sdn Bhd) was incorporated on 11 September 2008 and is owned by Chang Chung Fei (70.0%) and Lew Poh Fong (30.0%). The company was principally involved in the provision of interior fitting-out works. Since July 2017, the company has ceased such business operations.

(ii) MARS IT Sdn Bhd (formerly known as Zig Zag Design & Build Sdn Bhd)

Foo Khai Shin is our Executive Director/ Chief Executive Officer – Northern Region, Promoter and substantial shareholder. He is deemed interested in MARS IT Sdn Bhd (formerly known as Zig Zag Design & Build Sdn Bhd), by virtue of his wife's involvement as a sole director and shareholder of the company. MARS IT Sdn Bhd (formerly known as Zig Zag Design & Build Sdn Bhd) was principally involved in the provision of interior fitting-out works and is currently dormant. Since January 2023, the company has ceased such business operations. The shareholder of Mars IT Sdn Bhd intends to close down the company upon collecting remaining receivables of approximately RM0.2 million from a debtor. The remaining receivables are expected to be collected by June 2025.

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

(iii) Corten Group (being subsidiaries of SIB)

No.	Company	Principal activity	Nature of interest
(a)	Corten	Interior design and build services (which consists of (i) interior fitting-out works comprising project planning and management of Corten's interior fitting-out projects, installation works and maintenance of the projects that Corten Group undertakes on an ad-hoc basis; and (ii) installation of modular kitchen and wardrobe systems (e.g. kitchen cabinets and wardrobe) and furnishings)	SIB/ SIB is our Promoter and substantial shareholder. Corten is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(b)	Areal	Interior design and build services (focusing on fabrication and finishing of stone and metal products)	SIB/ SIB is our Promoter and substantial shareholder. Areal is a subsidiary of Corten and indirect subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
(c)	Woodcraft	Manufacturing of modular kitchen and wardrobe systems as well as wooden and cane furniture	SIB/ SIB is our Promoter and substantial shareholder. Woodcraft is a subsidiary of Corten and indirect subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

As disclosed above, Corten Group is the subsidiary of SIB, and is principally involved in interior design and build services. Similarly, our Group is principally involved in the provision of interior fitting-out services.

Notwithstanding the overlap between the business of our Group and Corten Group in the provision of interior fitting-out services, our Board is of the view that such conflict of interest between our Group and Corten Group, is mitigated by the following:

- (aa) **Business activities:** Our Group and Corten Group targets different geographical markets i.e. Malaysia and Singapore, respectively. During FYE 2021 to 2023, Corten Group did not undertake any provision of interior fitting-out services in Malaysia. Nonetheless, Corten Group has one small scale project for a boutique hospitality property in Pulau Pinang with contract sum of RM1.1 million, a one-off project which was awarded by its recurrent client, a Singaporean architect firm in May 2024. Such project with contract sum of RM1.1 million, represents 0.4% of the total revenue of Corten Group of RM277.3 million for FYE 2024. The contract is expected to complete by December 2025. Given the distinct target markets of our Group and Corten Group, there is no intra-group competition or competitive conflicts between our Group and Corten Group. Furthermore, our Group does not have any plans to venture outside of Malaysia for the provision of interior fitting-out services at this juncture. For avoidance of doubt, there is no restriction preventing our Group from venturing into Singapore to provide interior fitting-out services. To further mitigate any potential conflict of business, Corten Group has also provided an irrevocable written undertaking letter dated 26 July 2024, addressed to our Board that Corten Group shall refrain from soliciting or attempting to solicit any interior fitting-out services that is in competition with the business of our Group in Malaysia. The undertaking shall remain in effect from the date of the undertaking letter and continue for as long as it is required by our Group. In addition, the products fabricated or manufactured by Areal and Woodcraft are mainly for interior fitting-out projects undertaken by Corten's residential and hospitality projects located in Singapore.

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

- (bb) **Business operations:** Our Group operates our business independently from Corten Group. In this regard, (i) our Group relies on our own expertise and resources in undertaking interior fitting-out works; and (ii) our Group's financial, operational and management functions are separate from Corten Group. Our Group and Corten Group each have separate management teams and our Group's and Corten Group's business are operated and managed independently on a day-to-day basis by the respective management teams. There is no common key senior management between our Group and Corten Group.

Our Group is led by Chang Chung Fei who is our Executive Director/ Group Chief Executive Officer together with Foo Khai Shin who is our Executive Director/ Chief Executive Officer – Northern Region; while Corten Group is led by Lim Leng Foo who is the Chief Executive Officer and 11.0% shareholder of Corten. Separately, our Group's principal place of business is in Malaysia, while Corten Group is located in Singapore.

As such, there is no dependency between our Group and Corten Group in terms of management, resources and operations.

- (cc) **Interested persons' role in our Group:** SIB is our Promoter and substantial shareholder. Other than having a corporate representative on our Board, SIB does not participate in the day-to-day business of our Group.

Lau Kock Sang is SIB's corporate representative on our Board. As our Non-Independent Non-Executive Director, he does not participate in the day-to-day business of our Group. In the event of any related party transactions between our Group and Pro forma SIB Group, Lau Kock Sang will abstain from all Board deliberations.

Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our indirect shareholders (held through SIB). They do not participate in the day-to-day business of our Group. In the event of any related party transactions between our Group and Pro forma SIB Group, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon will abstain from all deliberations.

- (dd) **Related party transactions and dependency:** Save for the purchases of panels from Corten amounting to RM3.0 million in FYE 2024 and up to LPD, there was no other transaction between our Group and Corten Group from FYE 2021 to 2024 and up to LPD. Moving forward, our Group also does not anticipate any transaction with Corten Group as we serve different geographical markets. As such, there is no business dependency between our Group and Corten Group.

11. CONFLICT OF INTEREST (Cont'd)
(iv) Companies within Chin Hin group which are involved in construction (comprising companies listed as (a) to (j) in the table below)

No.	Company	Principal activity	Nature of interest
(a)	Chin Hin	Provision of management services and investment holding in shares with subsidiaries involved in manufacturing, trading, distribution and wholesale of building materials, provision of logistic services, manufacturing and trading of commercial vehicles, property development and construction as well as home and living solutions	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. SIB is a subsidiary of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(b)	Chin Hin Construction Engineering Sdn Bhd	Property development, property construction and investment holding	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Chin Hin Construction Engineering Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
(c)	Makna Setia Sdn Bhd	Specialised construction activities	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Makna Setia Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(d)	Kayangan Kemas Sdn Bhd	Building and general construction	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Kayangan Kemas Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(e)	Weida Kayangan Sdn Bhd	Building contractor	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. SIB is a subsidiary of Chin Hin and Weida Kayangan Sdn Bhd is an associate company of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(f)	R Synergy Sdn Bhd	Building contractor	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. SIB is a subsidiary of Chin Hin and R Synergy Sdn Bhd is a joint venture company of Chin Hin
			Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(g)	Boon Koon Commercial Sdn Bhd	Property development and property construction	SIB/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Boon Koon Commercial Sdn Bhd are subsidiaries of Chin Hin
			Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

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

No.	Company	Principal activity	Nature of interest
(h)	BK Alliance Sdn Bhd	Property development and property construction	SIB/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and BK Alliance Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(i)	Stellar Platinum Sdn Bhd	Construction of buildings	SIB/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Stellar Platinum Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(j)	Chin Hin Property (Melaka) Sdn Bhd	Property construction	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Chin Hin Property (Melaka) Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

Our Group is principally involved in the provision of interior fitting-out services and building construction works whereas Chin Hin is a multidisciplinary building conglomerate and has subsidiaries, associate company and joint venture which are principally engaged in the construction business (companies as disclosed under items (a) to (j) in the table above). For clarity, provision of interior fitting-out services is not part of Chin Hin group's construction activities.

Based on the above, there is an overlap between the business of our Group and Chin Hin group in building construction works. Nevertheless, our Board is of the view that such conflict of interest between our Group and these companies is mitigated by the following:

- (aa) **Business activities:** The building construction works undertaken by our Group are solely to support our provision of interior fitting-out services. Our Group does not undertake any building construction works, nor has any construction works contract/ project awarded on a standalone basis as at LPD. It is also not our Group's intention to undertake any building construction works on a standalone basis. Further, our Group does not consider building construction works as a separate business segment as such works are normally awarded by clients as part of the interior fitting-out works under a single LOA. During FYE 2021 to 2024, our Group has undertaken 4 projects (which are still ongoing) that has building construction works as part of the project scope of works. We recognised revenue of RM63.9 million from 4 of these projects during FYE 2021 to 2024. The total contract value of these 4 projects amount to RM80.5 million which covers both the provision of interior fitting-out works and building construction works. This represents 8.9% of the total contract value of our Group's ongoing projects of RM902.4 million as at LPD.

On the contrary, Chin Hin's construction segment primarily operates as a building contractor, specialising in civil and structural works with focus on specialised buildings and does not involve any interior fitting-out works. Some of the projects completed by Chin Hin group are hospitals, schools, nursing college, high-rise apartments and government quarters, hotels, shopping mall, factories and commercial buildings. Additionally, Chin Hin's construction segment also undertakes infrastructure projects such as upgrading of roads and highways. The outstanding order book of Chin Hin's construction segment stood at RM2.0 billion as at 31 December 2024 (as extracted from Chin Hin's interim financial report for the fourth quarter ended 31 December 2024).

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

Based on the above, there is a clear distinction in terms of the nature of building construction works undertaken by our Group with that of Chin Hin group. Given such distinction, there is no intra-group competition or competitive conflicts between our Group and Chin Hin group.

- (bb) **Business operations:** Our Group operates our business independently from Chin Hin group. In this regard, (i) our Group relies on our own expertise and resources in undertaking interior fitting-out works; and (ii) our Group's financial, operational and management functions are separate from Chin Hin's construction segment. Our Group and Chin Hin's construction segment each have separate management teams and our Group's and Chin Hin's business are operated and managed independently on a day-to-day basis by the respective management teams. There is no common key senior management between our Group and Chin Hin's construction segment.

Our Group is led by Chang Chung Fei who is our Executive Director/ Group Chief Executive Officer together with Foo Khai Shin who is our Executive Director/ Chief Executive Officer – Northern Region; while Chin Hin's construction segment is led by Roger Lim Swee Kiat who is the Group Chief Executive Officer of Chin Hin's construction division.

As such, there is no dependency between our Group and Chin Hin's construction segment in terms of management, resources and operations.

- (cc) **Interested persons' role in our Group:** SIB is our Promoter and substantial shareholder and Chin Hin is our indirect substantial shareholder held through SIB. Other than having a corporate representative on our Board, both SIB and Chin Hin do not participate in the day-to-day business of our Group.

Lau Kock Sang is SIB's corporate representative on our Board. As our Non-Independent Non-Executive Director, he does not participate in the day-to-day business of our Group.

Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our indirect shareholders (held through SIB). They do not participate in the day-to-day business of our Group. In the event of any related party transactions between our Group and Chin Hin group, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon will abstain from all deliberations.

11. CONFLICT OF INTEREST (Cont'd)

(dd) **Related party transactions and dependency:** There was no transaction between our Group and Chin Hin's construction segment for FYE 2021 and 2022. In FYE 2023, Boon Koon Commercial Sdn Bhd (a company under Chin Hin's construction segment) awarded a contract to SAC for the provision of interior fitting-out works valuing RM0.85 million, of which RM0.73 million representing 0.4% of the total revenue of our Group was recognised in FYE 2023 and the balance was fully recognised in FYE 2024. In FYE 2024, Zig Zag Builders has completed A&A works of a factory mock-up unit for Kayangan Kemas Sdn Bhd, amounting to RM0.1 million. Further, in FYE 2024, Chin Hin Property (Melaka) Sdn Bhd (a company under Chin Hin's construction segment) awarded a contract to Zig Zag Builders for the provision of interior fitting-out works valuing RM7.0 million, of which RM3.4 million representing 0.9% of the total revenue of our Group was recognised in FYE 2024 and the balance will be fully recognised in FYE 2025. As such, there is no business dependency between our Group and Chin Hin's construction segment. In addition, the aforementioned related party transactions were conducted on arm's length basis and are based on competitive commercial terms not more favourable to either party.

11.1.2 Entities which are clients and/or suppliers of our Group

(i) SIB Group (comprising companies listed as (a) to (l) in the table below)

No.	Company	Principal activity	Nature of interest
(a)	Signature Cabinet Sdn Bhd as our client and subcontractor	Design, marketing and distribution of kitchen systems, wardrobe systems and built-in kitchen appliances for projects	SIB/ SIB is our Promoter and substantial shareholder. Signature Cabinet Sdn Bhd is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(b)	Signature Manufacturing Sdn Bhd as our client and supplier	Manufacturing of kitchen systems and wardrobe systems	SIB/ SIB is our Promoter and substantial shareholder. Signature Manufacturing Sdn Bhd is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(c)	Signature Distribution Sdn Bhd as our client and supplier	Distribution of kitchen systems, wardrobe system, worktop and built-in kitchen appliances	SIB/ SIB is our Promoter and substantial shareholder. Signature Distribution Sdn Bhd is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(d)	Signature Kitchen Sdn Bhd as our client	Retailing of kitchen systems, wardrobe systems and built-in kitchen appliances	SIB/ SIB is our Promoter and substantial shareholder. Signature Kitchen Sdn Bhd is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
(e)	FHB Management Sdn Bhd as our client	Property investment and management	SIB/ SIB is our Promoter and substantial shareholder. Fiamma Holdings Berhad is an associate company of SIB. FHB Management Sdn Bhd is a subsidiary of Fiamma Holdings Berhad Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(f)	Exact Quality Sdn Bhd as our client	Provision of after sales services of electrical home appliances	SIB/ SIB is our Promoter and substantial shareholder. Fiamma Holdings Berhad is an associate company of SIB. Exact Quality Sdn Bhd is a subsidiary of Fiamma Holdings Berhad Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(g)	Kubiq Sdn Bhd as our client and subcontractor	Selling, marketing and distributing kitchen and bedroom cabinets, knockdown furniture and furniture parts, appliances and accessories	SIB/ SIB is our Promoter and substantial shareholder. Kubiq Sdn Bhd is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(h)	Signature Contempo Sdn Bhd as our supplier	Designing, manufacturing, trading and sales of upholstered furniture, fabrication of drapery and other soft furnishings related products	SIB/ SIB is our Promoter and substantial shareholder. Signature Contempo Sdn Bhd is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(i)	Fiamma Trading Sdn Bhd as our supplier	Distribution of electrical home appliances, sanitaryware and bathroom accessories	SIB/ SIB is our Promoter and substantial shareholder. Fiamma Holdings Berhad is an associate company of SIB. Fiamma Trading Sdn Bhd is a subsidiary of Fiamma Holdings Berhad Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

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

No.	Company	Principal activity	Nature of interest
(j)	Signature Obicorp Sdn Bhd as our supplier	Marketing and distribution of built-in kitchen appliances, white goods, curtains, flooring and smart home appliances	SIB/ SIB is our Promoter and substantial shareholder. Signature Obicorp Sdn Bhd is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(k)	Corten as our supplier	Interior design and build services (which consists of (i) interior fitting-out works comprising project planning and management of Corten's interior fitting-out projects, installation works and maintenance of the projects that Corten Group undertakes on an ad-hoc basis; and (ii) installation of modular kitchen and wardrobe systems (e.g. kitchen cabinets and wardrobe) and furnishings)	SIB/ SIB is our Promoter and substantial shareholder. Corten is a subsidiary of SIB Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
(l)	Fiamma Sdn Bhd as our supplier	Distribution of electrical home appliances, sanitaryware and bathroom accessories	SIB/ SIB is our Promoter and substantial shareholder. Fiamma Holdings Berhad is an associate company of SIB. Fiamma Sdn Bhd is a subsidiary of Fiamma Holdings Berhad Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

For FYE 2022 to 2024 and up to LPD, our Group has (i) purchased, among others, kitchen cabinet door, kitchen equipment, loose furniture fittings, home appliances, panels as well as sanitary wares and fittings; and (ii) procured services such as supply and installation of modular kitchen and wardrobe systems, from Pro forma SIB Group (comprising companies listed as (a) to (l) in the table above). Our Group has also provided interior fitting-out services to Pro forma SIB Group for FYE 2022 to 2024 and up to LPD, for (a) supply and installation works of customised wooden furniture; (b) supply of customised MDFs; and (c) interior fitting-out works for Pro forma SIB Group's and Chin Hin's sales galleries, showroom and offices. Please refer to Section 10.1 for details of the purchases and services made from or to between our Group and Pro forma SIB Group. None of the companies within the Pro forma SIB Group are our Group's top 5 major clients, suppliers or subcontractors for FYE 2021 to 2024.

Notwithstanding the business transactions between our Group with Pro forma SIB Group (comprising companies listed as (a) to (l) in the table above) as disclosed in Section 10.1, our Board is of the view that such conflict of interest between our Group and the transacting companies is mitigated by the following:

- (aa) **Business activities:** As disclosed in Section 11.1.2(i), our Group and Pro forma SIB Group (comprises companies listed as (a) to (l) in the table above) have different principal business activities (save for the provision of interior fitting-out services by our Group and Corten Group which is mitigated by the distinct target markets) and serve different clients' requirements. As such, our Group and Pro forma SIB Group do not compete with each other. However, to further mitigate any potential conflict of business, Pro forma SIB Group has also provided an irrevocable written undertaking letter dated 28 August 2024, addressed to our Board that Pro forma SIB Group shall refrain from soliciting or attempting to solicit any interior fitting-out services that is in competition with the business of our Group in Malaysia. The undertaking shall remain in effect from the date of the undertaking letter and continue for as long as it is required by our Group.

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

- (bb) **Business operations:** Our Group operates our business independently from Pro forma SIB Group. In this regard, (i) our Group relies on our own expertise and resources in undertaking interior fitting-out works; and (ii) our Group's financial, operational and management functions are separate from Pro forma SIB Group. Our Group and Pro forma SIB Group each have separate management teams and our Group's and Pro forma SIB Group's business are operated and managed independently on a day-to-day basis by the respective management teams. There is no common key senior management between our Group and Pro forma SIB Group.

Our Group is led by Chang Chung Fei who is our Executive Director/ Group Chief Executive Officer together with Foo Khai Shin who is our Executive Director/ Chief Executive Officer – Northern Region; while Pro forma SIB Group is led by Lau Kock Sang who is the Group Chief Executive Officer of SIB.

- (cc) **Interested persons' role in our Group:** SIB is our Promoter and substantial shareholder. Other than having a corporate representative on our Board, SIB does not participate in the day-to-day business of our Group.

Lau Kock Sang is SIB's corporate representative on our Board. As our Non-Independent Non-Executive Director, he does not participate in the day-to-day business of our Group. In the event of any related party transactions between our Group and Pro forma SIB Group, Lau Kock Sang will abstain from all Board deliberations.

Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our indirect shareholders (held through SIB). They do not participate in the day-to-day business of our Group. In the event of any related party transactions between our Group and Pro forma SIB Group, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon will abstain from all deliberations.

- (dd) **Related party transactions and dependency:** The related party transactions between our Group and those companies listed in (a) to (l) in the table above under Pro forma SIB Group were conducted on arm's length basis and are based on competitive commercial terms not more favourable to either any of the parties. This was determined based on the following:

- (i) purchase of materials was based on the comparable quotations obtained from unrelated third parties;
- (ii) provision of interior fitting-out works by our Group were based on the comparable or similar works performed for unrelated third parties; and
- (iii) provision of subcontracting works to our Group were based on the comparable quotations obtained from unrelated third parties.

11. CONFLICT OF INTEREST (Cont'd)

There were no transactions between our Group and Pro forma SIB Group for FYE 2021. For FYE 2022, 2023, 2024 and from 1 January 2025 up to LPD, the revenue, purchases and subcontractor works from Pro forma SIB Group (comprises companies listed as (a) to (l) in the table above) accounted for:

- (i) 3.8%, 0.8% and 0.4% of our Group's total revenue for FYE 2022 to 2024 respectively;

	FYE 2022		FYE 2023		FYE 2024		1 January 2025 up to LPD	
	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Signature Cabinet Sdn Bhd	1	<0.1	420	0.2	983	0.3	277	N/A
Signature Manufacturing Sdn Bhd	20	<0.1	40	<0.1	15	<0.1	-	-
Signature Distribution Sdn Bhd	-	-	305	0.2	350	0.1	-	-
Signature Kitchen Sdn Bhd	5,351	3.8	105	0.1	-	-	-	-
Kubiq Sdn Bhd	-	-	517	0.3	-	-	-	-
FHB Management Sdn Bhd	-	-	-	-	35	<0.1	-	-
Exact Quality Sdn Bhd	-	-	-	-	163	<0.1	-	-
	5,372	3.8	1,387	0.8	1,546	0.4	277	N/A

Note:

N/A The percentage of the related party transaction is not calculated as the financial statements from 1 January 2025 up to LPD was not prepared.

- (ii) 0.1%, 0.7% and 4.1% of our Group's total purchases for FYE 2022 to 2024 respectively; and

	FYE 2022		FYE 2023		FYE 2024		1 January 2025 up to LPD	
	RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases
Signature Manufacturing Sdn Bhd	6	<0.1	-	-	1	<0.1	1	N/A
Signature Distribution Sdn Bhd	5	<0.1	-	-	5	<0.1	-	-
Signature Contempo Sdn Bhd	12	<0.1	198	0.7	251	0.5	3,137	N/A
Fiamma Trading Sdn Bhd	-	-	5	<0.1	28	0.1	-	-
Signature Obicorp Sdn Bhd	-	-	-	-	48	0.1	-	-
Corten	-	-	-	-	1,661	3.3	1,361	N/A
Fiamma Sdn Bhd	-	-	-	-	27	0.1	8	N/A
	23	0.1	203	0.7	2,021	4.1	4,507	N/A

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

N/A The percentage of the related party transaction is not calculated as the financial statements from 1 January 2025 up to LPD was not prepared.

(iii) 0.1% and 0.4% of our Group's total subcontractor cost for FYE 2023 to 2024 respectively.

	FYE 2023		FYE 2024		1 January 2025 up to LPD	
	RM'000	% of total subcontractor cost	RM'000	% of total subcontractor cost	RM'000	% of total subcontractor cost
Signature Cabinet Sdn Bhd	69	0.1	957	0.4	126	N/A
Kubiq Sdn Bhd	45	<0.1	10	<0.1	-	-
	114	0.1	967	0.4	126	N/A

Note:

N/A The percentage of the related party transaction is not calculated as the financial statements from 1 January 2025 up to LPD was not prepared.

Based on the above, our Group's transactions with Pro forma SIB Group were individually less than 10.0%.

In terms of sales to Pro forma SIB Group, the highest revenue contribution from Pro forma SIB Group accounted for only 3.8% of our Group's total revenue in FYE 2022. As such, our Group is not dependent on Pro forma SIB Group for our revenue.

In terms of purchases and subcontracting works, the aggregate purchases and subcontracting works from Pro forma SIB Group accounted for less than 1.0% of the total purchases and subcontractor costs of our Group in FYE 2022 and 2023, and 4.5% of the total purchases and subcontractor costs of our Group in FYE 2024. As such, our Group is not dependent on Pro forma SIB Group for our purchases and subcontracting works. Further, the materials sourced from Pro forma SIB Group are widely available in the market and our Group can source for such materials from our existing supplier base. Similarly, our Group can also engage other subcontractors to perform the same works undertaken by Pro forma SIB Group in FYE 2022 to 2024. For avoidance of doubt, save for Hup Fatt Plywood Hardware Sdn Bhd, there are no other common top 5 major suppliers between our Group and Pro forma SIB Group for FYE 2021 to 2024.

As such, there is no dependency between our Group and Pro forma SIB Group.

11. CONFLICT OF INTEREST (Cont'd)

(ii) Chin Hin group of companies (comprises companies listed as (a) to (m) in the table below)

No.	Company	Principal activity	Nature of interest
(a)	Chin Hin as our client	Provision of management services and investment holding in shares with subsidiaries involved in manufacturing, trading, distribution and wholesale of building materials, provision of logistic services, manufacturing and trading of commercial vehicles, property development and construction as well as home and living solutions	SIB/ SIB is our Promoter and substantial shareholder. SIB is a subsidiary of Chin Hin Chin Hin/ Chin Hin is our substantial shareholder Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(b)	PP Chin Hin Sdn Bhd as our supplier	Wholesale of construction materials, hardware, plumbing, heating equipment and supplies of tiles and steel products as well as finishing and interior products	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and PP Chin Hin Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(c)	Starken AAC Sdn Bhd as our supplier	Manufacturing and sales of autoclaved aerated concrete products and transportation	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Starken AAC Sdn Bhd are subsidiaries of Chin Hin

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
			Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(d)	Starken Drymix Solutions Sdn Bhd as our supplier	Manufacture and sale of plaster and mortar products	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Starken Drymix Solutions Sdn Bhd are subsidiaries of Chin Hin
			Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(e)	BKG Development Sdn Bhd as our client	Property development	SIB and Chin Hin / SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and BKG Development Sdn Bhd are subsidiaries of Chin Hin
			Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
(f)	Boon Koon Commercial Sdn Bhd as our client	Property development and property construction	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Boon Koon Commercial Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(g)	Chin Hin Property (Melaka) Sdn Bhd as our client	Property construction	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Chin Hin Property (Melaka) Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(h)	BKSP Autoworld Sdn Bhd as our client	Property development and investment holding	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and BKSP Autoworld Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(i)	Stellar 8 Sdn Bhd as our client	Property development	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Stellar 8 Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(j)	Asia Roofing Industries Sdn Bhd as our client and supplier	Manufacturing and trading of metal roll forming products	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Asia Roofing Industries Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

11. CONFLICT OF INTEREST (Cont'd)

No.	Company	Principal activity	Nature of interest
(k)	Ajiya Safety Glass Sdn Bhd as our client and supplier	Manufacturing and trading of all kinds of glass	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Ajiya Safety Glass Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(l)	Kayangan Kemas Sdn Bhd as our client	Building and general construction	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Kayangan Kemas Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB
(m)	Stradaverse Sdn Bhd as our supplier	Dealing in E-Commerce digital marketing, online advertising and software programming	SIB and Chin Hin/ SIB is our Promoter and substantial shareholder and Chin Hin is our substantial shareholder. Both SIB and Stradaverse Sdn Bhd are subsidiaries of Chin Hin Lau Kock Sang/ Lau Kock Sang is our Non-Independent Non-Executive Director. He is also the Group Chief Executive Officer of SIB

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

No.	Company	Principal activity	Nature of interest
			Datuk Seri Chiau Beng Teik, JP/ Datuk Seri Chiau Beng Teik, JP is our substantial shareholder through his indirect interest in SIB
			Chiau Haw Choon/ Chiau Haw Choon is our substantial shareholder through his indirect interest in SIB

For FYE 2021 to 2024 and up to LPD, our Group has (i) purchased building materials, metal door frames and tempered glass from; (ii) provided interior fitting-out works to Chin Hin group of companies; and (iii) our Group's subscription of information technology system from Stradaverse Sdn Bhd, a wholly-owned subsidiary of Chin Hin. Please refer to Section 10.1 for details of the related party transactions with Chin Hin group of companies. Amongst the Chin Hin group of companies, PP Chin Hin Sdn Bhd, Starken AAC Sdn Bhd and Starken Drymix Solutions Sdn Bhd collectively, are one of our Group's top 5 major suppliers for FYE 2022 to 2024. Further details are set out in Section 7.9.

Notwithstanding the business transactions as disclosed in Section 10.1 between our Group with Chin Hin group of companies as set listed in (a) to (m) in the table above, our Board is of the view that such conflict of interest between our Group and Chin Hin group of companies is mitigated by the following:

- (aa) **Business activities:** Save for the overlap between the business of our Group and Boon Koon Commercial Sdn Bhd and Kayangan Kemas Sdn Bhd in building construction works (which is mitigated by the nature and purpose of the building construction works as discussed in Section 11.1.1(iv) above), our Group and each of the above transacting companies within Chin Hin group are not competing with each other as our Group and Chin Hin group are not carrying on a similar trade.
- (bb) **Business operations:** Our Group operates our business independently from Chin Hin group. In this regard, (i) our Group relies on our own expertise and resources in undertaking interior fitting-out works; and (ii) our Group's financial, operational and management functions are separate from Chin Hin. Our Group and Chin Hin each have separate management teams and our Group's and Chin Hin's business are operated and managed independently on a day-to-day basis by the respective management teams. There is no common key senior management between our Group and Chin Hin.

Our Group is led by Chang Chung Fei who is our Executive Director/ Group Chief Executive Officer together with Foo Khai Shin who is our Executive Director/ Chief Executive Officer – Northern Region; while Chin Hin is led by its Executive Chairman, Datuk Seri Chiau Beng Teik, JP and Group Managing Director, Chiau Haw Choon.

As such, there is no dependency between our Group and Chin Hin in terms of management, resources and operations.

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

- (cc) **Interested persons' role in our Group:** SIB is our Promoter and substantial shareholder and Chin Hin is our indirect substantial shareholder held through SIB. Other than having a corporate representative on our Board, both SIB and Chin Hin do not participate in the day-to-day business of our Group.

Lau Kock Sang is SIB's corporate representative on our Board. As our Non-Independent Non-Executive Director, he does not participate in the day-to-day business of our Group.

Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon are our indirect shareholders (held through SIB). They do not participate in the day-to-day business of our Group. In the event of any related party transactions between our Group and Chin Hin group, Datuk Seri Chiau Beng Teik, JP and Chiau Haw Choon will abstain from all deliberations.

- (dd) **Related party transactions and dependency:** Save for the related party transaction between our Group and Stradaverse Sdn Bhd as listed in (m) above, the related party transactions between our Group and the Chin Hin group of companies as set listed in (a) to (l) in the table above were conducted on arm's length basis and are based on competitive commercial terms not more favourable to either party. This was determined based on the following:

- (i) purchase of materials was based on the comparable quotations obtained from unrelated third parties; and
- (ii) provision of interior fitting-out works by our Group were based on the comparable or similar works performed for unrelated third parties.

In relation to the subscription of Stradaverse Sdn Bhd's information technology system by SAC and Zig Zag Builders as detailed in Section 10.1(rr), no third-party quotations was obtained as the information technology system is custom-developed for our Group's business operations. For information, the information technology system is an electronic capital expenditure approval system for our Group's purchase of fixed assets whereby such system is not commercially available as a standalone product in the market in view of its specialised nature as it is typically embedded within enterprise resource planning systems based on our Group's internal requirements and operational workflows. As such, although no third-party quotation was obtained, our Board is satisfied that such transaction is not detrimental to our Group due to the specialised nature of the information technology system developed by Stradaverse Sdn Bhd and the subscription paid is not material to our Group.

There were no transactions between our Group and Chin Hin group for FYE 2021. For FYE 2022, 2023, 2024 and from 1 January 2025 up to LPD, the revenue and purchases from Chin Hin group of companies accounted for:

11. CONFLICT OF INTEREST (Cont'd)

- (i) less than 0.1%, 0.5% and 1.3% of our Group's total revenue for FYE 2022 to 2024 respectively; and

	FYE 2022		FYE 2023		FYE 2024		1 January 2025 up to LPD	
	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue	RM'000	% of total revenue
Chin Hin	18	<0.1	39	<0.1	3	<0.1	-	-
Boon Koon Commercial Sdn Bhd	-	-	731	0.4	128	<0.1	-	-
BKG Development Sdn Bhd	-	-	245	0.1	210	0.1	1	N/A
Chin Hin Property (Melaka) Sdn Bhd	-	-	-	-	3,375	0.9	2,930	N/A
BKSP Autoworld Sdn bhd	-	-	-	-	389	0.1	-	-
Stellar 8 Sdn Bhd	-	-	-	-	122	<0.1	-	-
Asia Roofing Industries Sdn Bhd	-	-	-	-	432	0.1	-	-
Kayangan Kemas Sdn Bhd	-	-	-	-	106	<0.1	98	N/A
Ajiya Safety Glass Sdn Bhd	-	-	-	-	144	<0.1	32	N/A
	18	<0.1	1,015	0.5	4,909	1.3	3,061	N/A

Note:

N/A The percentage of the related party transaction is not calculated as the financial statements from 1 January 2025 up to LPD was not prepared.

- (ii) 7.6%, 6.1% and 4.9% of our Group's total purchases for FYE 2022 and to 2024 respectively.

	FYE 2022		FYE 2023		FYE 2024		1 January 2025 up to LPD	
	RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases
PP Chin Hin Sdn Bhd	456	1.4	1,205	4.0	1,786	3.6	530	N/A
Starken AAC Sdn Bhd	1,448	4.4	231	0.8	132	0.3	11	N/A
Starken Drymix Solutions Sdn Bhd	577	1.8	392	1.3	445	0.9	64	N/A
Asia Roofing Industries Sdn Bhd	-	-	-	-	38	0.1	-	-
Ajiya Safety Glass Sdn Bhd	-	-	-	-	5	<0.1	-	-
	2,481	7.6	1,828	6.1	2,406	4.9	605	N/A

11. CONFLICT OF INTEREST (Cont'd)

Note:

N/A The percentage of the related party transaction is not calculated as the financial statements from 1 January 2025 up to LPD was not prepared.

Based on the above, our Group's revenue and purchase transactions with Chin Hin group of companies were individually less than 10.0%.

In terms of sales to Chin Hin group of companies, the highest revenue contribution from Chin Hin group of companies accounted for only 1.3% of our Group's total revenue in FYE 2024. As such, our Group is not dependent on Chin Hin group of companies for our revenue.

In terms of purchases, the highest purchases from Chin Hin group of companies were in FYE 2022, which accounted for 7.6% of our Group's total purchases in FYE 2022. Although PP Chin Hin Sdn Bhd, Starken AAC Sdn Bhd, Starken Drymix Solutions Sdn Bhd, Asia Roofing Industries Sdn Bhd and Ajiya Safety Glass Sdn Bhd collectively form one of our Group's major suppliers for FYE 2022 to 2024, our Group does not consider ourselves to be dependent on them as the building materials supplied by Chin Hin group of companies are widely available in the market and our Group can source such materials from our existing supplier base without switching costs.

Premised on the above, our Board is of the view that the abovementioned conflict of interest situations of our Group are sufficiently mitigated.

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

It is our Board's fiduciary duty to avoid conflict, and they are required to attend courses which provide them guidelines on their fiduciary duties. In order to mitigate any possible conflict of interest situation in the future, our Directors will declare to our Audit Committee and our Board their interests in other companies at the onset and as and when there are changes in their respective interests in companies outside our Group. Our Audit Committee will then first evaluate if such Director's involvement gives rise to an actual or potential conflict of interest with our Group's business after the disclosure provided by such Director. After a determination has been made on whether there is an actual or potential conflict of interest of a Director, our Audit Committee will then:

- (a) immediately inform our Board of the conflict of interest situation; and
- (b) make recommendations to our Board to direct the conflicted Director to:
 - (i) withdraw from all his executive involvement in our Group in relation to the matter that has given rise to the conflict of interest (in the case where the conflicted Director is an Executive Director); and
 - (ii) abstain from all Board deliberation and voting in the matter that has given rise to the conflict of interest.

In relation to (b)(ii) above, the conflicted Director and persons connected to him (if applicable) shall be absent from any Board discussion relating to the recommendation of our Audit Committee and the conflicted Director and persons connected to him (if applicable) shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may, however at the request of the Chairman of our Board, be present at our Board meeting to answer any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Audit Committee may determine that a resignation of the conflicted Director from our Board is appropriate and necessary.

Where there are related party transactions between our Group with our Directors (or person connected to them) or companies in which our Directors (or person connected to them) have an interest, our Audit Committee will, amongst others, supervise and monitor such related party transaction and the terms thereof and report to our Board for further action. Please refer to Section 10.1 for the procedures to be taken to ensure that related party transactions (if any) are undertaken on arm's length basis.

11. CONFLICT OF INTEREST (Cont'd)

11.2 OTHER CONSIDERATIONS

11.2.1 Distinct business operations

Our Board recognises that certain subsidiaries of SIB namely Signature Cabinet Sdn Bhd, Signature Manufacturing Sdn Bhd, Signature Distribution Sdn Bhd, Signature Kitchen Sdn Bhd, KubiQ Sdn Bhd (collectively referred to as "**Subject Subsidiaries of SIB**") are in the business of designing, manufacturing and retailing of modular kitchen and wardrobe systems (e.g. kitchen cabinets and wardrobe) and installation of such products in Malaysia. In this respect, the comparison between the principal business activities, main products/ services, client base and geographical market of our Group and Subject Subsidiaries of SIB are as follows:

Description	Our Group	Subject Subsidiaries of SIB
Business activities	• Principally involved in the provision of interior fitting-out services which involve the process of actualisation of designs in an interior space. • Manufactures and supplies carpentry/ joinery parts, integral fixtures and wooden furniture solely for the interior fitting-out projects that we undertake in low volumes as the design and requirement differs from project to project. • Examples of furniture are tables, countertops, receptionist counters, storage spaces that are custom designed to fit the spatial layout and theme of the interior space that is being fitted out by our Group. • Labour intensive as it involves high level of customisation of carpentry/ joinery parts, integral fixtures and wooden furniture.	• Principally involved in design, manufacture and retail of modular kitchen and wardrobe systems (e.g. kitchen cabinets and wardrobe), and installation of such products in Malaysia. • Manufactures high volume of kitchen and wardrobe systems which are modular in nature. Modular furniture is pre-made in a factory in sizes and designs that are predetermined and as such, the manufacturing process is highly automated. • Modular kitchen and wardrobe systems are made to fit standard spaces as standalone units, and installation of such products are only provided to customers that purchase its modular furniture. • Does not produce customised pieces of kitchen and wardrobe.
Main products/services	Highly customised carpentry/ joinery parts, integral fixtures and wooden furniture used in our interior fitting-out projects.	Modular kitchen and wardrobe systems which have standard dimensions and are made to fit standard spaces as standalone units.

11. CONFLICT OF INTEREST (Cont'd)

Description	Our Group	Subject Subsidiaries of SIB
Client base	- Mainly owners or tenants of commercial, residential and industrial properties, main contractors and interior designers who (a) are consultants appointed by the property developers for the interior design work of the buildings; or (b) require interior fitting-out services for newly built properties or renovated/ refurbished properties. - Clients who are looking for our highly customised products to match their desired concepts.	- Mainly retail consumers, dealers and property developers as well as interior designers who seek standardised modular products that are made to fit standard spaces and often in large volumes. - Clients who seek modular furniture with standard dimensions to fit standard spaces.
Geographical market	- Malaysia - Does not have any plans to venture outside of Malaysia.	Malaysia and outside Malaysia (through dealers)
Brand	- Does not have a brand for our customised furniture as they are not marketed on a standalone basis. - All our customised furniture are for internal project use.	Products are marketed under "Signature" brand.

Notwithstanding the distinction between the business of our Group and Subject Subsidiaries of SIB as set out in the table above, Pro forma SIB Group has provided an irrevocable written undertaking letter dated 28 August 2024, addressed to our Board that Pro forma SIB Group shall refrain from soliciting or attempting to solicit any interior fitting-out services that is in competition with the business of our Group in Malaysia. The undertaking shall remain in effect from the date of the undertaking letter and continue for as long as it is required by our Group.

In addition, the products of our Group and Subject Subsidiaries of SIB are not substitutes of each other as our Group's products are highly customised for our interior fitting-out services. However, the products of our Group and Subject Subsidiaries of SIB may be complementary to each other based on the project requirements and budgets of clients.

11. CONFLICT OF INTEREST (Cont'd)

11.2.2 Operational independence

Our Group's operations are carried out independently from Pro forma SIB Group based on the following:

- (a) Chang Chung Fei, our Executive Director/ Group Chief Executive Officer, is responsible for formulating the strategic direction of our Group, as well as overseeing our Group's overall strategic planning and business growth. He is supported by other key senior management who have extensive knowledge and experience in our Group's business and play a significant role in the day-to-day operations as well as the implementation of our Group's business strategies;
- (b) We have our own production facilities to carry out our manufacturing activities in Bandar Baru Bangi and Puchong, Selangor. In addition, we currently operate primarily in our headquarters located in Kajang, Selangor as well as office located in Jalan Kuchai Lama, Kuala Lumpur, which has a built-up area of approximately 1,700 sq ft. Further, through the setup of corporate office and production facility in Selangor as disclosed in Sections 4.9(a) and 7.19.1, we intend to centralise our production activities to improve the overall efficiency of our production process, by relocating both our existing production facilities to the new production facility and relocate both the existing headquarters to the new corporate office;
- (c) We have our own HR and administration functions headed by Saw Gee Kai, our Group Chief Financial Officer, where he is supported by 8 personnel with HR and administration expertise as at LPD; and
- (d) Notwithstanding the business transactions between our Group with the Pro forma SIB Group as set out in Sections 10.1 and 11.1.2(i), none of the companies within the Pro forma SIB Group are our Group's top 5 major clients, suppliers or subcontractors for FYE 2021 to 2024. Further, there is no dependency between our Group and Pro forma SIB Group in view of the following:
 - (i) We are not dependent on the purchases from the Pro forma SIB Group as we have 436 approved suppliers and 565 approved subcontractors as at LPD; and
 - (ii) We have completed a total of 624 individual interior fitting-out projects with a combined project value of RM391.6 million during FYE 2021 to 2024 and up to LPD. As at LPD, we also currently have a total of 69 ongoing projects with a total contract value of RM902.4 million and unbilled contract value of RM388.6 million or 43.1% of the total value, of which only RM0.8 million or 0.2% of our total unbilled order book were awarded by the Pro forma SIB Group.

11. CONFLICT OF INTEREST (Cont'd)

After our Listing, our Board will ensure that related party transactions are undertaken on arm's length basis and on normal commercial terms based on the established procedures as set out in Section 10.1 where our Board shall seek mandate from shareholders to enter into any recurrent related party transactions at a general meeting and where required under the Listing Requirements, a related party transaction may require prior approval of shareholders at a general meeting to be convened.

11.2.3 Financial independence

(a) Finance and accounting functions

As at LPD, both our Group and Pro forma SIB Group have separate finance and accounting functions. We have our own finance and accounting functions headed by Saw Gee Kai, our Group Chief Financial Officer, where he is supported by 11 personnel with finance and accounting expertise as at LPD.

(b) Internal control

In conjunction with our Listing, we have appointed an internal control reviewer to perform the internal control review function independently from the Pro forma SIB Group. Moving forward, the internal control reviewer shall report directly to our Audit Committee and Risk Management and Sustainability Committee.

(c) Borrowings and financing arrangements

- (i) As at LPD, there are no outstanding loans or financial assistance made by our Group to/ for the benefit of Pro forma SIB Group or granted by Pro forma SIB Group for the benefit of our Group. As at LPD, all advances provided by Pro forma SIB Group as disclosed in Section 10.1 have been fully settled. Moving forward, our Group will not receive any advances from our related parties, and will also not provide any advances to our related parties; and
- (ii) Upon our Listing, all the corporate guarantees provided by Pro forma SIB Group to the financial institutions to secure the banking facilities of our Group will be substituted with corporate guarantees from our Company as disclosed in Section 10.2.2(b).

11.2.4 Management independence

Save for the corporate representative of SIB on our Board, namely Lau Kock Sang, being our Non-Independent Non-Executive Director and the Group Chief Executive Officer of SIB, there is no other common director or key senior management between our Group and Pro forma SIB Group.

11. CONFLICT OF INTEREST (Cont'd)

11.3 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS

- (a) M&A Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Adviser, Sponsor, Managing Underwriter and Joint Placement Agent for our Listing, notwithstanding M&A Securities' concurrent appointment as the Adviser to SIB for our Listing;
- (b) Affin Hwang IB has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Joint Underwriter and Joint Placement Agent for our Listing;
- (c) Phang Tham Teoh & Co has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Solicitors for our Listing, notwithstanding Phang Tham Teoh & Co's concurrent appointment as the Solicitors to SIB for our Listing;
- (d) UHY Malaysia PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as Auditors and Reporting Accountants for our Listing; and
- (e) Providence has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as IMR for our Listing.

Separately, in the past 5 years, Phang Tham Teoh & Co and UHY Malaysia PLT have been providing their professional services to our substantial shareholders, namely Chin Hin and SIB for their past and ongoing corporate exercises such as acquisitions and disposals amongst others. Our company secretaries have also been providing company secretarial services to SIB. In addition, UHY Malaysia PLT is also the external auditors providing statutory audit services to Chin Hin and SIB.

Our Board and Sponsor are of the view that the abovementioned engagements and/ or appointments do not give rise to any conflict of interest situation for our Listing in view that:

- (a) in relation to the appointment of M&A Securities and Phang Tham Teoh & Co as the Adviser and Solicitors to SIB for our Listing respectively, our Listing is a corporate proposal being undertaken by both our Company and SIB, of which SIB is our major shareholder;
- (b) our Listing is not related to any other engagements by Chin Hin and SIB and there are separate terms of reference as advisers for our Listing and such other engagements. Further, the advisory fees payable for our Listing are not dependent upon the outcome of the other engagements or vice versa;
- (c) save for their advisory/ professional role, none of the directors, shareholders and/ or key management of the respective advisers are involved in Chin Hin or SIB; and
- (d) the respective advisers have acted and/ or are acting in their professional capacity in relation to their respective engagements with our Company, Chin Hin and SIB.

12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our Company was incorporated on 10 January 2024 to facilitate our Listing, and we completed the Acquisitions on 3 March 2025. The historical financial information of our Group for FYE 2021 to 2024 is therefore presented based on the audited combined financial statements of our Group.

The audited combined financial statements throughout FYE 2021 to 2024 have been prepared in accordance with MFRS and IFRS. The selected financial information included in this Prospectus is not intended to predict our Group's financial position, results and cash flows.

12.1.1 Combined statements of profit or loss and other comprehensive income

The following table sets out a summary of our audited combined statements of profit or loss and other comprehensive income for FYE 2021 to 2024 which have been extracted from the Accountants' Report as set out in Section 13. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively. The information presented here reflects the past performance of our Group for FYE 2021 to 2024 which is not necessarily indicative of future results.

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Revenue	73,412	139,460	173,383	386,016
Cost of sales	(60,000)	(121,511)	(144,079)	(304,316)
GP	13,412	17,949	29,304	81,700
Other income	399	469	925	601
Administrative expenses	(7,318)	(10,059)	(14,425)	(25,713)
Other expenses	(654)	(454)	(763)	(1,274)
Net (loss)/ gain on impairment of financial instruments and contract assets	(1,521)	908	728	1,084
Finance costs	(1,494)	(1,697)	(1,861)	(2,069)
PBT	2,824	7,116	13,908	54,329
Taxation	(107)	(1,352)	(3,485)	(13,770)
PAT for the financial year, representing total comprehensive income for the financial year	2,717	5,764	10,423	40,559
EBIT ⁽¹⁾	4,275	8,671	15,358	56,185
EBITDA ⁽¹⁾	4,774	9,125	15,942	57,300
GP margin (%) ⁽²⁾	18.3	12.9	16.9	21.2
PBT margin (%) ⁽³⁾	3.8	5.1	8.0	14.1
PAT margin (%) ⁽³⁾	3.7	4.1	6.0	10.5
Basic EPS (sen) ⁽⁴⁾	0.37	0.78	1.41	5.48
Diluted EPS (sen) ⁽⁵⁾	0.27	0.58	1.04	4.06

12. FINANCIAL INFORMATION (Cont'd)

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
PAT	2,717	5,764	10,423	40,559
Less:				
Interest income	(43)	(142)	(411)	(213)
Add:				
Finance costs	1,494	1,697	1,861	2,069
Taxation	107	1,352	3,485	13,770
EBIT	4,275	8,671	15,358	56,185
Add:				
Depreciation	499	454	584	1,115
EBITDA	4,774	9,125	15,942	57,300

- (2) Calculated based on GP over revenue.
- (3) Calculated based on PBT or PAT over revenue.
- (4) Calculated based on PAT over share capital of 740,000,000 Shares before IPO.
- (5) Calculated based on PAT over enlarged share capital of 1,000,000,000 Shares after IPO.

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12. FINANCIAL INFORMATION (Cont'd)**12.1.2 Combined statements of financial position**

The following table sets out the combined statements of financial position of our Group as at 31 December 2021, 2022, 2023 and 2024 which have been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Assets				
Non-current assets				
Property, plant and equipment	3,469	3,436	⁽⁴⁾ 8,509	9,326
Right-of-use assets	3,396	3,120	4,170	7,990
Investment properties	7,665	7,735	7,965	7,315
Other financial assets	-	-	371	371
Deferred tax assets	-	324	496	158
Total non-current assets	14,530	14,615	21,511	25,160
Current assets				
Inventories	4	-	133	38
Contract assets	40,995	49,409	52,939	104,169
Trade receivables	17,575	24,598	35,629	96,643
Other receivables ⁽²⁾	504	2,231	9,350	5,716
Amount due from related companies ⁽⁵⁾	-	44	142	2,399
Tax recoverable	109	14	18	13
Fixed deposits with licensed banks	1,077	3,319	2,139	3,287
Cash and bank balances	1,261	2,425	8,707	36,982
Total current assets	61,525	82,040	109,057	249,247
Total assets	76,055	96,655	130,568	274,407
Equity and liabilities				
Equity				
Share capital	-	-	-	⁽¹⁾ -
Invested equity	1,500	1,500	2,500	2,500
Merger reserve	350	-	-	-
Revaluation reserve	-	-	293	⁽⁶⁾ 3,673
Retained earnings	15,404	21,168	35,728	59,962
Total equity	17,254	22,668	38,521	66,135
Liabilities				
Non-current liabilities				
Lease liabilities	488	290	930	852
Bank borrowings	12,340	11,438	14,577	12,775
Deferred tax liabilities	3	3	3	823
Total non-current liabilities	12,831	11,731	15,510	14,450
Current liabilities				
Contract liabilities	6	1,013	3,747	10,410
Trade payables	27,042	36,861	44,416	128,938
Other payables ⁽³⁾	2,187	2,319	3,793	13,003
Amount due to holding company	-	21	4,805	-

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Amount due to a Director	(1)-	1,500	1,767	-
Lease liabilities	252	198	426	433
Bank borrowings	16,448	19,734	15,160	32,008
Tax payable	35	591	2,423	7,924
Total current liabilities	45,970	62,256	76,537	193,822
Total liabilities	58,801	73,987	92,047	208,272
Total equity and liabilities	76,055	96,655	130,568	274,407

Notes:

- (1) Represents less than RM500.
- (2) The breakdown of our other receivables are as follows:

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Other receivables	342	1,341	(i)6,706	(v)3,527
Amount due from a former subsidiary	-	-	(ii)1,200	-
Deposits ⁽ⁱⁱⁱ⁾	128	525	960	1,188
Prepayments ^(iv)	34	365	484	1,001
	504	2,231	9,350	5,716

Notes:

- (i) Mainly comprise (i) cash consideration of RM3.5 million from the identified purchasers for the disposal of Best Stone which was received in February 2024; (ii) advance payments to suppliers and subcontractors of RM1.6 million; and (iii) amount receivables from a financial institution of RM1.2 million as security for performance bonds. Such amount was refunded in January 2024 upon expiration of the bank guarantee.
- (ii) Relates to advances provided to Best Stone for its working capital requirements. Such amount was fully repaid to our Group as at LPD.
- (iii) Mainly comprise rental and utilities deposits as well as tender deposits paid upon the submission of project tenders.
- (iv) Mainly comprise prepayments for insurance and bank guarantee fees which will be charged out for a tenure up to 14 months, licences, insurance, leases, Human Resources Development Fund contribution and professional fee incurred for our Listing.
- (v) Mainly comprise advance payments to suppliers and subcontractors of RM3.1 million.

12. FINANCIAL INFORMATION (Cont'd)

(3) The breakdown of our other payables are as follows:

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Other payables ⁽ⁱ⁾	50	35	532	230
Accruals ⁽ⁱⁱ⁾	2,065	2,218	3,164	4,497
Deposits received ⁽ⁱⁱⁱ⁾	39	45	54	62
Dividend payables	-	-	-	^(iv) 8,106
Sales and service tax payable	33	21	43	108
	2,187	2,319	3,793	13,003

Notes:

- (i) Mainly comprise advance payment received from our client and outstanding amounts arising from non-trade transactions such as insurance, printing and stationery expenses.
 - (ii) Mainly comprise accruals for employees' salaries, bonuses and statutory contributions as well as professional fees such as audit fee, secretarial fee and tax agent fee. The increase in accruals as at 31 December 2023 and 31 December 2024 due to higher accruals for bonuses and salaries to employees.
 - (iii) Comprise deposits received from tenants for our rented properties.
 - (iv) Represent dividend declared in respect of FYE 2024.
- (4) The increase in property, plant and equipment of RM5.1 million as at 31 December 2023 as compared to 31 December 2022 was mainly attributable to the inclusion of the property, plant and equipment of Zig Zag Builders at carrying amount of RM5.1 million following its inclusion into our Group in August 2023.
- (5) These amount due from related companies were trade in nature.
- (6) Upon the completion of Chin Hin's acquisition of SIB in April 2024, Chin Hin became the ultimate holding company of our Group. Our Group has adopted revaluation model for the leasehold land and buildings in accordance to MFRS 116 in FYE 2024, to be in line with the accounting policies of our ultimate holding company and immediate holding company.

As such, higher revaluation reserve arose after our leasehold land and buildings (i.e. our production facility located in Bandar Baru Bangi, Selangor and headquarters) have been valued by independent professional valuer where the fair value of such leasehold land and buildings are higher than its original carrying amount as at 31 December 2024.

For clarity, the abovementioned valuation of the said property assets was prepared in accordance with the Malaysian Valuation Standards and not Asset Valuation Guidelines issued by the SC as the valuation was conducted pursuant to our adoption of the revaluation model to be in line with the accounting policies of our ultimate holding company and immediate holding company and not pursuant to our Listing.

12. FINANCIAL INFORMATION (Cont'd)**12.1.3 Combined statements of cash flows**

The following table sets out the combined statements of cash flows of our Group for FYE 2021 to 2024 which has been extracted from the Accountants' Report. It should be read with the "Management's Discussion and Analysis of Results of Operations and Financial Condition" and Accountants' Report set out in Sections 12.2 and 13 respectively.

	Audited			
	FYE	FYE	FYE	FYE
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Cash flow (used in)/from operating activities				
PBT	2,824	7,116	13,908	54,329
Adjustments for:				
Bad debt written off	-	-	50	-
Depreciation of property, plant and equipment	195	178	290	641
Depreciation of right-of-use assets	304	276	294	474
Fair value loss/(gain) on investment properties	155	(70)	(230)	-
Fair value loss on other financial assets	-	-	129	-
Finance cost	1,494	1,697	1,861	2,069
Gain on termination of lease contracts	-	-	-	(3)
Impairment losses on contract assets	514	1,444	832	425
Impairment loss on property, plant and equipment	-	-	-	170
Impairment losses on trade receivables	1,612	106	605	324
Loss on disposal of investment in a subsidiary	-	-	(1)-	-
Gain on disposal of property, plant and equipment	(53)	(75)	(85)	(10)
Gain on disposal of right-of-use assets	(1)-	-	-	-
Interest income	(43)	(142)	(411)	(213)
Reversal of impairment losses on contract assets	-	(1,216)	(68)	(610)
Reversal of impairment losses on trade receivables	(605)	(1,242)	(2,097)	(1,223)
Operating profit before changes in working capital	6,397	8,072	15,078	56,373
Changes in working capital:				
Decrease/ (Increase) in inventories	92	4	(75)	95
(Increase)/ Decrease in contract assets/liabilities	(12,146)	(7,635)	1,479	(44,382)
Increase in trade receivables	(2,474)	(5,887)	(6,496)	(59,961)
Decrease/ (Increase) in other receivables	13	(1,727)	(1,698)	(1,106)
Increase in trade payables	7,941	9,819	6,990	84,522
Increase in other payables	1,036	132	1,435	1,104
Amount due from/ (to) related companies	-	(41)	(100)	(1,186)
Cash generated from operations	859	2,737	16,613	35,459
Interest received	29	78	3	26
Tax paid	(900)	(1,078)	(2,765)	(7,926)
Tax refund	-	53	-	-
Net cash (used in)/ from operating activities	(12)	1,790	13,851	27,559
Cash flows from/ (used in) investing activities				
Acquisition of subsidiaries	-	⁽³⁾ (350)	-	-
Addition of investment in a subsidiary	-	-	⁽⁴⁾ (7,080)	-
(Advances to)/ Repayment from a former subsidiary	-	-	(1,200)	1,200
Advances from a former subsidiary	-	-	3,540	-
Balance of proceeds consideration from disposal of a subsidiary	-	-	-	3,540

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE	FYE	FYE	FYE
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Net cash outflows from effect arising from merger method of accounting	-	-	(933)	-
Proceeds from disposal of property, plant and equipment	53	75	105	10
Proceeds from disposal of investment properties	-	-	-	650
Proceeds from disposal of right-of-use assets	204	-	-	-
Purchase of property, plant and equipment	(7)	(145)	(246)	(1,276)
Purchase of right-of-use assets	(47)	-	(153)	(34)
Net cash from/ (used in) investing activities	203	(420)	(5,967)	4,090
Cash flows from/ (used in) financing activities				
(Increase)/ Decrease in fixed deposit pledged with licensed banks	(41)	(2,179)	1,499	(1,115)
Drawdown of term loans	-	-	174	-
Dividends paid	-	-	-	(8,219)
Net changes in amount due to holding company	-	21	4,784	(4,805)
Net changes in amount due to related companies	-	17	(17)	35
Net changes in amount due to a Director	(2,300)	1,500	169	(1,741)
Net proceeds from bankers' acceptance	8,120	1,719	(3,863)	18,315
Net proceeds from/ (repayment of) factoring	-	1,891	(1,891)	-
Repayment of loan to a third party	(2,958)	-	-	-
Repayment of term loans	(572)	(940)	(1,432)	(2,123)
Payment of lease liabilities	(474)	(252)	(310)	(506)
Proceeds from issuance of shares	-	-	-	(1)-
Interest paid	(1,494)	(1,697)	(1,861)	(2,069)
Net cash from/ (used in) financing activities	281	80	(2,748)	(2,228)
Net increase in cash and cash equivalents	472	1,450	5,136	29,421
Cash and cash equivalents at the beginning of financial year	503	975	2,425	7,561
Cash and cash equivalents at the end of financial year	975	2,425	7,561	36,982

Notes:

- (1) Represents less than RM500.
- (2) Cash and cash equivalents comprise the following:

	Audited			
	FYE	FYE	FYE	FYE
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Fixed deposits with licensed banks	1,077	3,319	2,139	3,287
Cash and bank balances	1,261	2,425	8,707	36,982
Bank overdrafts	(286)	-	(1,146)	-
	2,052	5,744	9,700	40,269
Less: Fixed deposits pledged with licensed banks	(1,077)	(3,319)	(2,139)	(3,287)
	975	2,425	7,561	36,982

12. FINANCIAL INFORMATION (Cont'd)

- (3) Represent the acquisitions of SAF, SAR, SAF Manufacturing and SACabinet by SAC for RM0.4 million in FYE 2022.
- (4) Represents capital injection into Best Stone by SAC for RM7.1 million in July 2023 for the acquisition by Best Stone of business and operating assets of Best Stone Building Material Sdn Bhd, out of which RM3.5 million was later advanced to SAC. As part of our Group's business strategy alignment process, our Group disposed its entire shareholdings in Best Stone for RM7.1 million payable by cash of RM3.5 million and the remaining balance of RM3.5 million was offset against the earlier advances provided to SAC. The said disposal was completed on 29 December 2023.

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12. FINANCIAL INFORMATION (Cont'd)

12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion and segmental analysis of our combined financial statements for FYE 2021 to 2024 should be read with the Accountants' Report included in Section 13.

12.2.1 Overview of our operations

(a) Principal activities

Our Group is principally involved in the provision of interior fitting-out services which typically involve the process of actualisation of designs in the interior space.

Our clients typically comprise owners or tenants of commercial, residential and industrial properties, main contractors and interior designers who (i) are consultants appointed by the property developers for the interior design work of the buildings; or (ii) require interior fitting-out services for newly built properties or renovated/refurbished properties.

All of our contracts are on a project-by-project basis and are typically non-recurring.

In some of our interior fitting-out projects, our clients may include building construction works as part of its project scope of works. In such instances, we are required to carry out civil and structural works. We will engage subcontractors to undertake these civil and structural works under the supervision of our project management team. For clarity, we will only carry out building construction works if it is an integral part of the interior fitting-out works that we are involved in.

We also trade building materials on an ad-hoc basis, only when we receive such requests from our subcontractors in relation to the interior fitting-out projects that we engage them to undertake. Historically, our Group has supplied building materials such as tiles to them.

Please refer to Section 7 for our Group's detailed business overview.

(b) Revenue

(i) Provision of interior fitting-out services

The nature of our provision of interior fitting-out services is on a project-basis. Our clients issue letter of award/ purchase order for contracts to engage our Group. The scope of work could differ depending on the requirements of our clients and vary from project to project.

The length of projects is generally between 1 and 15 months. Any subsequent changes in the initially agreed scope or pricing will be set out in a variation order and/ or revised work order which will be issued by our clients or their consultants.

Our revenue from the provision of interior fitting-out services is measured and recognised by reference to the progress towards complete satisfaction of our performance obligation. The progress towards complete satisfaction of a performance obligation is measured by reference to the construction progress using input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs.

12. FINANCIAL INFORMATION (Cont'd)

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

As such, our revenue generated from this segment in any financial year fluctuates depending on the number of projects which we undertake and stage of completion of the projects.

(ii) Trading

We also trade building materials on an ad-hoc basis, only when we receive such requests from our subcontractors in relation to the interior fitting-out projects that we engage them to undertake. Revenue from trading segment is recognised at a point of delivery when the risk and rewards of the products has been transferred to our subcontractors and coincides with the delivery of products and acceptance by them.

(c) Cost of sales

Our cost of sales comprises purchases, subcontractors' costs and project expenses as follows:

(i) Purchases

Our Group's purchases mainly consist of loose furniture and system furniture, light fittings, audio visual systems, plywood, laminates and wooden board.

We generally purchase our materials based on our projects' requirements. These materials are widely available in Malaysia and sourced from our large base of approved suppliers. Our approved suppliers are selected based on their pricing, availability and lead time for delivery.

(ii) Subcontractors' cost

We may subcontract certain aspects of our interior fitting-out works, MEP works including ductwork, metal works and wet works. Our subcontractors will be responsible for supplying or procuring the materials to be used in the interior fitting-out projects such as finishing materials, MEP components including electrical components, air-conditioning, and fire protection materials.

The factors whether to subcontract the services to our subcontractors include, among other things, capacity of our production facilities, internal manpower and financial resources, availability of subcontractors, complexity, size and type of project, timing, costs, profitability and nature of work.

(iii) Project expenses

Project expenses mainly comprise rental of machineries, tools and equipment, site expenses, project professional fees, project insurances, utilities, travelling and accommodation expenses.

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

Other income mainly comprise interest income, fair value gain on investment properties, gain on disposal of property, plant and equipment, rental income, and wages subsidy.

(e) Administrative expenses

Administrative expenses mainly comprise staff costs, directors' remuneration, upkeep and maintenance, professional fees and stamping fees.

(f) Other expenses

Other expenses comprise depreciation of property, plant and equipment, depreciation of right-of-use assets, fair value loss on investment properties, fair value loss on other financial assets and bad debts written off.

(g) Net (loss)/ gain on impairment on financial instruments and contract assets

For the application of MFRS 9 *Financial Instruments*, our Group estimates a lifetime expected credit loss ("ECL") allowance for all financial assets. Collective impairment was based on the credit risk and the days past due, while individual impairment was based on specific receivables that are credit impaired. We derived the ECL rates based on the payment profiles of past sales and the corresponding historical credit losses which is then adjusted based on reasonable and supportable qualitative and quantitative forward-looking information. Reversal of impairment losses are made when there are subsequent collections.

(h) Finance costs

Finance costs mainly comprise interests charged on bankers' acceptance, term loans, Syarikat Jaminan Pembiayaan Perniagaan ("SJPP") loan, lease liabilities and bank overdrafts.

(i) Recent developments

Save as disclosed below, there were no other significant events subsequent to our Group's audited combined financial statements for FYE 2024:

- (i) Acquisitions;
- (ii) Shareholdings Reorganisation; and
- (iii) Dividends declared and paid as set out in Section 12.16.

(j) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during FYE 2021 to 2024. In addition, our audited combined financial statements for the FYE 2021 to 2024 were not subject to any audit qualifications.

12. FINANCIAL INFORMATION (Cont'd)

12.2.2 Review of our results of operations

(i) Revenue

Analysis of revenue by segment

		Audited							
		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of interior fitting-out services ⁽¹⁾		73,401	100.0	139,414	100.0	173,383	100.0	386,016	100.0
Trading ⁽²⁾		11	<0.1	46	<0.1	-	-	-	-
		73,412	100.0	139,460	100.0	173,383	100.0	386,016	100.0

Notes:

- (1) Includes building construction works for certain projects. Our Group does not consider building construction works as a separate business segment as such works are normally awarded by our client as part of the interior fitting-out works under a single LOA.
- (2) We supply building materials such as tiles to our subcontractors in relation to the interior fitting-out projects that we engage them to undertake, on ad-hoc basis.

Our revenue for FYE 2021 to 2024 were mainly derived from the provision of interior fitting-out services segment, which accounted for majority of our total revenue in FYE 2021 to 2024.

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12. FINANCIAL INFORMATION (Cont'd)**Analysis of revenue from provision of interior fitting-out services by types of properties**

Our Group's revenue contribution from provision of interior fitting-out services presented by the types of properties varies from period to period according to the ongoing and new projects secured by our Group in a particular period.

		Audited							
		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Commercial		73,026	99.5	137,717	98.8	162,434	93.7	290,200	75.2
• Retail and hospitality		15,363	20.9	7,364	5.3	27,483	15.9	122,834	31.8
• Corporate offices		56,852	77.5	100,491	72.1	73,456	42.4	113,111	29.3
• Showrooms and sales galleries		770	1.0	5,916	4.2	8,576	4.9	24,617	6.4
• SOHO		-	-	23,902	17.2	52,884	30.5	6,037	1.6
• Education institution		41	0.1	44	-	-	-	-	-
• Medical and wellness		-	-	-	-	35	-	23,601	6.1
Residential		375	0.5	1,697	1.2	5,830	3.4	24,855	6.4
• High-rise buildings		375	0.5	1,692	1.2	5,479	3.2	21,251	5.5
• Landed		-	-	5	-	351	0.2	3,604	0.9
Industrial		-	-	-	-	5,119	2.9	70,961	18.4
		73,412	100.0	139,460	100.0	173,383	100.0	386,016	100.0

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12. FINANCIAL INFORMATION (Cont'd)

Our revenue for FYE 2021 to 2024 were mainly derived from commercial properties, which accounted for 75.2% to 99.5% of revenue from provision of interior fitting-out services in FYE 2021 to 2024. Major projects contributing to our revenue during FYE 2021 to 2024 are as follows:

(a) Commercial properties

No.	Project name	Client Name	Contract period ⁽¹⁾	Total contract sum ⁽²⁾ RM'000	Revenue recognised				Remaining contract sum RM'000
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	
1.	TRX1 – IJM Project	IJM Construction Sdn Bhd	November 2019 to January 2022	⁽³⁾ 19,298	17,065	812	⁽⁴⁾ (1,140)	-	-
2.	TRX2 – Client A Project	Client A	January 2020 to March 2022	⁽⁵⁾ 60,003	36,830	21,208	⁽⁶⁾ 366	⁽⁶⁾ 41	-
3.	Shah Alam Project	HAB Construction Sdn Bhd	March 2019 to May 2022	⁽⁷⁾ 35,285	10,897	2,389	⁽⁴⁾ (1,816)	-	-
4.	Bukit Jalil Project	Elitetrax Marketing Sdn Bhd	August 2021 to November 2021	5,010	4,745	⁽⁸⁾ 265	-	-	-
5.	TRX3 – Client H Project	Client H	April 2022 to August 2022	47,848	-	47,124	⁽⁹⁾ 664	⁽⁹⁾ 60	-
6.	Jalan Ampang 1 Project	Bellajade Sdn Bhd	May 2022 to June 2024	82,124	-	23,902	52,884	5,338	-
7.	TRX4 – DNB Project	Digital Nasional Berhad	August 2022 to December 2022	22,940	-	17,710	⁽¹¹⁾ 5,230	-	-
8.	Bangsar 1 Project	Google Services Malaysia Sdn Bhd	September 2022 to May 2023	25,972	-	9,471	16,501	-	-

12. FINANCIAL INFORMATION (Cont'd)

No.	Project name	Client Name	Contract period ⁽¹⁾	Total contract sum ⁽²⁾	Revenue recognised				Remaining contract sum
					FYE 2021	FYE 2022	FYE 2023	FYE 2024	
				RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
9.	Kota Damansara Project	Signature Kitchen Sdn Bhd	November 2021 to November 2022	5,300	49	5,133	⁽¹¹⁾ 118	-	-
10.	Bukit Tinggi Project	Meng Kei Construction Sdn Bhd	August 2021 to June 2023	5,718	67	4,253	1,698	⁽⁴⁾ (300)	-
11.	TRX5 – Client A Project	Client A	November 2022 to March 2023	21,865	-	2,002	19,863	-	-
12.	Bukit Jalil Residence Project	Frazel Construction Sdn Bhd	February 2023 to August 2023	3,483	-	-	3,483	-	-
13.	Eco City Project	BASF Asia-Pacific Service Centre Sdn Bhd	March 2023 to March 2024	27,430	-	-	15,802	11,628	-
14.	KL Sentral Project	Google Services Malaysia Sdn Bhd	April 2023 to July 2023	8,046	-	-	7,928	⁽¹²⁾ 118	-
15.	TRX6 – LL Project	Lendlease Projects (M) Sdn Bhd	October 2023 to January 2025 ⁽¹³⁾	49,330	408	1,382	6,719	25,800	15,021
16.	Mid Valley Project	Elitetrax Marketing Sdn Bhd	July 2023 to September 2024	5,063	-	-	4,367	696	-
17.	Bangsar 2 Project	Client M	May 2023 to January 2024	5,732	-	-	4,452	1,280	-
18.	Damansara 1 Project	Elitetrax Marketing Sdn Bhd	July 2023 to September 2023	3,549	-	-	3,549	-	-

12. FINANCIAL INFORMATION (Cont'd)

No.	Project name	Client Name	Contract period ⁽¹⁾	Total contract sum ⁽²⁾	Revenue recognised				Remaining contract sum
				RM'000	FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	RM'000
19.	KL Project	TTDI KL Metropolis Sdn Bhd	February 2023 to July 2024	9,038	-	-	2,791	6,247	-
20.	Port Dickson Project	Frazel Construction Sdn Bhd	June 2023 to December 2025	24,875	-	-	3,518	7,324	14,033
21.	Cyberjaya Project	Sky Park Properties Sdn Bhd	January 2024 to May 2025	94,998	-	-	498	46,937	47,563
22.	Sri Petaling 1 Project	PP Chin Hin Realty	July 2024 to February 2025	83,067	-	-	-	25,800	57,267
23.	TRX8 – Client H Project	Client H	March 2024 to June 2024	24,441	-	-	-	24,441	-
24.	Meru Raya Project	Permata Rebana & Vizione Holdings JV Sdn Bhd	September 2023 to September 2025	78,203	-	-	32	23,601	54,570
25.	TRX7 – TAG Project	Access Group of Companies Malaysia Sdn Bhd	March 2024 to October 2024	18,244	-	-	40	18,204	-
26.	Damansara Project	CBRE GWS Sdn Bhd	March 2024 to June 2024	16,353	-	-	-	16,160	193
27.	Avenue Project	Veritas Architects Sdn Bhd (on behalf of USJ Citypoint Sdn Bhd)	June 2024 to January 2025	12,394	-	-	-	9,420	2,974
28.	Sunway Project	Client W	September 2023 to September 2024	8,475	-	-	25	8,450	-

12. FINANCIAL INFORMATION (Cont'd)

No.	Project name	Client Name	Contract period ⁽¹⁾	Total contract sum ⁽²⁾ RM'000	Revenue recognised				Remaining contract sum RM'000
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	
29.	Melaka Project	Chin Hin Property (Melaka) Sdn Bhd	June 2024 to January 2025	7,457	-	-	-	6,652	805

Notes:

- (1) Refers to commencement date until the expected completion date of each project. Commencement date of each project is based on the respective LOAs or purchase orders or management estimates on commencement date. Completion date of each project is based on the completion date set out in the respective LOAs and includes subsequent extension of time required to deliver variation of work orders from the clients to our Group or based on the date of CPC, if any.
- (2) Contract value as at LPD of each project includes original contract value as per LOAs or purchase orders and subsequent variation orders, if any.
- (3) Revenue of RM2.6 million was recognised in the previous financial year, FYE 2020.
- (4) The negative revenue relates to revision in contract sum upon finalisation of final accounts.
- (5) Revenue of RM1.6 million was recognised in the previous financial year, FYE 2020.
- (6) Our Group had completed the works in March 2022. The revenue recognised in FYE 2023 is a result of finalisation of final accounts in 2023 and the remaining revenue recognised in FYE 2024 is a result of variation orders.
- (7) Revenue of RM23.8 million was recognised in the previous financial years, FYE 2019 and FYE 2020.
- (8) Our Group had completed the works in November 2021. The revenue recognised in FYE 2022 was a result of variation orders.
- (9) Our Group had completed the works in FYE 2022. The revenue recognised in FYE 2023 and FYE 2024 was due to variation orders.
- (10) These projects' works have been completed and the project sites have been handed over to the respective client as at LPD. As at LPD, our Group is in the midst of finalising the final accounts with the clients.

12. FINANCIAL INFORMATION (Cont'd)

- (11) Our Group had completed the works required for the respective project in FYE 2022. The revenue recognised in FYE 2023 was due to variation orders.
- (12) Our Group had completed the works required in FYE 2023. The revenue recognised in FYE 2024 was due to final accounts statement obtained from client in April 2024.
- (13) Our Group expects that there will be a delay for this project and had since August 2024 applied for an extension of time up to October 2025 to complete this project. In October 2024, our Group was notified by the main contractor that the date of practical completion for this project has been revised to July 2025. Notwithstanding this, the decision for the extension of time is still pending as at LPD, as the main contractor is still awaiting the approval/ reply from the project owner for the said extension of time. Nevertheless, the works for this project are still ongoing, and the client's consultants are still certifying our Group's works for purposes of its progress billings and payments.

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12. FINANCIAL INFORMATION (Cont'd)**(b) Residential properties**

No.	Project name	Client Name	Contract period ⁽¹⁾	Total contract sum ⁽²⁾ RM'000	Revenue recognised				Remaining contract sum RM'000
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	
1.	Bukit Bintang Project	Badan Pengurusan Bersama Pavilion Kuala Lumpur	April 2023 to March 2024	3,189	-	-	2,468	721	-
2.	Tropicana Project	Al Ambia Sdn Bhd	January 2024 to January 2025	8,015	-	-	-	6,648	⁽³⁾ 1,367
3.	Tropicana Cenang Project	Isedecor Bina Sdn Bhd	October 2024 to October 2025	42,975	-	-	-	9,366	33,609

Notes:

- ⁽¹⁾ Refer to commencement date until the expected completion date of each project. Commencement date of each project is based on the respective LOAs or purchase orders or management estimates on commencement date. The completion date of each ongoing project is based on the completion date set out in the respective LOAs and includes subsequent extension of time required to deliver variation of work orders from the clients to our Group, whereas the completion date for completed project is based on the date of handover or date of CPC.
- ⁽²⁾ Contract value as at LPD of each project includes original contract value as per LOAs or purchase orders and subsequent variation orders, if any.
- ⁽³⁾ The works of this project have been completed and the project site has been handed over to the client as at LPD. As such, contract revenue has been fully recognised for the project based on works done.

12. FINANCIAL INFORMATION (Cont'd)**(c) Industrial properties**

No.	Project name	Client Name	Contract period ⁽¹⁾	Total contract sum ⁽²⁾ RM'000	Revenue recognised				Remaining contract sum RM'000
					FYE 2021 RM'000	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	
1.	Bayan Lepas 1 Project	Filtech Sdn Bhd	July 2022 to February 2025 ⁽⁵⁾	⁽³⁾ 23,679	-	-	1,254	12,994	6,604
2.	Bayan Lepas 2 Project	Client E	June 2022 to January 2025 ⁽⁵⁾	⁽⁴⁾ 32,170	-	-	3,646	16,590	8,887
3.	Bayan Lepas 3 Project	Client E	December 2023 to August 2024	4,103	-	-	16	4,087	-
4.	Bandar Enstek Project	Ace Logistic Sdn Bhd	December 2023 to March 2025	38,031	-	-	-	35,251	2,780

Notes:

- (1) Refer to commencement date until the expected completion date of each project. Commencement date of each project is based on the respective LOAs or purchase orders or management estimates on commencement date. The completion date of each ongoing project is based on the completion date set out in the respective LOAs and includes subsequent extension of time required to deliver variation of work orders from the clients to our Group, whereas the completion date for completed project is based on the date of handover or date of CPC.
- (2) Contract value as at LPD of each project includes original contract value as per LOAs or purchase orders and subsequent variation orders, if any.
- (3) Revenue amounting to RM2.8 million was recognised by Zig Zag Builders in FYE 2022 and FYE 2023 (prior to the inclusion of Zig Zag Builders to our Group), resulted in difference between total revenue recognised and remaining contract sum with total contract sum.

12. FINANCIAL INFORMATION (*Cont'd*)

- (4) Revenue amounting to RM3.1 million was recognised by Zig Zag Builders in FYE 2022 and FYE 2023 (prior to the inclusion of Zig Zag Builders to our Group), which resulted in difference between total revenue recognised and remaining contract sum with total contract sum.
- (5) Our Group expects that there will be a delay for this project and had since March 2025 applied for an extension of time up to October 2025 (Bayan Lepas 2 Project) and September 2025 (Bayan Lepas 1 Project) respectively to complete the projects. The decision for the extension of time is still pending as at LPD. Nevertheless, the works for the projects are still ongoing, and the client's consultants are still certifying our Group's works for purposes of its progress billings and payments.

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12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Our Group's total revenue increased by RM66.1 million or 90.1% from RM73.4 million in FYE 2021 to RM139.5 million in FYE 2022. This was mainly contributed by the higher revenue contribution from our provision of interior fitting-out services, which recorded an increase in revenue of RM66.0 million during FYE 2022.

Provision of interior fitting-out services

Our primary revenue contributor was commercial properties projects, which contributed 98.8% of our revenue from the provision of interior fitting-out services in FYE 2022 (FYE 2021: 99.5%). In FYE 2022, our Group's revenue from the provision of interior fitting-out services increased by RM66.0 million or 89.9%, from RM73.4 million in FYE 2021 to RM139.4 million in FYE 2022.

This was mainly attributable to the following:

- (a) commencement of the following new projects:
 - (i) TRX3 – Client H Project, which contributed a revenue of RM47.1 million in FYE 2022, representing 33.8% of our Group's provision of interior fitting-out services segment revenue for FYE 2022;
 - (ii) Jalan Ampang 1 Project, which contributed a revenue of RM23.9 million in FYE 2022, representing 17.1% of our Group's provision of interior fitting-out services segment revenue for FYE 2022;
 - (iii) TRX4 – DNB Project, which contributed a revenue of RM17.7 million in FYE 2022, representing 12.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2022;
 - (iv) Bangsar 1 Project, which contributed a revenue of RM9.5 million in FYE 2022, representing 6.8% of our Group's provision of interior fitting-out services segment revenue for FYE 2022; and
 - (v) TRX5 – Client A Project, which contributed a revenue of RM2.0 million in FYE 2022, representing 1.4% of our Group's provision of interior fitting-out services segment revenue for FYE 2022.
- (b) higher level of interior fitting-out activities in the following ongoing projects:
 - (i) Kota Damansara Project, which revenue recognised increased by RM5.1 million from less than RM0.1 million in FYE 2021 to RM5.1 million in FYE 2022, representing 0.1% and 3.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2021 and FYE 2022 respectively; and
 - (ii) Bukit Tinggi Project, which revenue recognised increased by RM4.2 million from RM0.1 million in FYE 2021 to RM4.3 million in FYE 2022, representing 0.1% and 3.1% of our Group's provision of interior fitting-out services segment revenue for FYE 2021 and FYE 2022 respectively.

12. FINANCIAL INFORMATION (Cont'd)

However, the increase in abovementioned projects were moderated by the contribution of lower revenue from the following projects due to completion of works in FYE 2022:

- (a) TRX1 – IJM Project, which revenue recognised decreased by RM16.3 million from RM17.1 million in FYE 2021 to RM0.8 million in FYE 2022, representing 23.2% and 0.6% of our Group's provision of interior fitting-out services segment revenue for FYE 2021 and FYE 2022 respectively;
- (b) TRX2 – Client A Project, which revenue recognised decreased by RM15.6 million from RM36.8 million in FYE 2021 to RM21.2 million in FYE 2022, representing 50.2% and 15.2% of our Group's provision of interior fitting-out services segment revenue for FYE 2021 and FYE 2022 respectively;
- (c) Shah Alam Project, which revenue recognised decreased by RM8.5 million from RM10.9 million in FYE 2021 to RM2.4 million in FYE 2022, representing 14.9% and 1.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2021 and FYE 2022 respectively; and
- (d) Bukit Jalil Project, which revenue recognised decreased by RM4.4 million from RM4.7 million in FYE 2021 to RM0.3 million in FYE 2022, representing 6.5% and 0.2% of our Group's provision of interior fitting-out services segment revenue for FYE 2021 and FYE 2022 respectively.

Comparison between FYE 2022 and FYE 2023

Our Group's total revenue increased by RM33.9 million or 24.3% from RM139.5 million in FYE 2022 to RM173.4 million in FYE 2023. This was contributed by higher revenue contribution from our provision of interior fitting-out services of RM34.0 million during FYE 2023.

Provision of interior fitting-out services

Our primary revenue contributor was commercial properties projects, which contributed 93.7% of our revenue from provision of interior fitting-out services in FYE 2023 (FYE 2022: 98.8%). In FYE 2023, our Group's revenue from provision of interior fitting-out services increased by RM34.0 million or 24.4%, from RM139.4 million in FYE 2022 to RM173.4 million in FYE 2023.

This was mainly attributable to the following:

- (a) commencement of the following new projects:
 - (i) Eco City Project, which contributed a revenue of RM15.8 million in FYE 2023, representing 9.1% of our Group's provision of interior fitting-out services segment revenue for FYE 2023;
 - (ii) KL Sentral Project, which contributed a revenue of RM7.9 million in FYE 2023, representing 4.6% of our Group's provision of interior fitting-out services segment revenue for FYE 2023;
 - (iii) Mid Valley Project, which contributed a revenue of RM4.4 million in FYE 2023, representing 2.5% of our Group's provision of interior fitting-out services segment revenue for FYE 2023;

12. FINANCIAL INFORMATION (Cont'd)

- (iv) Bangsar 2 Project, which contributed a revenue of RM4.5 million in FYE 2023, representing 2.6% of our Group's provision of interior fitting-out services segment revenue for FYE 2023;
 - (v) Damansara 1 Project, which contributed a revenue of RM3.5 million in FYE 2023, representing 2.0% of our Group's provision of interior fitting-out services segment revenue for FYE 2023;
 - (vi) Port Dickson Project, which contributed a revenue of RM3.5 million in FYE 2023, representing 2.0% of our Group's provision of interior fitting-out services segment revenue for FYE 2023;
 - (vii) Bukit Jalil Residence Project, which contributed a revenue of RM3.5 million in FYE 2023, representing 2.0% of our Group's provision of interior fitting-out services segment revenue for FYE 2023;
 - (viii) KL Project, which contributed a revenue of RM2.8 million in FYE 2023, representing 1.6% of our Group's provision of interior fitting-out services segment revenue for FYE 2023; and
 - (ix) Bukit Bintang Project, which contributed a revenue of RM2.5 million in FYE 2023, representing 1.4% of our Group's provision of interior fitting-out services segment revenue for FYE 2023.
- (b) higher level of interior fitting-out activities in the following ongoing projects:
- (i) Jalan Ampang 1 Project, which revenue recognised increased by RM29.0 million from RM23.9 million in FYE 2022 to RM52.9 million in FYE 2023, representing 17.1% and 30.5% of our Group's provision of interior fitting-out services segment revenue for FYE 2022 and FYE 2023 respectively;
 - (ii) TRX5 – Client A Project, which revenue recognised increased by RM17.9 million from RM2.0 million in FYE 2022 to RM19.9 million in FYE 2023, representing 1.4% and 11.5% of our Group's provision of interior fitting-out services segment revenue for FYE 2022 and FYE 2023 respectively;
 - (iii) Bangsar 1 Project, which revenue recognised increased by RM7.0 million from RM9.5 million in FYE 2022 to RM16.5 million in FYE 2023, representing 6.8% and 9.5% of our Group's provision of interior fitting-out services segment revenue for FYE 2022 and FYE 2023 respectively; and
 - (iv) TRX6 – LL Project, which revenue recognised increased by RM5.3 million from RM1.4 million in FYE 2022 to RM6.7 million in FYE 2023, representing 1.0% and 3.9% of our Group's provision of interior fitting-out services segment revenue for FYE 2022 and FYE 2023 respectively.

However, the increase in abovementioned projects were moderated by contribution of lower revenue from the following projects as such projects' works were near completion in FYE 2023:

- (a) TRX3 – Client H Project, which revenue recognised decreased by RM46.4 million from RM47.1 million in FYE 2022 to RM0.7 million in FYE 2023, representing 33.8% and 0.4% of our Group's provision of interior fitting-out services segment revenue for FYE 2022 and FYE 2023 respectively;

12. FINANCIAL INFORMATION (Cont'd)

- (b) TRX2 – Client A Project, which revenue recognised decreased by RM20.8 million from RM21.2 million in FYE 2022 to RM0.4 million in FYE 2023, representing 15.2% and 0.2% of our Group's provision of interior fitting-out services segment revenue for FYE 2022 and FYE 2023 respectively; and
- (c) TRX4 – DNB Project, which revenue recognised decreased by RM12.5 million from RM17.7 million in FYE 2022 to RM5.2 million in FYE 2023, representing 12.7% and 3.0% of our Group's provision of interior fitting-out services segment revenue for FYE 2022 and FYE 2023 respectively.

Comparison between FYE 2023 and FYE 2024

Our Group's total revenue increased by RM212.6 million or 122.6% from RM173.4 million in FYE 2023 to RM386.0 million in FYE 2024, which was solely contributed by higher revenue contribution from our provision of interior fitting-out services. Such increase in revenue from provision of interior fitting-out services in FYE 2024 demonstrated our abilities in securing projects with larger contract value and completing the projects on a timely basis, unless specific instructions or unforeseen circumstances dictate otherwise in the project list above.

Provision of interior fitting-out services

Our primary revenue contributor was commercial properties projects, which contributed 75.2% of our revenue from provision of interior fitting-out services in FYE 2024 (FYE 2023: 93.7%). In FYE 2024, our Group's revenue from provision of interior fitting-out services increased by RM212.6 million or 122.6%, from RM173.4 million in FYE 2023 to RM386.0 million in FYE 2024.

This was mainly attributable to the following:

- (a) commencement of the following new projects:
 - (i) Bandar Enstek Project, which contributed a revenue of RM35.3 million in FYE 2024, representing 9.1% of our Group's provision of interior fitting-out services segment revenue for FYE 2024;
 - (ii) Sri Petaling 1 Project, which contributed a revenue of RM25.7 million in FYE 2024, representing 6.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2024;
 - (iii) TRX8 – Client H Project, which contributed a revenue of RM24.4 million in FYE 2024, representing 6.3% of our Group's provision of interior fitting-out services segment revenue for FYE 2024;
 - (iv) Damansara Project, which contributed a revenue of RM16.2 million in FYE 2024, representing 4.2% of our Group's provision of interior fitting-out services segment revenue for FYE 2024;
 - (v) Avenue Project, which contributed a revenue of RM9.4 million in FYE 2024, representing 2.4% of our Group's provision of interior fitting-out services segment revenue for FYE 2024;
 - (vi) Tropicana Cenang Project, which contributed a revenue of RM9.4 million in FYE 2024, representing 2.4% of our Group's provision of interior fitting-out services segment revenue for FYE 2024;

12. FINANCIAL INFORMATION (*Cont'd*)

- (vii) Melaka Project, which contributed a revenue of RM6.7 million in FYE 2024, representing 1.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2024; and
- (viii) Tropicana Project, which contributed a revenue of RM6.5 million in FYE 2024, representing 1.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2024.

(b) higher level of interior fitting-out activities of the following projects:

- (i) Cyberjaya Project, which revenue recognised increased by RM46.4 million from RM0.5 million in FYE 2023 to RM46.9 million in FYE 2024, representing 0.3% and 12.2% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively;
- (ii) Meru Raya Project, which revenue recognised increased by RM23.6 million from less than RM0.1 million in FYE 2023 to RM23.6 million in FYE 2024, representing less than 0.1% and 6.1% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively;
- (iii) TRX6 - LL Project, which revenue recognised increased by RM19.1 million from RM6.7 million in FYE 2023 to RM25.8 million in FPE 2024, representing 3.9% and 6.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively;
- (iv) TRX7 – TAG Project, which revenue recognised increased by RM18.2 million from less than RM0.1 million in FYE 2023 to RM18.2 million in FYE 2024, representing less than 0.1% and 4.7% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively;
- (v) Bayan Lepas 2 Project, which revenue recognised increased by RM13.0 million from RM3.6 million in FYE 2023 to RM16.6 million in FPE 2024, representing 2.1% and 4.3% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively;
- (vi) Bayan Lepas 1 Project, which revenue recognised increased by RM11.7 million from RM1.3 million in FYE 2023 to RM13.0 million in FPE 2024, representing 0.7% and 3.4% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively;
- (vii) Sunway Project, which revenue recognised increased by RM8.5 million from less than RM0.1 million in FYE 2023 to RM8.5 million in FYE 2024, representing less than 0.1% and 2.2% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively; and
- (viii) Bayan Lepas 3 Project, which revenue recognised increased by RM4.1 million from less than RM0.1 million in FYE 2023 to RM4.1 million in FYE 2024, representing less than 0.1% and 1.1% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively.

12. FINANCIAL INFORMATION (Cont'd)

However, the increase in abovementioned projects were moderated by the contribution of lower revenue from the following projects due to completion of works in FYE 2024:

- (a) Jalan Ampang 1 Project, which revenue recognised decreased by RM47.6 million from RM52.9 million in FYE 2023 to RM5.3 million in FYE 2024, representing 30.5% and 1.4% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively; and
- (b) TRX5 – Client A Project, which revenue recognised decreased by RM19.9 million from RM19.9 million in FYE 2023 to nil in FYE 2024 as the project was completed in FYE 2023, representing 11.5% and nil% of our Group's provision of interior fitting-out services segment revenue for FYE 2023 and FYE 2024 respectively.

(ii) Cost of sales, GP and GP margin

Our Group prices our projects based on contract cost estimates after taking into consideration, amongst others, the size and specifications of the projects. The contract cost is estimated at the beginning of the project based on expected purchase costs, subcontractors' costs, project expenses and project duration. Generally, the contract cost estimates will be revised towards the end of each project period to reflect the actual incurred costs.

Analysis of cost of sales by segments

		Audited							
		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of interior fitting-out services		59,991	100.0	121,474	100.0	144,079	100.0	304,316	100.0
Trading		9	(1)-	37	(1)-	-	-	-	-
		73,412	100.0	139,460	100.0	173,383	100.0	304,316	100.0

Note:

- (1) Represents less than 0.1%.

Analysis of cost of sales by cost items

		Audited							
		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases		20,608	34.3	32,479	26.7	30,071	20.9	49,667	16.3
Subcontractors' costs		37,960	63.3	85,531	70.4	108,994	75.6	247,014	81.2
Project expenses		1,432	2.4	3,501	2.9	5,014	3.5	7,635	2.5
		60,000	100.0	121,511	100.0	144,079	100.0	304,316	100.0

Major components of our cost of sales are purchases and subcontractors' costs that collectively represent between 96.5% and 97.6% of our Group's cost of sales for FYE 2021 to 2024.

12. FINANCIAL INFORMATION (*Cont'd*)

(a) Purchases

The increase in purchases in FYE 2021 and FYE 2022 were in line with the increase in total revenue for the same period. However in FYE 2023 and FYE 2024, our subcontractors have procured the materials for projects and included the same in their claims/ invoices to us, which led to lower purchases in the same year.

Purchases constituted 34.3%, 26.7%, 20.9% and 16.3% of our total cost of sales for FYE 2021 to 2024 respectively. These purchases are dependent on the nature and project requirements of our projects undertaken.

(b) Subcontractors' cost

This relates to third-party subcontractors where we have subcontracted certain aspects of our interior fit-out works, MEP works including ductwork, metal works and wet works. Our subcontractors will be responsible for supplying or procuring the materials to be used in the interior fitting-out projects such as finishing materials, MEP components including electrical components, air-conditioning, and fire protection materials.

From FYE 2022 onwards, our subcontractors' costs increased year-on-year mainly attributable to the increase in subcontracted works assigned to subcontractors and increase in procured materials by our subcontractors for our projects (which were included in their claims/ invoices to us), in line with the increase in our revenue.

Subcontractors' costs constituted 63.3%, 70.4%, 75.6% and 81.2% of our total cost of sales for FYE 2021 to 2024 respectively.

(c) Project expenses

This relates to the following:

- (i) rental of machineries, tools and equipment such as scaffolding and forklifts to support our interior fitting-out works as well as accommodation for our workers;
- (ii) contractors' all risks and workmen compensation insurance;
- (iii) CIDB levy and project professional fees such as architect fees and engineering advisory fees;
- (iv) diesel, petrol and travelling expenses as well as utilities charges; and
- (v) site expenses such as cleaning fee, consumables and security charges.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Our Group's total cost of sales increased by RM61.5 million or 102.5% from RM60.0 million in FYE 2021 to RM121.5 million in FYE 2022, which corresponded with our Group's higher revenue during the same period, attributable to the following:

- (a) subcontractors' costs increased by RM47.5 million or 125.0% in FYE 2022 from RM38.0 million in FYE 2021 to RM85.5 million in FYE 2022, which was in line with the increase in provision of interior fitting-out services during FYE 2022. The increase in subcontractors' costs were mainly attributable to the following projects in FYE 2022:
 - (i) TRX3 – Client H Project;
 - (ii) Jalan Ampang 1 Project;
 - (iii) TRX4 – DNB Project; and
 - (iv) Bangsar 1 Project.
- (b) purchases increased by RM11.9 million or 57.8% from RM20.6 million in FYE 2021 to RM32.5 million in FYE 2022, which was in line with the materials required for the above-mentioned projects; and
- (c) project expenses increased by RM2.1 million or 150.0% from RM1.4 million in FYE 2021 to RM3.5 million in FYE 2022, arising from higher project insurances, as well as higher site expenses in line with higher project activities during FYE 2022 such as site offices, as well as rentals of machineries and equipment.

Comparison between FYE 2022 and FYE 2023

Our cost of sales increased by RM22.6 million or 18.6% from RM121.5 million in FYE 2022 to RM144.1 million in FYE 2023, which corresponded with our Group's higher revenue during the same period, attributable to the following:

- (a) subcontractors' costs increased by RM23.5 million or 27.5% from RM85.5 million in FYE 2022 to RM109.0 million in FYE 2023, The increases were mainly attributable to the following projects in FYE 2023:
 - (i) Jalan Ampang 1 Project;
 - (ii) TRX5 – Client A Project;
 - (iii) Eco City Project;
 - (iv) Bangsar 1 Project; and
 - (v) KL Sentral Project.
- (b) project expenses increased by RM1.5 million or 42.9% from RM3.5 million in FYE 2022 to RM5.0 million in FYE 2023, arising from higher project professional fees such as civil structural and engineering advisory in relation to the projects, higher utilities as well as higher site expenses in line with higher project activities during FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)

The increase in the above-mentioned cost items were offset by the decrease in our purchases of RM2.4 million or 7.4% from RM32.5 million in FYE 2022 to RM30.1 million in FYE 2023 as our subcontractors have procured the materials for projects and included the same in their claims/ invoices to us, which led to lower purchases in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our cost of sales increased by RM160.2 million or 111.2% from RM144.1 million in FYE 2023 to RM304.3 million in FYE 2024, which corresponded with our Group's higher revenue during the same period, attributable to the following:

- (a) subcontractors' costs increased by RM138.0 million or 126.6% from RM109.0 million in FYE 2023 to RM247.0 million in FYE 2024. The increases were mainly attributable to the following projects in FYE 2024:
 - (i) Cyberjaya Project;
 - (ii) Bandar Enstek Project;
 - (iii) Sri Petaling 1 Project;
 - (iv) TRX8 – Client H Project;
 - (v) TRX7 – TAG Project; and
 - (vi) Meru Raya Project.
- (b) purchases increased by RM19.6 million or 65.1% from RM30.1 million in FYE 2023 to RM49.7 million in FYE 2024, which was in line with the materials required for the above-mentioned projects; and
- (c) project expenses increased by RM2.6 million or 52.0% from RM5.0 million in FYE 2023 to RM7.6 million in FYE 2024, arising from higher project professional fees such as design, civil structural and engineering advisory in relation to the projects, higher project insurances for new projects as well as higher site expenses in line with higher project activities during FYE 2024.

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12. FINANCIAL INFORMATION (Cont'd)**Analysis of GP and GP margin by segments**

		Audited							
		FYE 2021		FYE 2022		FYE 2023		FYE 2024	
		GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
		RM'000	%	RM'000	%	RM'000	%	RM'000	%
Provision of interior fitting-out services		13,410	18.3	17,940	12.9	29,304	16.9	81,700	21.2
Trading		2	18.2	9	19.6	-	-	-	-
		13,412	18.3	17,949	12.9	29,304	16.9	81,700	21.2

Our GP and GP margin for provision of interior fitting-out services are dependent on our overall project mix during the financial year. We price our projects based on cost estimates taking into consideration the complexity and scale of the project. As such, our GP and GP margin are also dependent on the accuracy of our cost estimates.

In addition, our GP and GP margin may fluctuate throughout our project tenure as and when there is a need to revise our revenue and/ or cost estimates. Such fluctuations are generally more significant towards the completion of the project when we can estimate our revenue and/ or cost more accurately.

Comparison between FYE 2021 and FYE 2022

Our total GP increased by RM4.5 million or 33.6% from RM13.4 million in FYE 2021 to RM17.9 million in FYE 2022, mainly contributed by higher GP from provision of interior fitting-out services. Our overall GP margin for FYE 2022 was 12.9% (FYE 2021: 18.3%).

Our GP from provision of interior fitting-out services increased by RM4.5 million or 33.6% from RM13.4 million in FYE 2021 to RM17.9 million in FYE 2022 mainly contributed by the projects as explained in Section 12.2.2(i) above which had higher GP in FYE 2022 in line with higher revenue recorded in FYE 2022.

Nonetheless, our GP margin decreased from 18.3% in FYE 2021 to 12.9% in FYE 2022. The decrease in our GP margin in FYE 2022 was mainly due to:

- (a) revision in budgeted cost attributable to increase in building material prices and imposition of 25.0% increase in minimum wages from RM1,200 to RM1,500 in May 2022. This resulted in higher actual cost incurred compared to our previous budgeted cost, such as for TRX1 – IJM Project, TRX2 – Client A Project and Shah Alam Project; and
- (b) lower GP margin mainly from Bukit Jalil Project and Kota Damansara Project secured during FYE 2022, attributable to materials of higher specifications which were specified by clients. As such materials were higher in price, these projects have a lower average project margin ranging from 6.0% to 10.5% in FYE 2022 as our Group was unable to source for similar items with other brands.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our total GP increased by RM11.4 million or 63.7% from RM17.9 million in FYE 2022 to RM29.3 million in FYE 2023, contributed by higher GP from provision of interior fitting-out services. Our overall GP margin for FYE 2023 was 16.9% (FYE 2022: 12.9%).

Our GP from provision of interior fitting-out services increased by RM11.4 million or 63.7% from RM17.9 million in FYE 2022 to RM29.3 million in FYE 2023, mainly contributed by the projects as explained in Section 12.2.2(i) above which had higher GP in FYE 2023, in line with higher revenue recorded in FYE 2023.

Our GP margin also increased from 12.9% in FYE 2022 to 16.9% in FYE 2023. The increase in our GP margin in FYE 2023 was mainly due to:

- (a) revision in budgeted revenue for TRX5 – Client A Project, which was completed in FYE 2023 as the actual revenue recognised was higher than our previous budgeted revenue. This led to higher GP margin as compared to the initial project's margin.

The revision of budgeted revenue was due to variation orders awarded by clients and we were able to leverage and optimise our existing equipment and labour that were already on site to implement the works under the subsequent variation orders awarded to us.

- (b) higher GP margin mainly from KL Sentral Project, Port Dickson Project, Bukit Jalil Residence Project and Bukit Bintang Project which were secured during FYE 2023, as our Group was able to source alternative materials at a lower price.

Comparison between FYE 2023 and FYE 2024

Our total GP increased by RM52.4 million or 178.8% from RM29.3 million in FYE 2023 to RM81.7 million in FYE 2024, contributed by higher revenue recorded from our provision of interior fitting-out services segment in FYE 2024. This was mainly contributed by the projects as explained in Section 12.2.2(i) above which had higher GP in FYE 2024 in line with higher revenue recorded in FYE 2024.

Our overall GP margin for FYE 2024 was 21.2% (FYE 2023: 16.9%). The increase in our GP margin in FYE 2024 was mainly due to:

- (a) higher margins from Bayan Lepas 1 Project and Bayan Lepas 2 Project arising from cost savings from variation orders awarded by client during FYE 2024 whereby our Group leveraged and optimised our existing equipment and labour that were already on site to perform works for the variation orders; and
- (b) higher GP margin mainly from TRX 7 – TAG Project, Meru Raya Project, Sunway Project and Damansara Project, as (i) our Group was able to source alternative materials at a lower price; and (ii) we managed to negotiate better pricing from suppliers and subcontractors as we agreed to a shorter credit period granted by them.

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

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income ⁽¹⁾	43	10.8	142	30.3	411	44.4	213	35.4
Bad debts recovered	-	-	-	-	-	-	110	18.3
Fair value gain on investment properties	-	-	70	14.9	230	24.9	-	-
Rental income ⁽²⁾	92	23.0	176	37.5	186	20.1	235	39.1
Wages subsidy ⁽³⁾	187	46.9	-	-	-	-	-	-
Gain on disposal of property, plant and equipment	53	13.3	75	16.0	85	9.2	10	1.7
Compensation in lieu ⁽⁴⁾	20	5.0	5	1.1	-	-	6	1.0
Others ⁽⁵⁾	4	1.0	1	0.2	13	1.4	27	4.5
	399	100.0	469	100.0	925	100.0	601	100.0

Notes:

- (1) Relates to interest income earned from fixed deposits with licensed banks and bank balances.
- (2) Relates to rental of 7 units of shop lots (2 units located in Kajang, Selangor and 5 units located in Bukit Jalil, Kuala Lumpur) to third parties during FYE 2021 to 2024. The lower rental income in FYE 2021 was attributable to rent concessions given to our tenants in FYE 2021 during the COVID-19 pandemic. Rental rates were adjusted back to original rates in FYE 2022. The higher rental income in FYE 2024 was attributable to increase in rental rates charged to our tenants.
- (3) Relates to the wage subsidy received from the Government under the PERKESO Wage Subsidy Programme for our eligible employees.
- (4) Relates to the compensation in lieu of short notice of resignation given by former employees.
- (5) Mainly includes the discount received on rental reduction from landlord in FYE 2021, forfeited deposit for rented property due to short notice given by our tenant for termination in FYE 2023 and 2024 as well as sales of scrap items in FYE 2024.

Comparison between FYE 2021 and FYE 2022

Our other income increased by RM0.1 million or 25.0% from RM0.4 million in FYE 2021 to RM0.5 million in FYE 2022, mainly due to the following:

- (a) increase in interest income of RM0.1 million attributable to higher fixed deposits with licensed banks and bank balances;
- (b) higher rental income of RM0.1 million attributable to original rental rates charge in FYE 2022 as compared to rent concession given to tenants in FYE 2021; and

12. FINANCIAL INFORMATION (Cont'd)

- (c) fair value gain on investment properties of RM0.1 million due to adjustment for 1 unit of condominium located at Johor where its fair value was greater than its carrying amount.

The increase in other income was offset by the wage subsidy of RM0.2 million received in FYE 2021 which did not recur in FYE 2022.

Comparison between FYE 2022 and FYE 2023

Our other income increased by RM0.4 million or 80.0% from RM0.5 million in FYE 2022 to RM0.9 million in FYE 2023, mainly due to the following:

- (a) increase in interest income of RM0.3 million attributable to higher fixed deposits with licensed banks and bank balances; and
- (b) increase in fair value gain on investment properties of RM0.1 million due to adjustment for 4 units of shop lots located at Bukit Jalil, Kuala Lumpur, where the fair value was greater than the carrying amounts of such investment properties.

Comparison between FYE 2023 and FYE 2024

Our other income decreased by RM0.3 million or 33.3% from RM0.9 million in FYE 2023 to RM0.6 million in FYE 2024, mainly due to the following:

- (a) decrease in interest income of RM0.2 million attributable to lower fixed deposits with licensed banks and bank balances in the first half of the FYE 2024; and
- (b) absence of fair value gain on investment properties of RM0.2 million, which did not recur in FYE 2024.

The decrease in other income was offset by the bad debts recovered of RM0.1 million in FYE 2024 from 1 client whose outstanding amount were written off in previous years.

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

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs ⁽¹⁾	5,619	76.8	7,802	77.6	11,425	79.2	19,009	73.9
Directors' remuneration	881	12.0	888	8.8	1,183	8.2	1,949	7.6
Upkeep and maintenance ⁽²⁾	329	4.5	430	4.3	547	3.8	988	3.8
Professional fees ⁽³⁾	224	3.1	260	2.6	414	2.9	1,917	7.5
Stamping fees	<1	<0.1	238	2.4	336	2.3	4	<0.1
Office expenses ⁽⁴⁾	128	1.7	219	2.2	271	1.9	981	3.8
Travelling and accommodation	49	0.7	126	1.2	123	0.8	672	2.6
Utilities	88	1.2	96	0.9	126	0.9	193	0.8
	7,318	100.0	10,059	100.0	14,425	100.0	25,713	100.0

Notes:

- (1) Consists of salaries, wages and allowances, bonuses, employees provident fund, social security contributions and other staff related costs of our employees.
- (2) Mainly includes insurance and road tax for motor vehicles, quit rent and assessment for owned properties as well as maintenance of motor vehicles, office equipment and office premises.
- (3) Includes fees incurred for audit, company secretarial, legal and tax services.
- (4) Mainly includes printing, courier and stationery, licence and subscription fees, bank charges as well as advertisement for staff recruitment.

Comparison between FYE 2021 and FYE 2022

Our administrative expenses increased by RM2.8 million or 38.4% from RM7.3 million in FYE 2021 to RM10.1 million in FYE 2022, attributable to the following:

- (a) increase in staff costs of RM2.2 million or 39.3%, mainly due to (i) annual salary adjustment for existing employees; and (ii) increase in our headcount mainly for our project department from 35 employees in FYE 2021 to 63 employees in FYE 2022;
- (b) stamping fee of RM0.2 million for the increased facility limit with existing licensed bank; and
- (c) increase in upkeep and maintenance of RM0.1 million or 33.3%, mainly relates to regular maintenance on office and computers.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

Our administrative expenses increased by RM4.3 million or 42.6% from RM10.1 million in FYE 2022 to RM14.4 million in FYE 2023, mainly due to the following:

- (a) increase in staff costs of RM3.6 million or 46.2%, mainly due to (i) higher bonuses and incentives paid to our existing employees to reward them for the improvement in our Group's financial performance during FYE 2022; (ii) recruitment of additional 12 employees for our project department in line with our business expansion in FYE 2023, and (iii) inclusion of staff salaries of 45 employees from Zig Zag Builders, arising from the inclusion of Zig Zag Builders in our Group in FYE 2023; and
- (b) increase in directors' remuneration of RM0.3 million or 33.3%, due to higher directors' salaries for our subsidiaries' directors (Chang Chung Fei and Ng Mun Moh) and inclusion of Zig Zag Builders' director's remuneration (Foo Khai Shin), arising from the inclusion of Zig Zag Builders in our Group in FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our administrative expenses increased by RM11.3 million or 78.5% from RM14.4 million in FYE 2023 to RM25.7 million in FYE 2024, due to the following:

- (a) increase in staff costs of RM7.6 million or 66.7%, mainly due to (i) higher bonuses and incentives paid to our existing employees to reward them for the improvement in our Group's financial performance during FYE 2024; (ii) recruitment of additional 39 employees for our project department in line with our business expansion in FYE 2024, and (iii) inclusion of 12-months Zig Zag Builders' staff salaries in FYE 2024 as compared to 4-months staff salaries in FYE 2023;
- (b) increase in directors' remuneration of RM0.7 million or 58.3%, mainly due to bonus payout to our subsidiaries' directors (Chang Chung Fei and Ng Mun Moh) in FYE 2024;
- (c) increase in professional fees of RM1.5 million mainly for (i) professional fees incurred in relation to our Listing, and (ii) audit fee, tax agent fee and legal fee for new banking facility after the inclusion of administrative expenses from Zig Zag Builders in FYE 2024; and
- (d) increase in office expenses of RM0.7 million, travelling and accommodation of RM0.6 million as well as upkeep and maintenance of RM0.5 million, arising from (i) our business growth; and (ii) the inclusion of Zig Zag Builders in our Group in August 2023, where our Group recognised only 4 months of Zig Zag Builders' expenses in FYE 2023 as compared to the full 12 months in FYE 2024.

The increase in overall administrative expense was offset by the decrease in stamping fee of RM0.3 million mainly for the increased facility limit with existing licensed bank in FYE 2023, which did not recur in FYE 2024.

12. FINANCIAL INFORMATION (Cont'd)**(v) Other expenses**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Depreciation of property, plant and equipment	195	29.8	178	39.2	290	38.0	641	50.3
Depreciation of right-of-use assets	304	46.5	276	60.8	294	38.5	463	36.3
Fair value loss on investment properties	155	23.7	-	-	-	-	-	-
Fair value loss on other financial assets ⁽¹⁾	-	-	-	-	129	16.9	-	-
Bad debt written off	-	-	-	-	50	6.6	-	-
Revaluation loss on property, plant and equipment	-	-	-	-	-	-	170	13.4
Realised loss on foreign exchange	-	-	-	-	-	-	(2)-	(3)-
	654	100.0	454	100.0	763	100.0	1,274	100.0

Notes:

- (1) Relates to keyman insurance contract purchased for our key senior management, Chang Chung Fei and Ng Mun Moh, which is determined based on the cash surrender value in accordance with the keyman insurance policy.
- (2) Represents less than RM500.
- (3) Represents less than 0.1%.

Comparison between FYE 2021 and FYE 2022

Our other expenses decreased by RM0.2 million or 28.6% from RM0.7 million in FYE 2021 to RM0.5 million in FYE 2022, attributable to the fair value loss on investment properties of RM0.2 million made in FYE 2021. In FYE 2022, we recorded fair value gain on investment properties under other income.

Comparison between FYE 2022 and FYE 2023

Our other expenses increased by RM0.3 million or 60.0% from RM0.5 million in FYE 2022 to RM0.8 million in FYE 2023, attributable to the following:

- (a) increase in depreciation of property, plant and equipment and right-of-use assets of collectively RM0.1 million, after the inclusion of the depreciation expenses from Zig Zag Builders, arising from the inclusion of Zig Zag Builders in our Group in FYE 2023; and
- (b) fair value loss on other financial assets of RM0.1 million in FYE 2023, which relates to the keyman insurance contract purchased for our key senior management.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2023 and FYE 2024

Other expenses increased by RM0.5 million or 62.5% from RM0.8 million in FYE 2023 to RM1.3 million in FYE 2024, mainly attributable to the following:

- (a) increase in depreciation of property, plant and equipment and right-of-use assets of collectively RM0.5 million, mainly due to (i) addition of property, plant and equipment, mainly for 8 units of motor vehicles of RM0.5 million and computers of RM0.9 million, and (ii) after the inclusion of 12-months depreciation expenses from Zig Zag Builders in FYE 2024 as compared to 4-months depreciation expenses; and
- (b) revaluation loss of property, plant and equipment of RM0.2 million as the latest fair value of our headquarters was lower than its carrying amount.

The increase in abovementioned other expenses was offset by the absence of fair value loss on other financial assets of RM0.1 million.

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12. FINANCIAL INFORMATION (Cont'd)**(vi) Net (loss)/ gain on impairment of financial instruments and contract assets**

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Impairment losses on contract assets ⁽¹⁾	(514)	33.8	(1,444)	(159.0)	(832)	(114.3)	(425)	(39.2)
Impairment losses on trade receivables ⁽¹⁾	(1,612)	106.0	(106)	(11.7)	(605)	(83.1)	(324)	(29.9)
Reversal of impairment losses on contract assets ⁽²⁾	-	-	1,216	133.9	68	9.3	610	56.3
Reversal of impairment losses on trade receivables ⁽²⁾	605	(39.8)	1,242	136.8	2,097	288.1	1,223	112.8
	(1,521)	100.0	908	100.0	728	100.0	1,084	100.0

Notes:

- (1) Impairment losses on trade receivables were provided in accordance with MFRS 9 *Financial Instruments*. Collective impairment was based on the credit risk and the days past due, while individual impairment was based on specific receivables that are credit impaired. Among the factors considered for credit risk include the historical payment trends and forward-looking information.
- (2) Reversal of impairment losses are made when there are subsequent collections on the credit impaired receivables previously provided, and/ or subsequent to the reassessment of the expected credit losses.

Comparison between FYE 2021 and FYE 2022

In FYE 2021, our Group recorded impairment losses on trade receivables of RM1.6 million attributable to specific impairment on 4 trade receivables which were deemed not recoverable, and impairment losses on contract assets of RM0.5 million attributable to assessment on ECL from the application of MFRS 9 Financial Instruments. We develop the ECL rates based on the payment profiles of past sales and the corresponding historical credit losses which is then adjusted based on reasonable and supportable qualitative and quantitative forward-looking information.

In FYE 2022, our Group recorded impairment losses on trade receivables and contract assets of RM0.1 million and RM1.4 million, respectively attributable to specific impairment on 1 trade receivable which was deemed not recoverable and 1 project which was halted by project owner in FYE 2022.

In FYE 2022, there were reversal of impairment losses for 3 trade receivables amounting to RM1.2 million due to collections received, and contract assets of RM1.2 million after reassessing the ECL in FYE 2022.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2022 and FYE 2023**

In FYE 2023, our Group recorded impairment losses on trade receivables and contract assets of RM0.6 million and RM0.8 million, respectively mainly attributable to assessment on ECL from the application of MFRS 9 Financial Instruments.

In FYE 2023, there were reversal of impairment losses for 3 trade receivables amounting to RM2.1 million due to collections received.

Comparison between FYE 2023 and FYE 2024

In FYE 2024, our Group recorded impairment loss on trade receivables of RM0.3 million mainly attributable to specific impairment on 5 trade receivables which were deemed not recoverable.

In FYE 2024, our Group recorded impairment losses on contract assets of RM0.4 million attributable to specific impairment on 1 project which was halted by project owner.

There were reversal of impairment losses for 1 trade receivable amounting to RM1.0 million due to collections received, reversal of trade receivables of RM0.2 million and contract assets of RM0.6 million after reassessing the ECL in FYE 2024.

(vii) Finance costs

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Bankers' acceptance interests	481	32.2	879	51.8	1,089	58.5	1,302	62.9
Term loans interests	540	36.2	646	38.1	659	35.4	677	32.7
Lease liabilities interests	43	2.9	28	1.6	30	1.6	60	2.9
Factoring interest	-	-	-	-	20	1.1	-	-
Bank overdraft interests	5	0.3	1	0.1	21	1.1	-	-
SJPP interests ⁽¹⁾	103	6.9	128	7.5	-	-	-	-
Interest on loan from third party ⁽²⁾	308	20.6	-	-	-	-	-	-
Bank guarantee fees	14	0.9	15	0.9	42	2.3	30	1.5
	1,494	100.0	1,697	100.0	1,861	100.0	2,069	100.0

Notes:

(1) Relates to a loan guaranteed by SJPP.

(2) Relates to interests charged on a loan of RM3.3 million from a third party in FYE 2020, for our working capital requirements. Our Group has settled said loan in FYE 2021.

12. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2021 and FYE 2022**

Our finance costs increased by RM0.2 million or 13.3% from RM1.5 million in FYE 2021 to RM1.7 million in FYE 2022, mainly attributable to the following:

- (a) increase in interests charged on bankers' acceptance of RM0.4 million or 80.0% from RM0.5 million in FYE 2021 to RM0.9 million in FYE 2022 attributable to drawdown of bankers' acceptance of RM74.0 million in FYE 2022 to finance our purchases; and
- (b) increase in interests charged on term loans of RM0.1 million or 20.0% from RM0.5 million in FYE 2021 to RM0.6 million in FYE 2022. This was primarily due to drawdown of factoring facility of RM5.6 million for our working capital requirements.

The increase in finance costs was offset by the absence of interests charged by a third party of RM0.3 million in FYE 2021, as the loan was fully settled in FYE 2021.

Comparison between FYE 2022 and FYE 2023

Our finance costs increased by RM0.2 million or 11.8% from RM1.7 million in FYE 2022 to RM1.9 million in FYE 2023, mainly attributable to increase in interests charged on bankers' acceptance of RM0.2 million or 22.2% from RM0.9 million in FYE 2022 to RM1.1 million in FYE 2023. This was primarily due to drawdown of bankers' acceptance of RM59.2 million in FYE 2023 to finance our purchases.

Comparison between FYE 2023 and FYE 2024

Our finance costs increased by RM0.2 million or 10.5% from RM1.9 million in FYE 2023 to RM2.1 million in FYE 2024, mainly attributable to increase in interests charged on bankers' acceptance of RM0.2 million or 18.2% from RM1.1 million in FYE 2023 to RM1.3 million in FYE 2024. This was attributable to higher utilisation of bankers' acceptance in FYE 2024 to finance our payment to suppliers and subcontractors.

(viii) Taxation, PBT and PAT

The following tables set out the comparison between the statutory tax rates and our effective tax rates for FYE 2021 to 2024:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Malaysia statutory tax rate (%)	24.0	24.0	24.0	24.0
Taxation (RM'000)	107	1,352	3,485	13,770
Effective tax rate (%)	3.8	19.0	25.1	25.3

The following table sets out our PBT, PBT margin, PAT and PAT margin for FYE 2021 to 2024:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
PBT (RM'000)	2,824	7,116	13,908	54,329
PBT margin (%)	3.8	5.1	8.0	14.1

12. FINANCIAL INFORMATION (Cont'd)

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
PAT (RM'000)	2,717	5,764	10,423	40,559
PAT margin (%)	3.7	4.1	6.0	10.5

Comparison between FYE 2021 and FYE 2022

We recorded an increase in PBT of RM4.3 million or 153.6% from RM2.8 million in FYE 2021 to RM7.1 million in FYE 2022. The increase in PBT was mainly derived from the higher GP, as explained in Section 12.2.2(ii) above, as well as the reversal of impairment losses on trade receivables and contract assets of RM2.5 million, as explained in Section 12.2.2(vi) above.

Despite the decrease in our GP margin from 18.3% in FYE 2021 to 12.9% in FYE 2022, our PBT margin has increased from 3.8% in FYE 2021 to 5.1% in FYE 2022. The increase in PBT margin was mainly derived from lower administrative expenses, other expenses and finance costs as a percentage of revenue and net gain on impairment of financial instruments and contract assets in FYE 2022, as explained in Sections 12.2.2(iv), (v) and (vii) above.

Our effective tax rate of 3.8% in FYE 2021 was lower than the statutory tax rate of 24.0%, mainly due to the overprovision of deferred tax in prior year of RM1.0 million.

Our effective tax rate of 19.0% in FYE 2022 (FYE 2021: 3.8%) was lower than the statutory tax rate of 24.0%, mainly due to the following:

- (a) deferred tax assets relating to origination and reversal of temporary differences of RM0.3 million; and
- (b) reversal of impairment losses on trade receivables and contract assets of RM2.5 million, which were not subject to taxation.

Our PAT increased from RM2.7 million in FYE 2021 to RM5.8 million in FYE 2022. Arising from the increase in taxation, our PAT margin only increased from 3.7% in FYE 2021 to 4.1% in FYE 2022, mainly due to higher PBT margin in FYE 2022.

Comparison between FYE 2022 and FYE 2023

We recorded an increase in PBT of RM6.8 million or 95.8% from RM7.1 million in FYE 2022 to RM13.9 million in FYE 2023, mainly derived from the higher GP in FYE 2023 despite higher administrative expenses for FYE 2023. Our PBT margin has increased from 5.1% in FYE 2022 to 8.0% in FYE 2023. The increase in PBT margin was mainly derived from higher GP margin as explained in Section 12.2.2(ii) above.

Our effective tax rate of 25.1% in FYE 2023 (FYE 2022: 19.0%) was higher than the statutory tax rate of 24.0%, mainly due to the non-deductible expenses for tax purposes such as depreciation for non-qualifying assets and fair value loss on other financial assets.

Despite the increase in taxation, our PAT increased from RM5.8 million in FYE 2022 to RM10.4 million in FYE 2023 and PAT margin also increased from 4.1% in FYE 2022 to 6.0% in FYE 2023, mainly due to higher PBT margin in FYE 2023.

12. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2023 and FYE 2024

We recorded an increase in PBT of RM40.4 million or 290.6% from RM13.9 million in FYE 2023 to RM54.3 million in FYE 2024 mainly derived from the higher GP in FYE 2024 and net gain on impairment of financial assets and contract assets, despite higher administrative expenses for FYE 2024. Our PBT margin has increased from 8.0% in FYE 2023 to 14.1% in FYE 2024. The increase in PBT margin was mainly derived from higher GP margin as explained in Section 12.2.2(ii) above and lower administrative expenses as a percentage of revenue.

Our effective tax rate of 25.3% in FYE 2024 (FYE 2023: 25.1%) was higher than the statutory tax rate of 24.0%, mainly due to the non-deductible expenses for tax purposes such as depreciation for non-qualifying assets as well as professional fees incurred in relation to our Listing.

Despite the increase in taxation, our PAT increased from RM10.4 million in FYE 2023 to RM40.6 million in FYE 2024 and PAT margin also increased from 6.0% in FYE 2023 to 10.5% in FYE 2024, mainly due to higher PBT and PBT margin in FYE 2024.

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12. FINANCIAL INFORMATION (Cont'd)**12.2.3 Review of cash flows**

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Net cash (used in)/ from operating activities	(12)	1,790	13,851	27,559
Net cash from/ (used in) investing activities	203	(420)	(5,967)	4,090
Net cash from/ (used in) financing activities	281	80	(2,748)	(2,228)
Net increase in cash and cash equivalents	472	1,450	5,136	29,421
Cash and cash equivalents at the beginning of financial year	503	975	2,425	7,561
Cash and cash equivalents at the end of financial year	975	2,425	7,561	36,982

FYE 2021**Net cash used in operating activities**

For FYE 2021, we recorded net operating cash outflow of less than RM0.1 million after taking into consideration our operating profit of RM6.4 million and the following working capital changes:

- (a) increase in contract assets of RM12.1 million mainly for TRX2 – Client A Project due to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the certified progress billing issued to our clients, which was pending their certification;
- (b) increase in trade receivables of RM2.5 million, mainly due to higher progress billings issued to our Group's clients towards the last quarter of FYE 2021;
- (c) increase in trade payables of RM7.9 million, which was in line with higher purchases and subcontractors' costs incurred to support our revenue growth in FYE 2021;
- (d) increase in other payables of RM1.0 million, attributable to accrued bonuses and salaries for FYE 2021; and
- (e) income tax paid of RM0.9 million.

Net cash from investing activities

For FYE 2021, we recorded a net cash inflow of RM0.2 million for our investing activities, mainly attributable to the proceeds of RM0.2 million from the disposal of 1 unit of motor vehicle in FYE 2021.

Net cash from financing activities

For FYE 2021, we recorded a net cash inflow of RM0.3 million from our financing activities, mainly due to net drawdown of bankers' acceptance of RM8.1 million in FYE 2021.

12. FINANCIAL INFORMATION (Cont'd)

The cash inflow was offset by:

- (a) settlement of a loan from a third party of RM3.0 million to finance our working capital requirements;
- (b) repayment of borrowings of RM2.5 million which includes term loans and lease liabilities as well as its corresponding interest expenses; and
- (c) repayment of advances from a Director (Chang Chung Fei) of RM2.3 million to finance our working capital requirements.

FYE 2022

Net cash from operating activities

For FYE 2022, we recorded net operating cash inflow of RM1.8 million after taking into consideration our operating profit of RM8.1 million and the following working capital changes:

- (a) increase in contract assets of RM7.6 million mainly for 5 projects due to timing difference with higher revenue recognised for works performed based on the cost incurred method compared to the certified progress billing issued to our clients, which was pending their certification;
- (b) increase in trade receivables of RM5.9 million, mainly due to higher progress billings issued to our Group's clients towards the last quarter of FYE 2022;
- (c) increase in other receivables of RM1.7 million, mainly due to advance payments to suppliers and subcontractors in FYE 2022;
- (d) increase in trade payables of RM9.8 million, which was in line with higher purchases and subcontractors' costs incurred to support our revenue growth in FYE 2022; and
- (e) income tax paid of RM1.1 million.

Net cash used in investing activities

For FYE 2022, we recorded a net cash outflow of RM0.4 million for our investing activities, mainly attributable to:

- (a) purchase of property, plant and equipment of RM0.1 million mainly comprising computers; and
- (b) acquisition of SAF, SAR, SAF Manufacturing, SACabinet by SAC for RM0.4 million.

Net cash from financing activities

For FYE 2022, we recorded a net cash inflow of less than RM0.1 million from our financing activities, mainly due to the following:

- (a) advances received from a Director (Chang Chung Fei) of RM1.5 million to finance our working capital requirements. As at LPD, such advances have been fully settled; and
- (b) net drawdown of bankers' acceptance of RM1.7 million and factoring facility of RM1.9 million for our working capital requirements.

12. FINANCIAL INFORMATION (Cont'd)

The cash inflow was offset by the following:

- (a) repayment of borrowings of RM2.9 million, which includes term loans and lease liabilities as well as its corresponding interest expenses; and
- (b) increase in fixed deposit pledged with licensed banks of RM2.2 million as security for our performance bonds.

FYE 2023**Net cash from operating activities**

For FYE 2023, we recorded net operating cash inflow of RM13.9 million after taking into consideration our operating profit of RM15.1 million and the following working capital changes:

- (a) increase in trade receivables of RM6.5 million, mainly due to the higher progress billings issued to our Group's clients towards the last quarter of FYE 2023;
- (b) increase in other receivables of RM1.7 million, being deposits paid as security for performance bonds;
- (c) increase in trade payables of RM7.0 million, which was in line with higher purchases and subcontractors' costs incurred to support our revenue growth in FYE 2023;
- (d) increase in other payables of RM1.4 million, mainly arising from higher accruals for bonuses and salaries to employees; and
- (e) income tax paid of RM2.8 million.

Net cash used in investing activities

For FYE 2023, we recorded a net cash outflow of RM6.0 million for our investing activities, attributable to the following:

- (a) capital injection into Best Stone by SAC for RM7.1 million in July 2023 for the acquisition by Best Stone of business and operating assets of Best Stone Building Material Sdn Bhd, out of which RM3.5 million was later advanced to SAC. As part of our Group's business strategy alignment process, our Group disposed the entire shareholdings in Best Stone for RM7.1 million payable by cash of RM3.5 million (which was received in February 2024) and the remaining balance of RM3.5 million was offset against the earlier advances provided to SAC in FYE 2023. The said disposal was completed on 29 December 2023;
- (b) advances provided to Best Stone of RM1.2 million for its working capital. As at LPD, these advances have been fully settled;
- (c) net cash outflows arising from the inclusion of Zig Zag Builders into our Group of RM0.9 million, mainly being the bank overdraft balance of Zig Zag Builders;
- (d) cash payment of RM0.2 million mainly for additional computers; and
- (e) addition of right-of-use assets of RM0.2 million, being 1 unit of motor vehicle under hire purchase arrangement.

12. FINANCIAL INFORMATION (Cont'd)

The cash outflow was offset by proceeds of RM0.1 million from the disposal of 1 unit of motor vehicle.

Net cash used in financing activities

For FYE 2023, we recorded a net cash outflow of RM2.8 million from our financing activities, mainly due to the following:

- (a) net repayment of bankers' acceptance and factoring facility of RM3.9 million and RM1.9 million respectively; and
- (b) repayment of borrowings of RM3.6 million, which includes term loans and lease liabilities as well as its corresponding interest expenses.

The cash outflow was offset by the following:

- (a) withdrawal of fixed deposit pledged with licensed banks of RM1.5 million due to reduction in security for performance bond facility upon completion of projects; and
- (b) net changes in amount due to holding company (i.e. SIB) of RM4.8 million of which RM3.0 million was for our Group's working capital requirements and RM1.8 million was used for capital injection into Best Stone.

FYE 2024

Net cash from operating activities

For FYE 2024, we recorded net operating cash inflow of RM27.6 million after taking into consideration our operating profit of RM56.4 million and the following working capital changes:

- (a) net increase in contract assets of RM44.4 million mainly for the Sri Petaling 1 Project, Bayan Lepas 2 Project, Bayan Lepas 1 Project, Melaka Project, Jalan Ampang 1 Project and TRX6 – LL Project, due to timing differences with higher revenue recognised for works performed based on the cost incurred method compared to the certified progress billing issued to our clients, which was pending their certification;
- (b) increase in trade receivables of RM60.0 million, mainly due to higher progress billings issued to our clients towards the last quarter of 2024, mainly for the Tropicana Cenang Project, Bandar Enstek Project, Damansara Project, Port Dickson Project, TRX6 – LL Project, Meru Raya Project, Cyberjaya Project and Avenue Project;
- (c) increase in other receivables of RM1.1 million, mainly attributable to higher prepayments for licences, insurance, leases and Human Resources Development Fund contribution as well as professional fees incurred for our Listing;
- (d) increase in trade payables of RM84.5 million, which was in line with higher purchases and subcontractors' costs incurred to support our revenue growth in FYE 2024;
- (e) increase in other payables of RM1.1 million, mainly attributable to higher accrued subcontractors' costs which subcontractor works have completed but our Group has yet to receive billings from such subcontractors as at 31 December 2024;
- (f) increase in amount due from related companies of RM1.2 million, being progress billings issued to our related companies towards the last quarter of 2024; and

12. FINANCIAL INFORMATION (Cont'd)

- (g) income tax paid of RM7.9 million.

Net cash from investing activities

For FYE 2024, we recorded a net cash inflow of RM4.1 million from our investing activities, mainly attributable to the following:

- (a) proceeds from disposal of a former subsidiary of RM3.5 million received on February 2024, being the balance consideration received from the disposal of the entire shareholdings in Best Stone for RM7.1 million, of which the remaining RM3.5 million was offset against an earlier advances provided to SAC in FYE 2023. The said disposal was completed on 29 December 2023;
- (b) repayment from a former subsidiary of RM1.2 million, being payment received for advances provided to Best Stone in the previous financial year; and
- (c) proceeds from disposal of investment property of RM0.7 million, being 1 residential unit located at Iskandar Puteri, Johor.

The cash inflow was offset by the purchase of property, plant and equipment of RM1.3 million, mainly for computers of RM0.9 million.

Net cash used in financing activities

For FYE 2024, we recorded a net cash outflow of RM2.2 million from our financing activities, due to the following:

- (a) payment of dividends of RM8.2 million, representing RM0.3 million dividends in respect of FYE 2023 and RM7.9 million dividends in respect of FYE 2024;
- (b) repayment of advances to holding company (i.e. SIB) of RM4.8 million;
- (c) repayment of borrowings of RM4.7 million, which includes term loans and lease liabilities as well as its corresponding interest expenses;
- (d) repayment of advances to Directors (Chang Chung Fei and Ng Mun Moh) of RM1.7 million; and
- (e) increase in placement of fixed deposits pledged with licensed banks of RM1.1 million.

The cash outflow was offset by net drawdown of bankers' acceptance of RM18.3 million.

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12. FINANCIAL INFORMATION (Cont'd)

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

We finance our operations with cash generated from operations, credit extended by trade payables and/ or financial institutions as well as cash and bank balances. Our facilities from financial institutions comprise bank overdrafts, term loans, factoring, performance bonds, bankers' acceptance as well as finance lease liabilities.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, amongst others, our cash and bank balances, expected cash inflows, future working capital requirements, future capital expenditure requirements and interest rates on borrowings. We carefully consider our cash position and ability to obtain further financing before making significant capital commitments.

There are no legal, financial, or economic restrictions on our subsidiaries' ability to transfer funds to our Company in the form of cash dividends, loans or advances, subject to the availability of distributable reserves compliance with financial covenants during FYE 2021 to 2024.

Our Board confirms that we have sufficient working capital for our existing and foreseeable requirements for a period of 12 months from the date of this Prospectus, taking into consideration the following:

- (a) our cash and cash equivalents of approximately RM17.9 million as at LPD;
- (b) our expected future cash flows from operations;
- (c) our total banking facilities as at LPD of RM97.4 million (excluding finance leases), of which RM63.3 million have been utilised; and
- (d) our pro forma gearing level of 0.1 times, based on our pro forma combined statements of financial position as at 31 December 2024 after the Acquisitions, subsequent event, IPO and utilisation of proceeds.

Given that we still have sufficient unutilised banking facilities as at LPD and based on our existing order book as at LPD, we do not foresee additional external financing to fund our working capital within the next 12 months from the date of this Prospectus.

At this juncture, we do not foresee any circumstances which will materially affect our liquidity. Our finance and accounting department work closely with our contracts department for the collection of outstanding balances on a monthly basis. This measure has proven to be effective while maintaining a cordial relationship with our clients.

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12. FINANCIAL INFORMATION (Cont'd)**12.4 BORROWINGS**

All of our borrowings are secured, interest-bearing and denominated in RM. Our total outstanding borrowings (excluding lease liabilities arising from lease of offices and hostels of RM0.2 million) as at 31 December 2024 stood at RM45.8 million, details of which are set out below:

	Purpose	Security	Tenure of the facility	Weighted average interest rate %	As at 31 December 2024 RM'000
Interest bearing short-term borrowings, payable within 1 year:					
Bankers' acceptance	Our working capital requirements	(a) legal charge over freehold and leasehold land and buildings; (b) pledged of fixed deposits; (c) jointly and severally guaranteed by certain Directors of our Group; (d) corporate guarantee by our holding company, SIB; and (e) guaranteed by the Credit Guarantee Corporation (M) Berhad under Flexi Guarantee Scheme.	Up to 180 days	5.51	30,864
Term loans	- Purchase of freehold and leasehold land and buildings - Our working capital requirements	(a) legal charge over freehold and leasehold land and buildings; (b) jointly and severally guaranteed by certain Directors of our Group; (c) corporate guarantee by our holding company, SIB; (d) assignment of rental proceeds; (e) guaranteed by the Government under SRFSG; (f) guaranteed by the Credit Guarantee Corporation (M) Berhad under Flexi Guarantee Scheme; and (g) assignment of insurances.	5 to 25 years	4.57	1,144
Lease liabilities	Purchase of motor vehicles	(a) certain lease liabilities are secured by motor vehicles under hire purchase arrangements; and (b) jointly and severally guaranteed by certain Directors of our Group	5 to 7 years	2.56	324
					32,332

12. FINANCIAL INFORMATION (Cont'd)

	Purpose	Security	Tenure of the facility	Weighted average interest rate %	As at 31 December 2024 RM'000
Interest bearing long-term borrowings, payable after 1 year:					
Term loan	- Purchase of freehold and leasehold land and buildings - Our working capital requirements	(a) legal charge over freehold and leasehold land and buildings; (b) jointly and severally guaranteed by certain Directors of our Group; (c) corporate guarantee by our holding company, SIB; (d) assignment of rental proceeds; (e) guaranteed by the Government under SRFSG; (f) guaranteed by the Credit Guarantee Corporation (M) Berhad under Flexi Guarantee Scheme; and (g) assignment of insurances.	5 to 25 years	4.57	12,775
Lease liabilities	Purchase of motor vehicles	(a) certain lease liabilities are secured by motor vehicles under hire purchase arrangements; and (b) jointly and severally guaranteed by certain Directors of our Group.	5 to 7 years	2.56	735
Total borrowings					13,510
					45,842

Gearing (times)

After Acquisitions and subsequent event but before Public Issue and utilisation of proceeds ⁽¹⁾	0.8
After Acquisitions, subsequent event, Public Issue and utilisation of proceeds ⁽²⁾	0.1

Notes:

- (1) Computed based on our pro forma equity of RM56.1 million in the pro forma combined statements of financial position, after the Acquisitions and subsequent event but before Public Issue and utilisation of proceeds.
- (2) Computed based on our pro forma equity of RM210.3 million in the pro forma combined statements of financial position, after the Acquisitions, subsequent event, Public Issue and utilisation of proceeds.

12. FINANCIAL INFORMATION (Cont'd)

Separately, we have also recognised the following lease liabilities on the right-of-use assets (arising from lease of offices and hostels) which are denominated in RM:

	Purpose	Tenure	As at 31 December 2024 RM'000
Lease liabilities payable within 1 year	Lease for office and hostels	1 to 3 years	109
Lease liabilities payable after 1 year	Lease for office and hostels	1 to 3 years	117
			226

We also rely on bank guarantees for performance bonds. Such bank guarantees are used for all aspects of the contract lifecycle from the start of project award to project handover to clients in accordance with the terms of each contract. The bank guarantees allow us to execute and guarantee our deliverables to our clients. The tenure requirements for the bank guarantees are structured to match the tenure of the contracts awarded by our clients.

Our total bank guarantees as at 31 December 2024 and LPD stood at RM23.0 million and RM25.2 million respectively, details as set out below. All our bank guarantees are secured, interest-bearing and denominated in RM:

	Purpose	Security	Tenure	Interest rate % per annum	As at 31 December 2024 RM'000	As at the LPD RM'000
Bank guarantees	Performance bonds for contract works carried out by our Group	(a) legal charge over freehold and leasehold land and buildings; (b) pledged of fixed deposits; (c) jointly and severally guaranteed by certain Directors of our Group; and (d) corporate guarantee by our holding company, SIB.	Up to 30 months	0.1	22,998	25,249

The liabilities in respect of the performance bonds will only crystallise and become payable following a call by our clients of the performance bonds in accordance with the terms and conditions of such contracts. During FYE 2021 to 2024, we did not experience any call of the performance bonds issued to our clients.

12. FINANCIAL INFORMATION (Cont'd)

As at LPD, we do not have any borrowings which are non-interest bearing and/ or in foreign currency. We also do not encounter any seasonality in our borrowings trend and there is no restriction on our committed borrowing facilities other than gearing ratio restrictions exceeding 2.0 times.

We have not defaulted on payments of principal sums and/ or interests in respect of any of our borrowings throughout FYE 2021 to 2024 and up to LPD.

As at LPD, neither our Company nor any of our subsidiaries are in breach of any terms and conditions or covenants associated with the credit arrangement or bank loan which can materially affect our (a) financial position and results; (b) business operations; or (c) the investments by holders of our securities.

During FYE 2021 to 2024, we did not experience any claw back or reduction in the facilities limit granted to us by our lenders.

In conjunction with our Listing, we have applied to the financiers to obtain a release and/ or discharge of the guarantees by substituting the same with a corporate guarantee from our Company and/or other securities from our Group acceptable to the financiers. Until such release and/ or discharge are obtained from the respective financiers, our Promoters and former director of Zig Zag Builders will continue to guarantee the banking facilities extended to our Group.

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12. FINANCIAL INFORMATION (Cont'd)**12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES**

Save as disclosed in Section 12.4 above, we do not have or utilise any other financial instruments or have any other treasury policies. All our financial instruments are used towards purchase of property, plant and equipment and for our working capital requirements.

As at LPD, save for our finance lease liabilities and 2 term loans which are based on fixed rates, our other facilities with licensed financial institutions are based on base rate plus or minus a rate which varies depending on the type of facility.

12.6 MATERIAL CAPITAL COMMITMENTS

As at LPD, save as disclosed below, we do not have any other material capital commitments:

	To be funded internally or with borrowings	To be funded from proceeds of our Public Issue
	RM'000	RM'000
Approved but not contracted for:		
• Setup of corporate office and production facility in Selangor	30,000	88,000
• Purchase of machinery and equipment	-	4,000
• Establishment of branch offices in Pulau Pinang and Johor	-	12,000
• Purchase of motor vehicle	644	-
Approved and contracted for:		
• Purchase of 3 shop office units ⁽¹⁾	1,850	-
	32,494	104,000

Note:

- ⁽¹⁾ Relates to the term of new settlement agreement and conditional sale and purchase agreements of which Ho Hup Construction Company Berhad will dispose of 3 shop office units, erected within a commercial development known as "Aurora Place", at Bukit Jalil, Kuala Lumpur, to SAC at a discounted price of RM1,850,000 as described in Sections 6.5(q), (r) and (s).

Further details of the utilisation of proceeds, arising from our Public Issue are set out in Section 4.9.

12.7 MATERIAL LITIGATION AND CONTINGENT LIABILITIES

As at LPD, we are not engaged in any other material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which may have or have had, material or significant effect on the financial position or profitability of our Group.

As at LPD, save for the financial guarantees amounting to RM25.2 million as disclosed in Section 12.4, our Directors confirm that there are no material contingent liabilities incurred by our Group, which upon becoming enforceable may have a material effect on our Group's business, financial results or position.

12. FINANCIAL INFORMATION (Cont'd)**12.8 KEY FINANCIAL RATIOS**

The key financial ratios of our Group for FYE 2021 to 2024 are as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Trade receivables turnover (days) ⁽¹⁾	84	55	64	64
Trade payables turnover (days) ⁽²⁾	120	87	89	91
Inventory turnover (days) ⁽³⁾	1	-	1	<1
Current ratio (times) ⁽⁴⁾	1.3	1.3	1.4	1.3
Gearing ratio (times) ⁽⁵⁾	1.7	1.4	0.8	0.7

Notes:

- (1) Computed based on average opening and closing trade receivables (including amount due from related companies (trade nature)) over revenue for the year multiplied by 365 days for each financial year.
- (2) Computed based on average opening and closing trade payables (including amount due to related companies (trade nature) and excluding retention sum) over cost of sales for the year multiplied by 365 days for each financial year.
- (3) Computed based on the average opening and closing inventories over purchases for the year, multiplied by 365 days for each financial year.
- (4) Computed based on current assets over current liabilities as at each year end.
- (5) Computed based on total interest-bearing borrowings (excluding lease liabilities arising from rental obligation) divided by total equity at the end of each financial year.

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12. FINANCIAL INFORMATION (Cont'd)**12.8.1 Trade receivables turnover**

The normal trade credit period granted by our Group to our clients ranges from 14 days and up to 120 days from the date of our invoices.

Our average trade receivables turnover days for FYE 2021 to 2024 is as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables ⁽¹⁾	16,108	17,575	24,642	35,771
Closing trade receivables ⁽¹⁾	17,575	24,642	35,771	99,042
Average trade receivables	16,842	21,109	30,207	67,407
Revenue	73,412	139,460	173,383	386,016
Trade receivables turnover days	84	55	64	64

Note:

⁽¹⁾ Includes amount due from related companies (trade nature).

Our trade credit period to clients is assessed and approved on an individual client basis taking into consideration various factors such as our relationship with clients, clients' payment history, their credit worthiness, quantum of amount owing. There were no changes to our credit policies and procedures from FYE 2021 to 2024.

Our trade receivable turnover periods for the FYE 2021 to 2024 were between 55 days and 84 days, which were within our normal credit period.

Our Group's trade receivables turnover period decreased from 84 days in FYE 2021 to 55 days in FYE 2022 mainly due to improved collections from our clients following the reopening of economy due to the COVID-19 pandemic and faster payments processing time by our clients.

Our Group's trade receivables turnover period increased from 55 days in FYE 2022 to 64 days in FYE 2023 and remained consistent at 64 days in FYE 2024 mainly attributable to slower payments from 1 major client, namely Bellajade Sdn Bhd for Jalan Ampang 1 Project. This project's works have been completed and the project site has been handover to the client as at LPD. Save for Jalan Ampang 1 Project, our Group does not have any other projects with the said client as at LPD. Our Group has agreed with the said client to settle the outstanding balances with a proposed payment schedule via monthly instalments starting end of January 2025, which instalments payments have been prompt up to LPD. As at LPD, the outstanding amount from the said client is RM12.9 million. We continued to follow-up on the collections and monitor the trade receivables through trade receivable aging.

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12. FINANCIAL INFORMATION (Cont'd)

The aging analysis of our trade receivables as at 31 December 2024 is as follows:

	Trade receivables as at 31 December 2024		Amount collected from 1 January 2025 up to LPD	Balance of trade receivables which have yet to be collected as at LPD
	RM'000	Percentage of trade receivables (a)/total of (a)	RM'000	RM'000
	(a)	(a)/total of (a)	(b)	(c) = (a)-(b)
Neither past due nor impaired	79,745	80.5	63,468	16,277
Past due but not impaired:	19,297	19.5	4,356	14,941
- less than 3 months	3,974	4.0	2,939	1,035
- 3 to 6 months	82	0.1	-	82
- more than 6 months	15,241	15.4	1,417	13,824
	99,042	100.0	67,824	31,218

Our total trade receivables past due as at 31 December 2024 is RM19.3 million, representing 19.5% of our total trade receivables. Subsequent to 1 January 2025 and up to LPD, we have collected RM67.8 million, representing 68.5% of the total trade receivables as at 31 December 2024, of which RM4.4 million were relating to trade receivables past due as at 31 December 2024. The balance of trade receivables which have yet to be collected as at LPD of RM31.2 million, are mainly attributable to outstanding debts from 4 clients of RM23.6 million, who has requested for longer period to settle their payments.

As at LPD, our Group has not encountered any other major disputes with our clients. With respect to overdue debts, we have generally been able to collect payment eventually as evidenced by our subsequent collections after 31 December 2024.

Our Group has in place a credit procedure (such as sending monthly statement of accounts and reminder letters to clients as well as follows up calls and conducting meetings with debtors) to monitor and minimise the exposure of default. Receivables are monitored on a regular and an ongoing basis. Credit evaluations are performed on all clients requiring credit over certain amount.

Our management closely monitors the recoverability of trade receivables on a regular basis, and, when appropriate, provides for specific impairment of these trade receivables. As at 31 December 2024, an allowance for impairment losses amounting to RM1.4 million (i.e. collective impaired of RM1.1 million and individual impaired of RM0.3 million) has been made for the trade receivables. Our Board is of the view that the remaining trade receivables are recoverable taking into consideration our relationship with our clients, as well as our efforts to improve collection with various credit control measures to reduce the potential exposure on credit risk.

12. FINANCIAL INFORMATION (Cont'd)**12.8.2 Trade payables turnover**

The normal credit period granted by our suppliers to our Group ranges from 60 days and up to 120 days from the date of suppliers' invoice.

Our average trade payables turnover days for FYE 2021 to 2024 is as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Opening trade payables ⁽¹⁾	16,483	22,826	35,111	35,531
Closing trade payables ⁽¹⁾	22,826	35,111	35,531	116,318
Average trade payables	19,655	28,969	35,321	75,925
Cost of sales	60,000	121,511	144,079	304,316
Average trade payables turnover days	120	87	89	91

Note:

⁽¹⁾ Includes amount due to related companies (trade nature).

Our trade payables turnover periods for FYE 2021 of 120 days, FYE 2022 of 87 days, FYE 2023 of 89 days and FYE 2024 of 91 days were within our normal credit period.

In FYE 2021, our trade payables turnover period was 120 days, due to the COVID-19 situation where we were more prudent with our cash conservation to weather through the pandemic situation. Our suppliers allowed us a longer period for payment in view of our Group's established relationships with them, our Group's payment history and our Group's credentials. Our Group has not encountered any issue with our suppliers notwithstanding the slower payments.

Our Group's trade payables turnover period decreased from 120 days in FYE 2021 to 87 days in FYE 2022 as we made payments to our suppliers and subcontractors in timely manner due to our improved collections from our clients.

Our Group's trade payables turnover period for FYE 2023 remained consistent at 89 days.

Our Group's trade payables turnover period for FYE 2024 remained consistent at 91 days.

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12. FINANCIAL INFORMATION (Cont'd)

The aging analysis of our trade payables as at 31 December 2024 is as follows:

	Trade payables as at 31 December 2024		Amount paid from 1 January 2025 up to LPD	Balance of trade payables which have yet to be paid as at LPD
	RM'000 (a)	Percentage of trade payables (a)/total of (a)	RM'000 (b)	RM'000 (c) = (a)-(b)
Within credit period	23,894	20.5	16,912	6,982
Exceeding credit period:	26,498	22.8	12,758	13,740
-less than 3 months	16,971	14.6	9,573	7,398
-3 to 6 months	2,010	1.7	483	1,527
-more than 6 months	7,517	6.5	2,702	4,815
Trade accruals ⁽¹⁾	65,926	56.7	-	65,926
	116,318	100.0	29,670	86,648

Note:

- (1) Represent accruals of costs that had been incurred during FYE 2024 for our provision of interior fitting-out services, where the invoices have not been issued by subcontractors or suppliers.

As at LPD, we have paid RM29.7 million or 25.5% of our trade payables as at 31 December 2024. Our Group has yet to make payment for trade payables exceeding credit period of RM13.7 million as at LPD mainly due to outstanding balance owing to 3 subcontractor that relate to 5 projects. Our delayed payments to these subcontractors was as a result of longer collection period from the projects/ clients. Nevertheless, as at LPD, there are no disputes in respect of our trade payables and we are not aware of any legal action initiated by our suppliers or subcontractors.

As at LPD, we have paid RM12.8 million, representing 48.3% of our total past due trade payables as at 31 December 2024.

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12. FINANCIAL INFORMATION (Cont'd)**12.8.3 Inventory turnover**

Our average trade inventory turnover days for FYE 2021 to 2024 is as follows:

	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
	RM'000	RM'000	RM'000	RM'000
Opening inventories	96	4	-	133
Closing inventories	4	-	133	38
Average inventories	50	2	67	86
Purchases	20,608	32,479	30,071	49,667
Average inventory turnover days	1	-	1	<1

Our inventory mainly comprise building materials such as furniture and fittings, plywood and laminates and light fittings.

Our Group does not keep inventories for more than 7 days and we only procure the materials based on our project requirements. Upon delivery, such purchases of materials are captured as project cost and recognised as cost of sales. Hence, our Group's inventory turnover days were less than 1 day for FYE 2021 to 2024.

Approval is required from our Directors for the replenishment of project materials. During the FYE 2021 to 2024 and up to LPD, our Group did not have any inventories that were written down.

12.8.4 Current ratio

Our current ratio throughout FYE 2021 to 2024 is as follows:

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Current assets	61,525	82,040	109,057	249,247
Current liabilities	45,970	62,256	76,537	193,822
Net current assets	15,555	19,784	32,520	55,425
Current ratio (times)	1.3	1.3	1.4	1.3

Our current ratio remained consistent at 1.3 times and 1.4 times as at 31 December 2021, 2022, 2023 and 2024.

The current ratio above 1 times indicates that our Group is capable of meeting our current obligations as our current assets, which can be readily converted to cash, together with our cash balances in the bank are sufficient to meet immediate current liabilities.

12. FINANCIAL INFORMATION (Cont'd)**12.8.5 Gearing ratio**

Our gearing ratio throughout FYE 2021 to 2024 is as follows:

	Audited			
	As at 31 December			
	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000
Total borrowings (excluding lease liabilities arising from rental obligation)	29,528	31,660	30,973	45,842
Total equity	17,254	22,668	38,521	66,135
Gearing ratio (times)	1.7	1.4	0.8	0.7

Our gearing ratio ranged between 0.8 times and 1.7 times as at 31 December 2021 to 31 December 2024.

Our Group's gearing ratio decreased from 1.7 times as at 31 December 2021 to 1.4 times as at 31 December 2022 and subsequently 0.8 times as at 31 December 2023. This was attributable to increase in equity as a result of higher retained earnings recorded (31 December 2021: RM15.4 million, 31 December 2022: RM21.2 million, 31 December 2023: RM35.7 million) resulting from higher PAT achieved in FYE 2022 and FYE 2023 as well as repayment of borrowings made during FYE 2022 and FYE 2023 respectively.

Our Group's gearing ratio decreased from 0.8 times as at 31 December 2023 to 0.7 times as at 31 December 2024. This was attributable to the increase in equity as a result of higher retained earnings recorded (31 December 2023: RM35.7 million and 31 December 2024: RM60.0 million) resulting from higher PAT achieved in FYE 2024.

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12. FINANCIAL INFORMATION (Cont'd)

12.9 SIGNIFICANT FACTORS AFFECTING OUR GROUP'S FINANCIAL PERFORMANCE

Section 9 details a number of risk factors relating to our business and the industry in which we operate in. The main factors which affect our financial performance include but not limited to the following:

(a) Our business is dependent on our ability to secure new projects and replenish our order book

As we provide our interior fitting-out services to our clients on a project-by-project basis, our clients are under no obligation to continue to award contracts to us and there is no guarantee that we will be able to secure new contracts from the same clients in the future.

The financial performance of our Group depends on our ability to secure new projects to sustain our order book. Any significant decline in our order book will materially and adversely impact our sustainability, growth potential, and future financial performance. As at LPD, the total unbilled contract value of our ongoing projects based on contracts secured was RM388.6 million and our Group expects that our unbilled order book as at LPD will be recognised over the next 1 to 2 financial years. However, there is no assurance that we will be able to maintain our order book at such levels in the future. In addition, our order book may be subject to unexpected project cancellations or scope adjustments which may occur from time to time. There can also be no certainty that projects from our order book will not be delayed or terminated or we may face situation of delays in securing new contracts due to factors outside our control such as deferment in project awarded by our clients or economic downturns. Any delay or cancellation or reduction in the contract value or scope of work of projects secured may reduce the value of our order book and in turn, affect our future financial performance.

Please refer to Section 9.1.1 for further details.

(b) We rely on certain approvals, licences and permits

As at LPD, we have obtained all approvals, licences and permits to undertake our business. We must comply with the restrictions and conditions imposed by the relevant authorities for us to maintain the validity of such approvals, licences and permits. In the event we fail to comply with the applicable requirements or any required conditions, our approvals, licences and permits may be cancelled or suspended. Delay in renewing such approvals, licences and permits upon expiry may also result in temporary suspension or restriction of our business operation. Therefore, any revocation and/ or failure to obtain renewals for such approvals, licences and permits may affect our business operations.

Please refer to Section 9.1.2 for further details.

12. FINANCIAL INFORMATION (Cont'd)

(c) We rely on our suppliers and subcontractors to complete our interior fitting-out projects

We are dependent on our suppliers and subcontractors for the delivery of materials or completion of works in a timely and reliable manner. In addition, as we do not sign any long-term agreement with our suppliers and subcontractors, there is no assurance that they will be able to continue to provide materials and services at acceptable price to our Group or that our Group can maintain our relationship with them in the future. In the event that any of our major suppliers or subcontractors are unable to provide the required materials and/ or services to our Group and if we are unable to procure alternative providers with similar or more favourable terms, our business operations and financial performance may be adversely affected.

Please refer to Section 9.1.3 for further details.

(d) We may incur cost overrun which are not recoverable from our clients due to failure to accurately estimate time and control costs

We determine the price of our projects based on various factors including but not limited to the duration of works, estimated costs including subcontracting costs and material costs, the scope and complexity of works, our previous tender records, the awarded tender prices or quotation prices of similar projects, our relationship with potential clients, payment terms and prevailing market conditions at the time when we submit our tenders or quotations to our potential clients. Significant deviation in any of these factors from the actual timeline and cost may lead to delay in completion and cost overrun by us or even unilateral termination of contracts by our clients due to unsatisfactory performance and hence adversely affect our financial performance.

Please refer to Section 9.1.4 for further details.

12.10 IMPACT OF GOVERNMENT, ECONOMIC, FISCAL OR MONETARY POLICIES

Risks relating to government, economic, fiscal or monetary policies or factors which may materially affect our operations are set out in Section 9.

12.11 IMPACT OF INFLATION

The length of projects is generally between 1 and 15 months. Accordingly, prices of key materials at the time of submission of tender bids or signing of contracts may not reflect the prices that we will eventually pay during the implementation of our projects. Certain of our contracts are firm and fixed-price contracts, under which we commit to provide all of the resources required to complete a project at fixed unit prices. As such, we are not able to pass on any increases in construction costs.

Our operations are also dependent on the availability of labour at acceptable prices. Any unanticipated increases in the cost of labour not taken into account at the time of submission of tender bids or signing of contracts may also result in our profits being different from those originally estimated and may result in us experiencing reduced profitability or losses on projects.

During FYE 2021 to 2024, our financial performance was not materially affected by the impact of inflation. However, there is no assurance that our financial performance will not be adversely affected by the impact of inflation moving forward.

12. FINANCIAL INFORMATION (Cont'd)**12.12 IMPACT OF FOREIGN EXCHANGE RATES, INTEREST RATES AND/ OR COMMODITY PRICES ON OUR OPERATIONS****(a) Impact of foreign exchange rates**

Our purchases are mainly denominated in RM.

	Audited							
	FYE 2021		FYE 2022		FYE 2023		FYE 2024	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
RM	20,574	99.8	32,055	98.7	29,465	98.0	48,581	97.8
SGD	34	0.2	210	0.6	350	1.1	211	0.4
GBP	-	-	214	0.7	210	0.7	-	-
USD	-	-	-	-	24	0.1	49	0.1
RMB	-	-	-	-	22	0.1	826	1.7
	20,608	100.0	32,479	100.0	30,071	100.0	49,667	100.0

Our purchases were primarily denominated in RM. Our purchases from our overseas suppliers are denominated in SGD, GBP, USD and RMB, collectively constituted 0.2%, 1.3%, 2.0% and 2.2% of our total purchases for FYE 2021 to 2024 respectively, while the remaining was purchased from local and foreign suppliers where some foreign suppliers invoiced us in RM. The weakening of the RM against the abovementioned foreign currencies will lead to higher costs of supplies for our Group. In the event that we are unable to pass the increase in cost to our clients in a timely manner, our financial performance may be adversely affected due to the reduced GP margin from higher cost of supplies.

Notwithstanding the above, there is no assurance that any fluctuation in foreign exchange rates would not have an impact on our financial performance.

(b) Impact of interest rates

Our exposure to changes in interest rate risk relates primarily to our borrowings from banks. We do not generally hedge interest rate risks.

Our Group do not expect any material effect on our Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of reporting period.

Our financial results for FYE 2021 to 2024 were not materially affected by fluctuations in interest rates.

(c) Impact of commodity prices

Our materials mainly consist of building materials such as furniture and fittings, plywood and laminates and light fittings, which are not commodities.

12. FINANCIAL INFORMATION (Cont'd)**12.13 ORDER BOOK**

Details of our unbilled order book are as follows:

Project details	As at 31 December 2024	As at LPD
	RM'000	RM'000
Building		
- Commercial	459,363	337,676
- Residential	7,631	7,810
- Industrial	41,450	43,119
	508,444	388,605

The above unbilled order book relates to the contract value of projects which are ongoing less progress billing issued up to 31 December 2024 or LPD, as the case may be. This unbilled order book will be recognised progressively over the next 1 to 2 financial years based on the expected progress of each project.

As at LPD, unbilled order book of RM42.6 million were awarded by related companies and related parties, representing 11.0% of our total unbilled order book. Out of the RM42.6 million, RM1.7 million relates to Bandar Enstek Project which was awarded to Zig Zag Builders in May 2023, which was prior to the inclusion of Zig Zag Builders in our Group.

12.14 DIRECTORS' STATEMENT ON OUR GROUP'S FINANCIAL PERFORMANCE

Our Board is of the opinion that:

- (a) Our Group's revenue will remain sustainable in line with our unbilled order book as set out in Section 12.13;
- (b) Our liquidity will improve further subsequent to the Public Issue given the additional funds to be raised for our Group to carry out our business strategies as stated in Section 7.19; and
- (c) Our capital resources will strengthen, taking into account the amount to be raised from the Public Issue as well as internally generated funds. We may consider debt or equity funding for our capital expansion should the need arises.

In addition to the above, our Board confirms that there are no circumstances which would result in a significant decline in our revenue and GP margin or know of any factors that are likely to have a material impact on our liquidity, revenue or profitability.

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12. FINANCIAL INFORMATION (Cont'd)

12.15 TREND INFORMATION

Based on our track record for FYE 2021 to 2024, the following trends may continue to affect our business:

- (a) During FYE 2021 to 2024, our revenue was mainly derived from the provision of interior fitting-out services segment. We expect that this segment to continue contributing significantly to our revenue in the future;
- (b) During FYE 2021 to 2024, commercial properties has been and will continue to be our main focus;
- (c) The main components of our cost of sales are purchases and subcontractors' costs which collectively accounted for more than 90.0% of our total cost of sales during FYE 2021 to 2024. Moving forward, our cost of sales is expected to fluctuate in tandem with the growth of our business and would depend on amongst others, the availability and price fluctuation of our building materials and subcontractors' costs; and
- (d) We achieved a GP margin between 12.9% and 21.2% for FYE 2021 to 2024 respectively. Moving forward, our GP margin will depend on, amongst others, our continued ability to manage our costs efficiently and the types and complexity of projects that we can secure in the future.

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

- (a) Known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in Sections 7.12, 9, 12.2, 12.8, 12.9, 12.10, 12.11 and 12.12;
- (b) Material commitments for capital expenditure save as disclosed in Section 12.6;
- (c) Unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as discussed in Sections 9, 12.2, 12.8, 12.9, 12.10, 12.11 and 12.12; and
- (d) Known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those discussed in Sections 9, 12.2, 12.8, 12.9, 12.10, 12.11 and 12.12.

Based on the above, our Board is optimistic about the future prospects of our Group given the positive outlook of the interior fitting-out industry in Malaysia as set out in the IMR Report in Section 8, our Group's competitive strengths set out in Section 7.18 and our Group's intention to implement the business strategies as set out in Section 7.19.

12. FINANCIAL INFORMATION (Cont'd)**12.16 DIVIDEND POLICY**

Our Group presently does not have any formal dividend policy and the declaration of dividends and other distributions are subject to the discretion of our Board. It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in the future years is subject to various factors such as having profits and excess funds, which are not required to be retained to fund our business.

As we are a holding company, our ability to declare and pay dividends or make other distributions to our shareholders are dependent upon the dividends we receive from our subsidiaries, present and future. The payment of dividends by our subsidiaries is dependent upon various factors, including but not limited to, their distributable profits, financial performance, and cash flow requirements for operations and capital expenditures, as well as other factors that their respective boards of Directors deem relevant. Save for certain restrictive covenants from our credit facilities, which our subsidiaries are subject to, there is no other dividend restriction imposed on our subsidiaries as at LPD.

Our Board will consider the following factors (which may not be exhaustive) when recommending dividends for approval by our shareholders or when declaring any interim dividends:

- (a) the level of cash and level of indebtedness;
- (b) required and expected interest expenses, cash flows, profits, return on equity and retained earnings;
- (c) our expected results of operations and future level of operations;
- (d) our projected levels of capital expenditure and other investment plans; and
- (e) the prior consent from our lenders, if any.

The payment and amount of any dividends or distributions to our shareholders will be at the discretion of our Board and will depend on factors stated above (which may not be exhaustive). There is no assurance as to whether the dividend distribution will occur as intended, the amount of dividend payment or timing of such payment.

Our Company may from time to time propose and approve dividends or other distributions. However, no dividend or distribution shall be declared in excess of the amount recommended by our Board. Further, under the Act, our Company may not declare or pay dividend, if there are reasonable grounds for believing that:

- (a) our Company is, or would after the payment be unable to pay our liabilities as they become due; or
- (b) the realisable value of our Company's assets would thereby be less than our liabilities.

12. FINANCIAL INFORMATION (Cont'd)

For FYE 2021 to 2024 and up to LPD, our Group declared and paid the following dividends to shareholders of our subsidiaries:

	Audited				Unaudited
	FYE 2021	FYE 2022	FYE 2023	FYE 2024	1 January 2025 up to LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	-	-	-	⁽¹⁾⁽³⁾ 16,325	⁽²⁾⁽³⁾ 10,000
SIB	-	-	-	8,106	5,100
Chang Chung Fei	-	-	-	3,543	3,430
Foo Khai Shin	-	-	-	3,094	-
Ng Mun Moh	-	-	-	1,582	1,470
Dividends paid	-	-	-	8,219	11,503
SIB	-	-	-	-	6,603
Chang Chung Fei	-	-	-	3,543	3,430
Foo Khai Shin	-	-	-	3,094	-
Ng Mun Moh	-	-	-	1,582	1,470

Notes:

- (1) Dividends of RM0.3 million were declared in respect of FYE 2023 and dividends of RM16.00 million were declared in respect of FYE 2024.
- (2) Dividends of RM10.0 million were declared to shareholders of SAC in respect of FYE 2024.
- (3) The balance of RM6.6 million dividends will be paid subsequent to LPD but prior to Listing.

The above dividends were funded by internally generated funds of the respective subsidiaries. The dividends will not affect the execution and implementation of our future plans or business strategies. Together with the proceeds from the Public Issue, we believe that we have sufficient cash from operations and bank borrowings to fund our operations and expansion plans. Our Group has no intention to declare any dividends from LPD up to our Listing.

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

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12. FINANCIAL INFORMATION (Cont'd)**12.17 CAPITALISATION AND INDEBTEDNESS**

The following information should be read in conjunction with the Reporting Accountants' report on the pro forma combined statements of financial position set out in Section 14.

The table below summarises our capitalisation and indebtedness:

- (a) Based on our Group's latest unaudited combined financial information as at 31 March 2025; and
- (b) After adjusting for the effects of Public Issue and utilisation of proceeds.

	Unaudited	I	II
	As at 31	After Public	After I and
	March 2025	Issue	utilisation
	RM'000	RM'000	of proceeds
			RM'000
Capitalisation			
Share capital	38,184	199,384	196,705
Total capitalisation	38,184	199,384	196,705
Indebtedness			
Current			
<i><u>Secured and guaranteed</u></i>			
Term loans	992	992	848
Bankers' acceptance	31,786	31,786	20,786
Lease liabilities	411	411	411
<i><u>Unsecured and unguaranteed</u></i>			
Lease liabilities ⁽¹⁾	213	213	213
Non-current			
<i><u>Secured and guaranteed</u></i>			
Term loans	12,573	12,573	3,717
Lease liabilities	859	859	859
<i><u>Unsecured and unguaranteed</u></i>			
Lease liabilities ⁽¹⁾	95	95	95
<i><u>Secured and guaranteed</u></i>			
Contingent liabilities ⁽²⁾	25,146	25,146	25,146
Total indebtedness	72,075	72,075	52,075
Total capitalisation and indebtedness	110,259	271,459	248,780
Gearing ratio (times)⁽³⁾	1.2	0.2	0.1

Notes:

- (1) Lease liabilities in relation to lease of offices.
- (2) Contingent liabilities consist of bank guarantees for performance bonds issued to clients.
- (3) Calculated based on total indebtedness (excluding contingent liabilities and lease liabilities arising from lease of offices) divided by total capitalisation.

13. ACCOUNTANTS' REPORT



SIGNATURE ALLIANCE GROUP BERHAD
[Registration No.: 202401001316 (1547167-T)]
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022,
31 DECEMBER 2023 AND 31 DECEMBER 2024

Registered office:
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Principal place of business:
No. 11, Jalan SC 6
Pusat Perindustrian Sungai Chua
43000 Kajang
Selangor Darul Ehsan

13. ACCOUNTANTS' REPORT (Cont'd)

SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**ACCOUNTANTS' REPORT
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022,
31 DECEMBER 2023 AND 31 DECEMBER 2024**

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13. ACCOUNTANTS' REPORT (Cont'd)



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The Board of Directors
Signature Alliance Group Berhad
No. 11, Jalan SC 6
Pusat Perindustrian Sungai Chua
43000 Kajang
Selangor Darul Ehsan

Dear Sirs,

REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF SIGNATURE ALLIANCE GROUP BERHAD ("SAG" OR "THE COMPANY")

Opinion

We have audited the accompanying combined financial statements of the Company and its combining entities as disclosed in Note 1.3 to the combined financial statements (collectively known as "SAG Group" or "the Group"), which comprises the combined statements of financial position as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 of the Group, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial years then ended, and notes to the combined financial statements, including a material accounting policy information, as set out on pages 6 to 122.

In our opinion, the accompanying combined financial statements give a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and of their financial performance and their cash flows for the financial years then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

13. ACCOUNTANTS' REPORT (*Cont'd*)



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REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF SIGNATURE ALLIANCE GROUP BERHAD ("SAG" OR "THE COMPANY") (CONT'D)

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company are responsible for the preparation of the combined financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

13. ACCOUNTANTS' REPORT (Cont'd)



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REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF SIGNATURE ALLIANCE GROUP BERHAD ("SAG" OR "THE COMPANY") (CONT'D)

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue an accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the combined financial statements of the Group.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

13. ACCOUNTANTS' REPORT (Cont'd)



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REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF SIGNATURE ALLIANCE GROUP BERHAD ("SAG" OR "THE COMPANY") (CONT'D)

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountants' report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our accountants' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. ACCOUNTANTS' REPORT (Cont'd)



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**REPORTING ACCOUNTANTS' OPINION ON THE COMBINED FINANCIAL
STATEMENTS CONTAINED IN THE ACCOUNTANTS' REPORT OF
SIGNATURE ALLIANCE GROUP BERHAD ("SAG" OR "THE COMPANY") (CONT'D)**

Other Matters

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for the inclusion in the prospectus of SAG in connection with the proposed listing of and quotation for the entire enlarged issued share capital of SAG on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.


UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants


YEONG AIK CHUAN
Approved Number: 02239/07/2026 J
Chartered Accountant

KUALA LUMPUR

29 APR 2025

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND
31 DECEMBER 2024**

	Note	2021 RM	2022 RM	2023 RM	2024 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	3,469,232	3,436,272	8,509,282	9,326,294
Right-of-use assets	5	3,395,527	3,120,337	4,170,285	7,989,756
Investment properties	6	7,665,000	7,735,000	7,965,000	7,315,000
Other financial assets	7	-	-	371,375	371,375
Deferred tax assets	8	-	323,885	496,075	157,490
		<u>14,529,759</u>	<u>14,615,494</u>	<u>21,512,017</u>	<u>25,159,915</u>
Current Assets					
Inventories	9	4,210	-	132,968	37,881
Contract assets	10	40,994,927	49,409,453	52,938,744	104,169,209
Trade receivables	11	17,575,415	24,598,030	35,628,351	96,643,520
Other receivables	12	504,033	2,230,916	9,349,662	5,715,971
Amount due from related companies	13	-	43,489	141,614	2,399,042
Tax recoverable		108,761	14,017	18,428	13,358
Fixed deposits with licensed banks	14	1,076,575	3,319,084	2,138,784	3,286,598
Cash and bank balances		<u>1,261,227</u>	<u>2,424,760</u>	<u>8,707,280</u>	<u>36,981,574</u>
		<u>61,525,148</u>	<u>82,039,749</u>	<u>109,055,831</u>	<u>249,247,153</u>
Total Assets		<u>76,054,907</u>	<u>96,655,243</u>	<u>130,567,848</u>	<u>274,407,068</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF FINANCIAL POSITION AS AT
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND
31 DECEMBER 2024 (CONT'D)**

	Note	2021 RM	2022 RM	2023 RM	2024 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	15	-	-	-	2
Invested equity	15	1,500,000	1,500,000	2,500,000	2,500,000
Merger reserve	16	350,100	-	-	-
Revaluation reserve	17	-	-	292,505	3,673,232
Retained earnings		15,403,834	21,167,352	35,728,695	59,962,243
Total Equity		<u>17,253,934</u>	<u>22,667,352</u>	<u>38,521,200</u>	<u>66,135,477</u>
Non-Current Liabilities					
Lease liabilities	18	487,830	290,045	929,847	851,832
Bank borrowings	19	12,340,103	11,438,066	14,576,924	12,774,729
Deferred tax liabilities	8	3,294	3,294	3,294	822,910
		<u>12,831,227</u>	<u>11,731,405</u>	<u>15,510,065</u>	<u>14,449,471</u>
Current Liabilities					
Contract liabilities	10	6,054	1,012,770	3,747,226	10,409,631
Trade payables	20	27,041,841	36,861,590	44,415,723	128,938,190
Other payables	21	2,186,740	2,319,547	3,793,165	13,003,100
Amount due to immediate holding company	22	-	20,705	4,805,460	-
Amount due to related companies	13	-	19,188	-	1,106,157
Amount due to Directors	23	100	1,500,000	1,766,488	-
Lease liabilities	18	252,622	197,783	425,644	432,832
Bank borrowings	19	16,447,501	19,734,042	15,159,790	32,007,844
Tax payable		34,888	590,861	2,423,087	7,924,366
		<u>45,969,746</u>	<u>62,256,486</u>	<u>76,536,583</u>	<u>193,822,120</u>
Total Liabilities		<u>58,800,973</u>	<u>73,987,891</u>	<u>92,046,648</u>	<u>208,271,591</u>
Total Equity and Liabilities		<u>76,054,907</u>	<u>96,655,243</u>	<u>130,567,848</u>	<u>274,407,068</u>

The accompanying notes form an integral part of the combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND
31 DECEMBER 2024**

	Note	2021 RM	2022 RM	2023 RM	2024 RM
Revenue	24	73,412,114	139,459,839	173,382,584	386,016,405
Cost of sales		(59,999,812)	(121,510,441)	(144,079,057)	(304,316,077)
Gross profit		<u>13,412,302</u>	<u>17,949,398</u>	<u>29,303,527</u>	<u>81,700,328</u>
Other income		398,939	468,587	925,333	601,063
Administrative expenses		(7,318,132)	(10,059,788)	(14,425,071)	(25,713,247)
Other expenses		(654,360)	(452,783)	(762,525)	(1,274,326)
Net (loss)/gain on impairment of financial instruments and contract assets		(1,521,373)	907,673	728,280	1,084,123
Finance costs	25	(1,493,661)	(1,697,239)	(1,860,683)	(2,069,482)
Profit before tax	26	<u>2,823,715</u>	<u>7,115,848</u>	<u>13,908,861</u>	<u>54,328,459</u>
Taxation	27	(107,160)	(1,352,330)	(3,485,379)	(13,769,911)
Profit for the financial year		<u>2,716,555</u>	<u>5,763,518</u>	<u>10,423,482</u>	<u>40,558,548</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND
31 DECEMBER 2024 (CONT'D)**

	Note	2021 RM	2022 RM	2023 RM	2024 RM
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Revaluation of land and buildings		-	-	-	4,200,343
Deferred tax liabilities relating to revaluation of land and buildings		-	-	-	(819,616)
Total other comprehensive income for the financial year		-	-	-	3,380,727
Total comprehensive income for the financial year		2,716,555	5,763,518	10,423,482	43,939,275
Earnings per share	28				
Basic earnings per share (sen)		1.81	3.84	4.17	16.22
Diluted earnings per share (sen)		1.81	3.84	4.17	16.22

The accompanying notes form an integral part of the combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD

(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024

	Attributable to owners of the parent				Total Equity RM
	Share Capital RM	Non-distributable Invested Equity RM	Merger Reserve RM	Distributable Retained Earnings RM	
At 1 January 2021	-	1,500,000	350,100	12,687,279	14,537,379
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	2,716,555	2,716,555
At 31 December 2021	-	1,500,000	350,100	15,403,834	17,253,934
At 1 January 2022	-	1,500,000	350,100	15,403,834	17,253,934
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	5,763,518	5,763,518
Transaction with owners:					
Effect arising from merger method of accounting	-	-	(350,100)	-	(350,100)
At 31 December 2022	-	1,500,000	-	21,167,352	22,667,352

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD

(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEARS ENDED

31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 (CONT'D)

	Attributable to owners of the parent				Total Equity RM
	Share Capital RM	Non-distributable Invested Equity RM	Revaluation Reserve RM	Distributable Retained Earnings RM	
At 1 January 2023	-	1,500,000	-	21,167,352	22,667,352
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	10,423,482	10,423,482
Transaction with owners:					
Effect arising from merger method of accounting	-	1,000,000	292,505	4,137,861	5,430,366
At 31 December 2023	-	2,500,000	292,505	35,728,695	38,521,200

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD

(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEARS ENDED**
31 DECEMBER 2021, 31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 (CONT'D)

		Attributable to owners of the parent				
		Non-distributable			Distributable	
Note	Share Capital RM	Invested Equity RM	Revaluation Reserve RM	Retained Earnings RM	Total Equity RM	
At 1 January 2024	-	2,500,000	292,505	35,728,695	38,521,200	
Profit for the financial year	-	-	-	40,558,548	40,558,548	
Other comprehensive income for the financial year	-	-	3,380,727	-	3,380,727	
Total comprehensive income for the financial year	-	-	3,380,727	40,558,548	43,939,275	
Transactions with owners:						
Issuance of ordinary shares	15	2	-	-	2	
Dividends to owners of the Company	29	-	-	(16,325,000)	(16,325,000)	
Total transactions with owners	2	-	-	(16,325,000)	(16,324,998)	
At 31 December 2024	2	2,500,000	3,673,232	59,962,243	66,135,477	

The accompanying notes form an integral part of the combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2021,
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024

	2021 RM	2022 RM	2023 RM	2024 RM
Operating Activities				
Profit before tax	2,823,715	7,115,848	13,908,861	54,328,459
Adjustments for:				
Bad debt written off	-	-	50,000	-
Depreciation of:				
- Property, plant and equipment	195,238	177,593	289,724	641,162
- Right-of-use assets	304,122	275,190	294,078	474,038
Fair value loss/(gain) on:				
- Investment properties	155,000	(70,000)	(230,000)	-
- Other financial assets	-	-	128,625	-
Finance costs	1,493,661	1,697,239	1,860,683	2,069,482
Gain on termination of lease contracts	-	-	-	(3,161)
Impairment losses on:				
- Contract assets	513,962	1,443,330	831,375	425,098
- Property, plant and equipment	-	-	-	170,240
- Trade receivables	1,612,197	105,858	605,296	324,105
Interest income	(42,620)	(141,836)	(410,907)	(212,847)
Loss/(Gain) on disposal of:				
- Investment in a subsidiary	-	-	60	-
- Property, plant and equipment	(53,000)	(75,000)	(85,000)	(9,500)
- Right-of-use assets	(459)	-	-	-
Reversal of impairment losses on:				
- Contract assets	-	(1,215,574)	(67,742)	(610,338)
- Trade receivables	(604,786)	(1,241,287)	(2,097,209)	(1,222,988)
Operating profit before working capital changes carried down	<u>6,397,030</u>	<u>8,071,361</u>	<u>15,077,844</u>	<u>56,373,750</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2021,
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 (CONT'D)**

	2021	2022	2023	2024
	RM	RM	RM	RM
Operating Activities (Cont'd)				
Operating profit before working capital changes brought down	6,397,030	8,071,361	15,077,844	56,373,750
Changes in working capital:				
Inventories	92,282	4,210	(74,787)	95,087
Contract assets/liabilities	(12,145,838)	(7,635,566)	1,479,706	(44,382,820)
Trade receivables	(2,474,814)	(5,857,195)	(6,495,408)	(59,961,977)
Other receivables	13,162	(1,726,883)	(1,697,858)	(1,106,309)
Trade payables	7,941,084	9,819,749	6,988,844	84,522,467
Other payables	1,035,253	132,807	1,434,533	1,103,935
Amount due from/(to) related companies	-	(41,324)	(100,290)	(1,185,831)
	<u>(5,538,871)</u>	<u>(5,304,202)</u>	<u>1,534,740</u>	<u>(20,915,448)</u>
Cash generated from operations	858,159	2,767,159	16,612,584	35,458,302
Interest received	29,129	48,319	3,098	25,409
Tax paid	(899,748)	(1,078,617)	(2,764,852)	(7,924,977)
Tax refund	-	53,119	-	-
Net cash (used in)/from operating activities	<u>(12,460)</u>	<u>1,789,980</u>	<u>13,850,830</u>	<u>27,558,734</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2021,
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 (CONT'D)**

	2021	2022	2023	2024
	RM	RM	RM	RM
Investing Activities				
Acquisition of subsidiaries	-	(350,100)	-	-
Addition of investment in a subsidiary	-	-	(7,080,060)	-
Advances from a former subsidiary	-	-	3,540,000	-
(Advances to)/Repayment from a former subsidiary	-	-	(1,200,000)	1,200,000
Balance of consideration received from disposal of a subsidiary	-	-	-	3,540,000
Net cash outflows from effect arising from merger method of accounting	-	-	(932,605)	-
Proceeds from disposal of:				
- Investment property	-	-	-	650,000
- Property, plant and equipment	53,000	75,000	104,635	9,500
- Right-of-use assets	205,000	-	-	-
Purchase of:				
- Property, plant and equipment	(7,099)	(144,633)	(245,614)	(1,276,247)
- Right-of-use assets [Note 5(d)]	(47,368)	-	(152,963)	(33,348)
Net cash from/(used in) investing activities	<u>203,533</u>	<u>(419,733)</u>	<u>(5,966,607)</u>	<u>4,089,905</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2021,
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 (CONT'D)

	2021	2022	2023	2024
	RM	RM	RM	RM
Financing Activities				
Dividends paid	-	-	-	(8,219,000)
Drawdown of term loans	-	-	174,403	-
(Increase)/Decrease in fixed deposits pledged with licensed banks	(40,699)	(2,178,983)	1,499,572	(1,114,685)
Interest paid	(1,493,661)	(1,697,239)	(1,860,683)	(2,069,482)
Net changes in amount due to Directors	(2,299,970)	1,499,900	168,545	(1,739,843)
Net changes in amount due to immediate holding company	-	20,705	4,784,755	(4,805,460)
Net changes in amount due to related companies	-	17,023	(17,023)	34,560
Net proceeds from/(repayment of) bankers' acceptance	8,120,278	1,718,581	(3,863,025)	18,315,127
Net proceeds from/(repayment of) factoring	-	1,891,232	(1,891,232)	-
Payment of lease liabilities	(473,803)	(252,624)	(310,779)	(506,296)
Proceeds from issuance of shares	-	-	-	2
Repayment of term loans	(572,790)	(939,424)	(1,431,974)	(2,123,530)
Repayment to a third party	(2,958,000)	-	-	-
Net cash from/(used in) financing activities	<u>281,355</u>	<u>79,171</u>	<u>(2,747,441)</u>	<u>(2,228,607)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2021,
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 (CONT'D)**

	2021 RM	2022 RM	2023 RM	2024 RM
Net increase in cash and cash equivalents	472,428	1,449,418	5,136,782	29,420,032
Cash and cash equivalents at the beginning of the financial year	<u>502,914</u>	<u>975,342</u>	<u>2,424,760</u>	<u>7,561,542</u>
Cash and cash equivalents at the end of the financial year	<u>975,342</u>	<u>2,424,760</u>	<u>7,561,542</u>	<u>36,981,574</u>
Cash and cash equivalents at the end of the financial year comprises:				
Fixed deposits with licensed banks	1,076,575	3,319,084	2,138,784	3,286,598
Cash and bank balances	1,261,227	2,424,760	8,707,280	36,981,574
Bank overdrafts	<u>(285,885)</u>	<u>-</u>	<u>(1,145,738)</u>	<u>-</u>
	<u>2,051,917</u>	<u>5,743,844</u>	<u>9,700,326</u>	<u>40,268,172</u>
Less: Fixed deposits pledged with licensed banks	<u>(1,076,575)</u>	<u>(3,319,084)</u>	<u>(2,138,784)</u>	<u>(3,286,598)</u>
	<u>975,342</u>	<u>2,424,760</u>	<u>7,561,542</u>	<u>36,981,574</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

**COMBINED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2021,
31 DECEMBER 2022, 31 DECEMBER 2023 AND 31 DECEMBER 2024 (CONT'D)**

Cash flows for leases as a lessee

	2021	2022	2023	2024
	RM	RM	RM	RM
Including in Operating Activities				
Payment relating to short-term leases (Note 26)	-	-	271,336	1,070,019
Including in Financing Activities				
Interest paid in relation to lease liabilities (Note 25)	42,644	27,566	29,477	60,750
Payment of lease liabilities	473,803	252,624	310,779	506,296
Total cash outflows for leases	<u>516,447</u>	<u>280,190</u>	<u>611,592</u>	<u>1,637,065</u>

The accompanying notes form an integral part of the combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. General Information

1.1. Introduction

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Signature Alliance Group Berhad ("SAG" or "the Company") in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities")(hereinafter defined as "the Listing") and should not be relied upon for any other purposes.

1.2. Background

The Company was incorporated in Malaysia under the Companies Act 2016 on 10 January 2024 as a private limited company under the name of Signature Alliance Group Sdn. Bhd. and domiciled in Malaysia. On 20 September 2024, the Company was converted into a public limited company and assumed its present name, Signature Alliance Group Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 11, Jalan SC 6, Pusat Perindustrian Sungai Chua, 43000 Kajang, Selangor Darul Ehsan.

13. ACCOUNTANTS' REPORT *(Cont'd)*

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1. General Information (Cont'd)

1.3. Principal activities

The principal activity of the Company is investment holding.

The details of the combining entities of SAG are as follows:

Name of company	Date of incorporation	Place of business/ Country of incorporation	Effective interest (%)				Principal activities
			2021	2022	2023	2024	
Direct holding:							
Space Alliance Contracts Sdn. Bhd. ("SAC")	28 October 2009	Malaysia	100	100	100	100	Provision of interior fitting-out services and building construction.
Zig Zag Builders (M) Sdn. Bhd. * ("Zig Zag Builders")	20 April 2015	Malaysia	-	-	100	100	Provision of interior fitting-out services and building construction.
Indirect holding: Held through SAC							
Space Alliance Cabinet Sdn. Bhd. ("SACabinet")	25 November 2014	Malaysia	100	100	100	100	Provision of interior fitting-out services.
Space Alliance Furniture Sdn. Bhd. ("SAF")	29 August 2013	Malaysia	100	100	100	100	Customisation and supply of carpentry/ joinery parts and integral fixtures.

13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)

1.3. Principal activities (Cont'd)

The details of the combining entities of SAG are as follows: (Cont'd)

Name of company	Date of incorporation	Place of business/ Country of incorporation	Effective interest (%)				Principal activities
			2021	2022	2023	2024	
Indirect holding:							
<i>Held through SAC</i>							
SAF Manufacturing Sdn. Bhd. ("SAF Manufacturing")	15 November 2006	Malaysia	100	100	100	100	Manufacturing of customised wooden furniture.
Space Alliance Resources Sdn. Bhd. ("SAR")	3 November 2011	Malaysia	100	100	100	100	Supply of building materials.
<i>Held through Zig Zag Builders</i>							
Zig Zag Engineering Sdn. Bhd. # ("Zig Zag Engineering")	11 March 2024	Malaysia	-	-	-	100	Provision of air-conditioning ducting works.

* *not form part of the combining entities of SAG Group for financial years ended 31 December 2021 and 31 December 2022 as Zig Zag Builders were under common control of the ultimate shareholders effective from 24 August 2023.*

not form part of the combining entities of SAG Group for financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 as Zig Zag Engineering was incorporated on 11 March 2024.

There have been no significant changes in the nature of the principal activities of SAG and its combining entities.

13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)**1.4. Details of Acquisitions****(a) Acquisition of SAC**

On 27 September 2024, SAG entered into a conditional share sale agreement with Signature International Berhad ("SIB"), Chang Chung Fei and Ng Mun Moh to acquire the entire equity interest in SAC comprising 1,500,000 ordinary shares for a total purchase consideration of RM30,547,200 which was satisfied by the issuance of 591,999,998 new SAG shares ("SAG Shares") to SIB, Chang Chung Fei and Ng Mun Moh at an issue price of RM0.0516 each.

Details of the Acquisition of SAC and the number of SAG Shares issued to the vendors pursuant to the Acquisition of SAC are set out below:

Vendors of SAC	Shareholdings in SAC			
	No. of	% of share	Purchase	No. of SAG
	shares	capital	consideration	Shares issued
	acquired	%	RM	Units
	Units			
SIB	765,000	51.0	15,579,072	301,920,000
Chang Chung Fei	514,500	34.3	10,477,690	203,055,998
Ng Mun Moh	220,500	14.7	4,490,438	87,024,000
Total	1,500,000	100.0	30,547,200	591,999,998

The Acquisition of SAC was completed on 3 March 2025 and consequently, SAC became a wholly-owned subsidiary of SAG.

13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)**1.4. Details of Acquisitions (Cont'd)****(b) Acquisition of Zig Zag Builders**

On 27 September 2024, SAG entered into a conditional share sale agreement with SIB and Foo Khai Shin to acquire the entire equity interest in Zig Zag Builders comprising 1,000,000 ordinary shares for a total purchase consideration of RM7,636,800 which was satisfied by the issuance of 148,000,000 new SAG shares to SIB and Foo Khai Shin at an issue price of RM0.0516 each.

Details of the Acquisition of Zig Zag Builders and the number of SAG Shares issued to the vendors pursuant to the Acquisition of Zig Zag Builders are set out below:

Vendors of Zig Zag Builders	Shareholdings in Zig Zag Builders		Purchase consideration RM	No. of SAG Shares issued Units
	No. of shares acquired Units	% of share capital %		
SIB	501,000	50.1	3,826,037	74,148,000
Foo Khai Shin	499,000	49.9	3,810,763	73,852,000
Total	1,000,000	100.0	7,636,800	148,000,000

The Acquisition of Zig Zag Builders was completed on 3 March 2025 and consequently, Zig Zag Builders became a wholly-owned subsidiary of SAG.

(the Acquisition of SAC and Acquisition of Zig Zag Builders are collectively referred as the "Acquisitions")

13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)**1.5. Shareholdings Reorganisation**

In respect of the Acquisitions, the vendors of SAC and Zig Zag Builders, namely SIB, Chang Chung Fei, Foo Khai Shin and Ng Mun Moh entered into a conditional share sale agreement to implement a shareholdings reorganisation exercise involving the transfer of their shareholdings in the Company among themselves, details of which are as follows:

Name	After the Acquisitions		Changes in no. of SAG Shares held pursuant to the Shareholdings Reorganisation	After the Shareholdings Reorganisation	
	No. of shares	% of share capital		No. of shares	% of share capital
	Units	%	Units	Units	%
SIB	376,068,000	50.8	(1,021,040)	375,046,960	50.7
Chang Chung Fei	203,056,000	27.4	(38,912,950)	164,143,050	22.2
Foo Khai Shin	73,852,000	10.0	56,610,970	130,462,970	17.6
Ng Mun Moh	87,024,000	11.8	(16,676,980)	70,347,020	9.5
Total	<u>740,000,000</u>	<u>100.0</u>		<u>740,000,000</u>	<u>100.0</u>

The Shareholdings Reorganisation was undertaken to facilitate the transfer of existing SAG Shares held by SIB, Chang Chung Fei and Ng Mun Moh to Foo Khai Shin to reflect the agreed shareholdings amongst themselves and does not have any effect on SAG's issued share capital.

The Shareholdings Reorganisation was completed on 26 March 2025.

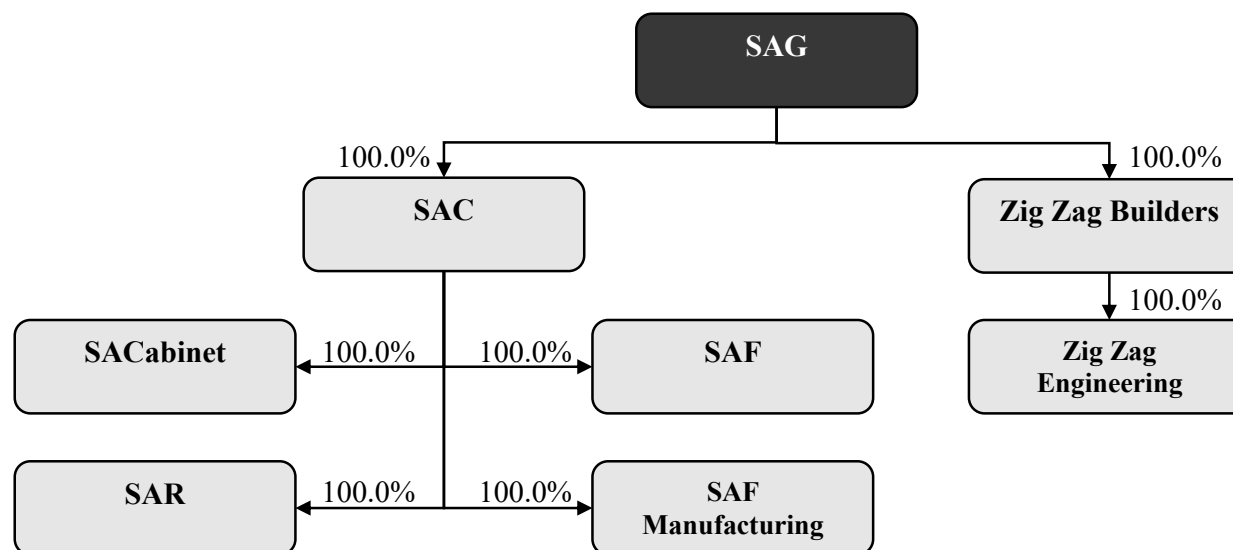
13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)

1.6. Group structure after Acquisitions

Following the completion of the Acquisitions, the group structure of SAG will be as follows:



13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)**1.6. Group structure after Acquisitions (Cont'd)**

The Group is regarded as a continuing entity resulting from the Acquisitions since the management of all the entities which took major part in the Acquisitions were controlled by the Directors and substantially under same major shareholders before and immediately after the Acquisitions. Consequently, immediately after the Acquisitions, there was a continuation of the control over entities' financial and operating policy decisions and risks and benefits to the ultimate shareholders that existed prior to the Acquisitions. The Acquisitions have been accounted for as an acquisition under common control in a manner similar to pooling of interests. Accordingly, the combined financial statements for the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 have been prepared comprise of the financial statements of the combining entities which were under common control of the ultimate shareholders that existed prior to the Acquisitions during the relevant years.

No financial statements of SAG and Zig Zag Engineering were included for the financial years ended 31 December 2021, 31 December 2022 and 31 December 2023 as SAG and Zig Zag Engineering were only incorporated on 10 January 2024 and 11 March 2024 respectively.

13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)**1.7. Relevant financial years**

The combined financial statements of the Group reflect the financial information of SAC and Zig Zag Builders.

The relevant financial years of the audited financial statements presented for the purpose of this report ("Relevant Financial Years") and the Auditors of the respective companies within the Group are as follows:

<u>Companies under common control</u>	<u>Relevant Financial Years</u>	<u>Accounting Standards Applied</u>	<u>Auditors</u>
SAG	FPE 31 December 2024	Malaysian Financial Reporting Standards ("MFRS")	UHY Malaysia PLT #
SAC	FYE 31 December 2021 FYE 31 December 2022 FYE 31 December 2023 FYE 31 December 2024	MFRS	UHY Malaysia PLT #
Zig Zag Builders	FYE 31 December 2023 FYE 31 December 2024	MFRS	UHY Malaysia PLT #

The audited financial statements of SAC and Zig Zag Builders for the Relevant Financial Years reported above were not subject to any qualification or modification.

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

13. ACCOUNTANTS' REPORT (Cont'd)

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1. General Information (Cont'd)

1.7. Relevant financial years (Cont'd)

Entities under common control disposed on 29 December 2023 excluded from listing structure

Referring to the 60% direct owned subsidiary of SAC, namely Best Stone Sdn. Bhd. (formerly known as Signature Stone Solutions Sdn. Bhd.) ("Best Stone") which was incorporated on 9 February 2023, is under the common control of Directors of the Company and were previously under the existing Group structure.

For the purpose of Initial Public Offering, the Group has opted to exclude this entity under common control from the listing structure given that on 29 December 2023, SAC has completed the disposal of its entire equity shares in Best Stone via a share sale agreement with third parties for a cash consideration of RM7,080,000. Arising from the above, Best Stone is excluded from the listing structure as it no longer under the common control of the Group and hence the financial statements of Best Stone is not included in the combined financial statements.

Subsequently, with the listing structure of the Group in place upon the completion of the disposal of Best Stone on 29 December 2023, the combined financial statements of the Group as at 31 December 2023 is reflective of the audited consolidated financial statements of SAC and its subsidiaries together with Zig Zag Builders as at 31 December 2023.

13. ACCOUNTANTS' REPORT (*Cont'd*)

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2. Basis of Preparation

(a) Statement of compliance

The combined financial statements of the Group have been prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") based on the Guidance Note on "Combined Financial Statements" issued by the Malaysian Institute of Accountants in relation to the Listing.

The combined financial statements consist of the financial statements of the combining entities ("the Group") as disclosed in Note 1.7 to this Combined Financial Statements, which were under common control throughout the reporting years by virtue of common controlling shareholders.

The combined financial statements have been prepared using financial information obtained from the records of the combining entities during the reporting years.

The combined financial statements of the Group have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

The Group has adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to standards did not have any significant impact on the combined financial statements of the Group.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective**

The Group has not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group:

		Effective dates for financial period beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11		1 January 2026
• Amendments to MFRS 1		
• Amendments to MFRS 7		
• Amendments to MFRS 9		
• Amendments to MFRS 10		
• Amendments to MFRS 107		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group intends to adopt the above new standards and amendments to standards, if applicable, when they become effective.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)**(a) Statement of compliance (Cont'd)****Standards issued but not yet effective (Cont'd)**

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the combined financial statements of the Group except as disclosed below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from “profit or loss” to “operating profit or loss”. It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impacts on the combined financial statements of the Group except as disclosed below: (Cont'd)

MFRS 18 Presentation and Disclosure in Financial Statements (Cont'd)

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statements of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the combined financial statements of the Group have yet to be assessed.

(b) Functional and presentation currency

The combined financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions**

The preparation of the Group's combined financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following is the judgement made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the combined financial statements:

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions (Cont'd)****Judgements (Cont'd)**Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (iii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term with any years covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal year as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Depreciation and useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment and ROU assets may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

Revaluation of property, plant and equipment and ROU assets

The Group engaged independent valuation specialist to assess fair value of freehold and leasehold lands and buildings as at 31 December 2024. Freehold and leasehold lands and buildings are carried at revalued amounts with changes in fair value being recognised in other comprehensive income. The fair value of freehold and leasehold lands and buildings are within level 2 of the fair value hierarchy. The fair value was determined based on market comparable approach that reflects recent transaction price for similar properties and depreciated replacement cost approach. The key assumptions used to determine the fair value of the property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

The valuation of the property, plant and equipment and ROU assets was prepared in accordance with the Malaysian Valuation Standards. However, it was not carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia ("SC") as the valuation was conducted pursuant to the adoption of the revaluation model to be in line with the accounting policies of the ultimate holding company and immediate holding company and not pursuant to the Listing.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialist to assess fair value as at 31 December 2024 for investment properties.

Valuation was based on the comparison approach where the comparison approach entails critical analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences.

The key assumptions used to determine the fair value of the investment properties are disclosed in Note 6.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unutilised capital allowances, unutilised industrial building allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which unused tax losses, unutilised capital allowances, unutilised industrial building allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised deferred tax assets are disclosed in Note 8.

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligations.

The progress towards complete satisfaction of performance obligation is measured by reference to the construction progress using input method, determined based on the proportion of construction costs incurred for work performed to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

The contract assets and contract liabilities of the Group arising from construction activities are disclosed in Note 10.

13. ACCOUNTANTS' REPORT (Cont'd)

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2. Basis of Preparation (Cont'd)**(c) Significant accounting judgements, estimates and assumptions (Cont'd)****Key sources of estimation uncertainty (Cont'd)**Provision for expected credit losses of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit losses is disclosed in Note 11.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies

The Group applies the material accounting policies set out below, consistently throughout all years presented in the combined financial statements unless otherwise stated.

(a) Basis of consolidation - business combinations

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The acquisition of the combining entities resulted in a business involving common control since the management of all the entities which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger deficit.

(b) Property, plant and equipment**(i) Recognition and measurement**

All items of property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, except for property under revaluation model.

(ii) Property under revaluation model

During the financial year, the Group has adopted revaluation model for its land and buildings. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)**(b) Property, plant and equipment (Cont'd)****(iii) Depreciation**

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost/valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	2%
Plant and machinery, tools and equipment	10% - 20%
Motor vehicles	20%
Furniture and fittings	10%
Renovation	10%
Office equipment	10% - 20%
Computers	40%

(c) Leases**(i) As lessee****(a) Right-of-use ("ROU") assets**

ROU assets are initially measured at cost. Subsequent to the initial recognition, the ROU assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. During the financial year, the Group has adopted revaluation model for its leasehold land.

The ROU assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the ROU assets or the end of the lease term.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(c) Leases (Cont'd)

(i) As lessee (Cont'd)

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate as the discount rate.

Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

(c) Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(d) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise, including the corresponding tax effect.

Investment properties are valued by independent professional qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and categories of the properties being valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

(e) Financial assets

Recognition and initial measurement

Financial assets are recognised on the combined statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)**(e) Financial assets (Cont'd)**Financial asset categories and subsequent measurement

For the purpose of subsequent measurement, the Group classifies its financial assets in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss ("FVTPL")

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

Financial assets that are held for collection of contractual cash flows and 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 are subject to impairment. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through profit or loss

Subsequent to the initial recognition, the financial assets at fair value through profit or loss are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income. Other net gains or losses, including any interest or dividend income, are also recognised in profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(f) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the combined statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

For the purpose of subsequent measurement, the Group classifies its financial liabilities as financial liabilities at amortised cost.

Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(g) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised, when appropriate, the cumulative amount of the income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)**(h) Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis.

(i) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over to profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profits (less recognised losses).

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(j) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, demand deposits, bank overdraft and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of combined statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, investment properties measured at fair value and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior years are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)**(l) Impairment of assets (Cont'd)****(ii) Financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade and other receivables and inter-company balances, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience and the economic environment.

(m) Share capital

Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Group's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(p) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Sale of goods

Revenue is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue from sale of goods is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(b) Construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties.

(c) Maintenance services

Revenue from maintenance services is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(p) Revenue and other income (Cont'd)

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(q) Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(r) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the combined statements of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(r) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) Contingencies

Where it is not probable that an inflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent asset or contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

13. ACCOUNTANTS' REPORT (Cont'd)

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3. Material Accounting Policies (Cont'd)

(u) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment

	Buildings RM	Plant and machinery, tools and equipment RM	Motor vehicles RM	Furniture and fittings RM	Renovation RM	Office equipment RM	Computers RM	Total RM
2021								
Cost								
At 1 January 2021	3,632,000	178,049	577,999	206,175	249,908	187,825	388,877	5,420,833
Additions	-	700	-	-	-	-	6,399	7,099
Disposals	-	-	(143,188)	-	-	-	(14,239)	(157,427)
At 31 December 2021	<u>3,632,000</u>	<u>178,749</u>	<u>434,811</u>	<u>206,175</u>	<u>249,908</u>	<u>187,825</u>	<u>381,037</u>	<u>5,270,505</u>
Accumulated depreciation								
At 1 January 2021	423,364	147,435	571,943	82,747	123,705	68,477	345,791	1,763,462
Charge for the financial year	72,639	19,097	2,507	20,618	24,990	18,783	36,604	195,238
Disposals	-	-	(143,188)	-	-	-	(14,239)	(157,427)
At 31 December 2021	<u>496,003</u>	<u>166,532</u>	<u>431,262</u>	<u>103,365</u>	<u>148,695</u>	<u>87,260</u>	<u>368,156</u>	<u>1,801,273</u>
Carrying amount								
At 31 December 2021	<u>3,135,997</u>	<u>12,217</u>	<u>3,549</u>	<u>102,810</u>	<u>101,213</u>	<u>100,565</u>	<u>12,881</u>	<u>3,469,232</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment (Cont'd)

	Buildings RM	Plant and machinery, tools and equipment RM	Motor vehicles RM	Furniture and fittings RM	Renovation RM	Office equipment RM	Computers RM	Total RM
2022								
Cost								
At 1 January 2022	3,632,000	178,749	434,811	206,175	249,908	187,825	381,037	5,270,505
Additions	-	5,000	-	-	9,505	10,671	119,457	144,633
Disposals	-	-	(180,164)	-	-	-	-	(180,164)
Written off	-	-	-	-	-	(688)	-	(688)
At 31 December 2022	<u>3,632,000</u>	<u>183,749</u>	<u>254,647</u>	<u>206,175</u>	<u>259,413</u>	<u>197,808</u>	<u>500,494</u>	<u>5,234,286</u>
Accumulated depreciation								
At 1 January 2022	496,003	166,532	431,262	103,365	148,695	87,260	368,156	1,801,273
Charge for the financial year	72,642	7,344	1,870	19,591	25,545	20,068	30,533	177,593
Disposals	-	-	(180,164)	-	-	-	-	(180,164)
Written off	-	-	-	-	-	(688)	-	(688)
At 31 December 2022	<u>568,645</u>	<u>173,876</u>	<u>252,968</u>	<u>122,956</u>	<u>174,240</u>	<u>106,640</u>	<u>398,689</u>	<u>1,798,014</u>
Carrying amount								
At 31 December 2022	<u>3,063,355</u>	<u>9,873</u>	<u>1,679</u>	<u>83,219</u>	<u>85,173</u>	<u>91,168</u>	<u>101,805</u>	<u>3,436,272</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment (Cont'd)

	Buildings	Freehold	Plant and	Motor	Furniture	Renovation	Office	Computers	Total
	RM	land	machinery,	vehicles	and fittings	RM	equipment	RM	RM
		RM	tools and	RM	RM		RM		
			equipment						
			RM	RM	RM	RM	RM	RM	RM
2023									
Cost									
At 1 January 2023	3,632,000	-	183,749	254,647	206,175	259,413	197,808	500,494	5,234,286
Effect arising from merger									
method of accounting	1,500,000	3,000,000	194,240	83,500	90,668	375,579	-	114,933	5,358,920
Additions	-	-	22,675	-	-	-	46,862	176,077	245,614
Disposals	-	-	(103,364)	(616,189)	-	-	(6,316)	-	(725,869)
Written off	-	-	(3,956)	-	-	-	-	-	(3,956)
Transfer from									
right-of-use assets	-	-	-	748,811	-	-	-	-	748,811
At 31 December 2023	<u>5,132,000</u>	<u>3,000,000</u>	<u>293,344</u>	<u>470,769</u>	<u>296,843</u>	<u>634,992</u>	<u>238,354</u>	<u>791,504</u>	<u>10,857,806</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment (Cont'd)

	Buildings RM	Freehold land RM	Plant and machinery, tools and equipment RM	Motor vehicles RM	Furniture and fittings RM	Renovation RM	Office equipment RM	Computers RM	Total RM
2023									
Accumulated depreciation									
At 1 January 2023	568,645	-	173,876	252,968	122,956	174,240	106,640	398,689	1,798,014
Effect arising from merger method of accounting	25,000	-	41,400	26,142	20,060	34,900	-	74,663	222,165
Charge for the financial year	90,499	-	13,781	8,508	22,757	41,592	18,769	93,818	289,724
Disposals	-	-	(87,289)	(616,189)	-	-	(2,756)	-	(706,234)
Written off	-	-	(3,956)	-	-	-	-	-	(3,956)
Transfer from right-of-use assets	-	-	-	748,811	-	-	-	-	748,811
At 31 December 2023	<u>684,144</u>	<u>-</u>	<u>137,812</u>	<u>420,240</u>	<u>165,773</u>	<u>250,732</u>	<u>122,653</u>	<u>567,170</u>	<u>2,348,524</u>
Carrying amount									
At 31 December 2023	<u>4,447,856</u>	<u>3,000,000</u>	<u>155,532</u>	<u>50,529</u>	<u>131,070</u>	<u>384,260</u>	<u>115,701</u>	<u>224,334</u>	<u>8,509,282</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment (Cont'd)

	At valuation		At cost						
	Buildings RM	Freehold land RM	Plant and machinery, tools and equipment RM	Motor vehicles RM	Furniture and fittings RM	Renovation RM	Office equipment RM	Computers RM	Total RM
2024									
Cost/Valuation									
At 1 January 2024	5,132,000	3,000,000	293,344	470,769	296,843	634,992	238,354	791,504	10,857,806
Additions	-	-	88,617	288,366	6,104	28,550	13,610	851,000	1,276,247
Disposals	-	-	-	(18,200)	-	-	-	-	(18,200)
Written off	-	-	(60,601)	-	(11,678)	-	(14,249)	(52,387)	(138,915)
Transfer from									
right-of-use assets	-	-	-	31,000	-	-	-	-	31,000
Revaluation surplus	352,167	-	-	-	-	-	-	-	352,167
Elimination of accumulated depreciation on revaluation	(402,167)	-	-	-	-	-	-	-	(402,167)
At 31 December 2024	<u>5,082,000</u>	<u>3,000,000</u>	<u>321,360</u>	<u>771,935</u>	<u>291,269</u>	<u>663,542</u>	<u>237,715</u>	<u>1,590,117</u>	<u>11,957,938</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment (Cont'd)

	At valuation		At cost						
	Buildings	Freehold	Plant and	Motor	Furniture	Renovation	Office	Computers	Total
	RM	land	machinery,	vehicles	and fittings	RM	equipment	RM	RM
		RM	tools and	RM	RM		RM		
			equipment						
			RM						
2024									
Accumulated depreciation									
At 1 January 2024	684,144	-	137,812	420,240	165,773	250,732	122,653	567,170	2,348,524
Charge for the financial									
year	115,390	-	28,090	44,431	27,191	62,579	22,194	341,287	641,162
Disposals	-	-	-	(18,200)	-	-	-	-	(18,200)
Written off	-	-	(60,601)	-	(11,678)	-	(14,249)	(52,387)	(138,915)
Transfer from									
right-of-use assets	-	-	-	31,000	-	-	-	-	31,000
Elimination of accumulated									
depreciation on									
revaluation	(402,167)	-	-	-	-	-	-	-	(402,167)
At 31 December 2024	397,367	-	105,301	477,471	181,286	313,311	130,598	856,070	2,461,404

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment (Cont'd)

	At valuation		At cost						
	Buildings	Freehold	Plant and	Motor	Furniture	Renovation	Office	Computers	Total
	RM	land	machinery,	vehicles	and fittings	RM	equipment	RM	RM
		RM	tools and	RM	RM		RM		
			equipment						
			RM						
2024									
Accumulated									
impairment losses									
At 1 January 2024	-	-	-	-	-	-	-	-	-
Impairment losses									
recognised	170,240	-	-	-	-	-	-	-	170,240
At 31 December 2024	170,240	-	-	-	-	-	-	-	170,240
Carrying amount									
At 31 December 2024	4,514,393	3,000,000	216,059	294,464	109,983	350,231	107,117	734,047	9,326,294

13. ACCOUNTANTS' REPORT (Cont'd)

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4. Property, Plant and Equipment (Cont'd)

- (a) The carrying amount of property, plant and equipment of the Group pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 19(a) are as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Buildings	3,135,997	3,063,355	4,447,856	4,514,393
Freehold land	-	-	3,000,000	3,000,000
	<u>3,135,997</u>	<u>3,063,355</u>	<u>7,447,856</u>	<u>7,514,393</u>

- (b) During the current financial year, the freehold land and buildings of the Group were revalued by the independent firms of professional valuers, VPC Alliance (KL) Sdn. Bhd. and Azmi & Co (Shah Alam) Sdn. Bhd., with appropriate professional qualifications and recent experience in the location and category of property being valued.

The fair value of the freehold land and buildings is within level 2 of the fair value hierarchy. The fair value of the freehold land and buildings was determined by based on market comparable approach that entails analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences.

Had the revalued freehold land and buildings been included in the financial statements at cost less accumulated depreciation and accumulated impairment losses, the carrying amounts of the revalued buildings would be as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Buildings	3,135,997	3,063,355	4,162,406	4,054,616
Freehold land	-	-	3,000,000	3,000,000
	<u>3,135,997</u>	<u>3,063,355</u>	<u>7,162,406</u>	<u>7,054,616</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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5. Right-of-use Assets

	Leasehold land RM	Motor vehicles RM	Total RM
2021			
Cost			
At 1 January 2021	3,218,000	1,948,177	5,166,177
Additions	-	156,168	156,168
Disposals	-	(331,688)	(331,688)
At 31 December 2021	<u>3,218,000</u>	<u>1,772,657</u>	<u>4,990,657</u>
Accumulated depreciation			
At 1 January 2021	220,186	1,197,969	1,418,155
Charge for the financial year	36,498	267,624	304,122
Disposals	-	(127,147)	(127,147)
At 31 December 2021	<u>256,684</u>	<u>1,338,446</u>	<u>1,595,130</u>
Carrying amount			
At 31 December 2021	<u>2,961,316</u>	<u>434,211</u>	<u>3,395,527</u>
2022			
Cost			
At 1 January 2022/31 December 2022	<u>3,218,000</u>	<u>1,772,657</u>	<u>4,990,657</u>
Accumulated depreciation			
At 1 January 2022	256,684	1,338,446	1,595,130
Charge for the financial year	36,497	238,693	275,190
At 31 December 2022	<u>293,181</u>	<u>1,577,139</u>	<u>1,870,320</u>
Carrying amount			
At 31 December 2022	<u>2,924,819</u>	<u>195,518</u>	<u>3,120,337</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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5. Right-of-use Assets (Cont'd)

	Leasehold land RM	Office building RM	Motor vehicles RM	Total RM
2023				
Cost				
At 1 January 2023	3,218,000	-	1,772,657	4,990,657
Effect arising from merger method of accounting	-	322,535	790,362	1,112,897
Additions	-	-	652,963	652,963
Transfer to property, plant and equipment	-	-	(748,811)	(748,811)
At 31 December 2023	<u>3,218,000</u>	<u>322,535</u>	<u>2,467,171</u>	<u>6,007,706</u>
Accumulated depreciation				
At 1 January 2023	293,181	-	1,577,139	1,870,320
Effect arising from merger method of accounting	-	159,491	262,343	421,834
Charge for the financial year	36,498	46,841	210,739	294,078
Transfer to property, plant and equipment	-	-	(748,811)	(748,811)
At 31 December 2023	<u>329,679</u>	<u>206,332</u>	<u>1,301,410</u>	<u>1,837,421</u>
Carrying amount				
At 31 December 2023	<u>2,888,321</u>	<u>116,203</u>	<u>1,165,761</u>	<u>4,170,285</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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5. Right-of-use Assets (Cont'd)

	At valuation	At cost		
	Leasehold	Office	Motor	
	land	building	vehicles	Total
	RM	RM	RM	RM
2024				
Cost/Valuation				
At 1 January 2024	3,218,000	322,535	2,467,171	6,007,706
Additions	-	299,372	243,348	542,720
Disposals	-	-	(228,388)	(228,388)
Termination of lease contracts	-	(322,535)	-	(322,535)
Transfer to property, plant and equipment	-	-	(31,000)	(31,000)
Revaluation surplus	3,848,176	-	-	3,848,176
Elimination of accumulated depreciation on revaluation	(366,176)	-	-	(366,176)
At 31 December 2024	<u>6,700,000</u>	<u>299,372</u>	<u>2,451,131</u>	<u>9,450,503</u>
Accumulated depreciation				
At 1 January 2024	329,679	206,332	1,301,410	1,837,421
Charge for the financial year	36,497	122,496	315,045	474,038
Disposals	-	-	(201,743)	(201,743)
Termination of lease contracts	-	(251,793)	-	(251,793)
Transfer to property, plant and equipment	-	-	(31,000)	(31,000)
Elimination of accumulated depreciation on revaluation	(366,176)	-	-	(366,176)
At 31 December 2024	<u>-</u>	<u>77,035</u>	<u>1,383,712</u>	<u>1,460,747</u>
Carrying amount				
At 31 December 2024	<u>6,700,000</u>	<u>222,337</u>	<u>1,067,419</u>	<u>7,989,756</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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5. Right-of-use Assets (Cont'd)

- (a) The carrying amount of right-of-use assets of the Group pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 19(a) are as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Leasehold land	<u>2,961,316</u>	<u>2,924,819</u>	<u>2,888,321</u>	<u>6,700,000</u>

- (b) The carrying amount of right-of-use assets of the Group held under lease liabilities are as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Motor vehicles	<u>434,211</u>	<u>195,518</u>	<u>1,165,761</u>	<u>1,067,419</u>

The leased assets are pledged as securities for the related lease liabilities as disclosed in Note 18.

- (c) The motor vehicles of the Group with carrying amount of RMNil (2023: RM45,678; 2022: RMNil; 2021: RMNil) are held in trust under the name of a Director of the Group.
- (d) The aggregate additional costs for the right-of-use assets of the Group during the financial year acquired under leases financing and cash payments are as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Aggregate costs	156,168	-	652,963	542,720
Less: Leases				
financing	<u>(108,800)</u>	<u>-</u>	<u>(500,000)</u>	<u>(509,372)</u>
Cash payments	<u>47,368</u>	<u>-</u>	<u>152,963</u>	<u>33,348</u>

- (e) The remaining lease term of the leasehold land of the Group range from 74 to 88 (2023: 75 to 89; 2022: 76 to 90; 2021: 77 to 91) years.

13. ACCOUNTANTS' REPORT (Cont'd)

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5. Right-of-use Assets (Cont'd)

- (f) During the current financial year, the leasehold land of the Group and of the Company were revalued by the independent firms of professional valuers, VPC Alliance (KL) Sdn. Bhd., with appropriate professional qualifications and recent experience in the location and category of property being valued.

The fair value of the leasehold land is within level 2 of the fair value hierarchy. The fair value of the leasehold land was determined by based on market comparable approach that entails analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences.

Had the revalued leasehold land been included in the financial statements at cost less accumulated depreciation and accumulated impairment losses, the carrying amounts of the revalued leasehold land would be as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Leasehold land	<u>2,961,316</u>	<u>2,924,819</u>	<u>2,888,321</u>	<u>2,851,823</u>

6. Investment Properties

	2021 RM	2022 RM	2023 RM	2024 RM
At 1 January	7,820,000	7,665,000	7,735,000	7,965,000
Change in fair value recognised in profit or loss	(155,000)	70,000	230,000	-
Disposal	-	-	-	(650,000)
At 31 December	<u>7,665,000</u>	<u>7,735,000</u>	<u>7,965,000</u>	<u>7,315,000</u>

Included in the above are:

At fair value

Buildings on freehold land	<u>7,665,000</u>	<u>7,735,000</u>	<u>7,965,000</u>	<u>7,315,000</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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6. Investment Properties (Cont'd)

- (a) The investment properties of the Group with carrying amount of RM7,315,000 (2023: RM7,965,000; 2022: RM7,735,000; 2021: RM7,665,000) are pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 19(a).
- (b) The decrease in fair value of the Group amounting to RMNil (2023: increase in fair value of RM230,000; 2022: increase in fair value of RM70,000; 2021: decrease in fair value of RM155,000) have been recognised in the profit or loss during the financial year.
- (c) The Group measures fair values using the fair value hierarchy that reflects the significance of the inputs used in making the measurements. The following table provides the fair value measurement hierarchy of the Group's investment properties:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2021				
Investment properties	-	7,665,000	-	7,665,000
2022				
Investment properties	-	7,735,000	-	7,735,000
2023				
Investment properties	-	7,965,000	-	7,965,000
2024				
Investment properties	-	7,315,000	-	7,315,000

13. ACCOUNTANTS' REPORT (Cont'd)

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6. Investment Properties (Cont'd)

(d) The investment properties of the Group with carrying amount of RM7,315,000 (2023: RM7,965,000; 2022: RM7,735,000; 2021: RM7,665,000) which the fair value is within level 2 of the fair value hierarchy was revalued by an independent firm of professional valuer on 31 December 2024. The independent professional qualified valuer holds recognised relevant professional qualifications and have recent experience in the locations and category of the investment properties being valued. The fair value was determined based on the comparison approach that entails critical analysis of recent evidence of value of comparable properties in the neighbourhood and making adjustments for differences.

(e) The following income and expenses are recognised in profit or loss in respect of the investment properties:

	2021	2022	2023	2024
	RM	RM	RM	RM
Rental income	92,310	176,300	185,500	234,600
Direct operating expenses:				
- Income generating properties	28,883	44,936	44,938	47,416
- Non-income generating properties	24,402	13,492	13,647	16,692

7. Other Financial Assets

	2021	2022	2023	2024
	RM	RM	RM	RM
At fair value through profit or loss				
At 1 January	-	-	-	371,375
Additions	-	-	500,000	-
Change in fair value recognised in profit or loss	-	-	(128,625)	-
At 31 December	-	-	371,375	371,375

13. ACCOUNTANTS' REPORT (Cont'd)

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7. Other Financial Assets (Cont'd)

Other financial assets represent keyman insurance policies (the "Policies") taken up to insure certain key senior management of the Group (the "Insured Persons"). For any insured events happened to the Insured Persons, the insured sum will be payable to the Group. The Policies can be withdrawn at any time with surrender charges if such withdrawal occurs before the maturity date of the Policies and a cash refund will be based on the cash surrender value of the Policies at the date of withdrawal.

As at 31 December 2024, the Directors of the Group expect that the Policies will be terminated at the maturity date and there will be no specific surrender charge in accordance with the terms of the Policies.

8. Deferred Tax Assets/(Liabilities)

	Note	2021 RM	2022 RM	2023 RM	2024 RM
At 1 January		(791,678)	(3,294)	320,591	492,781
Recognised in profit or loss	27	788,384	323,885	172,190	(338,585)
Recognised in other comprehensive income		-	-	-	(819,616)
At 31 December		<u>(3,294)</u>	<u>320,591</u>	<u>492,781</u>	<u>(665,420)</u>

The net deferred tax assets and liabilities shown on the combined statements of financial position after appropriate offsetting are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Deferred tax assets	-	323,885	496,075	157,490
Deferred tax liabilities	<u>(3,294)</u>	<u>(3,294)</u>	<u>(3,294)</u>	<u>(822,910)</u>
	<u>(3,294)</u>	<u>320,591</u>	<u>492,781</u>	<u>(665,420)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of the deferred tax assets and liabilities of the Group are as follows:

Deferred tax assets of the Group

	Lease liabilities RM	Provisions RM	Other temporary differences RM	Unutilised industrial building allowances RM	Unutilised capital allowances RM	Unused tax losses RM	Total RM
2021							
At 1 January 2021	-	(769,506)	-	25,629	-	-	(743,877)
Recognised in profit or loss	-	(166,360)	-	-	-	-	(166,360)
Under/(Over) provision in prior year	-	1,303,221	-	(1,550)	-	-	1,301,671
At 31 December 2021 (before offsetting)	-	367,355	-	24,079	-	-	391,434
Offsetting							(391,434)
At 31 December 2021 (after offsetting)							-

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of the deferred tax assets and liabilities of the Group are as follows: (Cont'd)

Deferred tax assets of the Group (Cont'd)

	Lease liabilities RM	Provisions RM	Other temporary differences RM	Unutilised industrial building allowances RM	Unutilised capital allowances RM	Unused tax losses RM	Total RM
2022							
At 1 January 2022	-	367,355	-	24,079	-	-	391,434
Recognised in profit or loss	-	39,194	323,885	-	-	-	363,079
Over provision in prior year	-	(22,942)	-	(24,079)	-	-	(47,021)
At 31 December 2022 (before offsetting)	-	383,607	323,885	-	-	-	707,492
Offsetting							(383,607)
At 31 December 2022 (after offsetting)							323,885

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of the deferred tax assets and liabilities of the Group are as follows: (Cont'd)

Deferred tax assets of the Group (Cont'd)

	Lease liabilities RM	Provisions RM	Other temporary differences RM	Unutilised industrial building allowances RM	Unutilised capital allowances RM	Unused tax losses RM	Total RM
2023							
At 1 January 2023	-	383,607	323,885	-	-	-	707,492
Effect arising from merger method of accounting	62,261	10,267	-	-	-	-	72,528
Recognised in profit or loss	(33,346)	37,555	172,190	-	1,058	-	177,457
Under provision in prior year	-	20,546	-	-	-	-	20,546
At 31 December 2023 (before offsetting)	28,915	451,975	496,075	-	1,058	-	978,023
Offsetting							(481,948)
At 31 December 2023 (after offsetting)							496,075

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of the deferred tax assets and liabilities of the Group are as follows: (Cont'd)

Deferred tax assets of the Group (Cont'd)

	Lease liabilities RM	Provisions RM	Other temporary differences RM	Unutilised industrial building allowances RM	Unutilised capital allowances RM	Unused tax losses RM	Total RM
2024							
At 1 January 2024	28,915	451,975	496,075	-	1,058	-	978,023
Recognised in profit or loss (Over)/Under provision in prior year	25,473 (1,026)	69,414 31,899	(338,585) -	- -	(218) (840)	(555) 555	(244,471) 30,588
At 31 December 2024 (before offsetting)	<u>53,362</u>	<u>553,288</u>	<u>157,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764,140</u>
Offsetting							<u>(606,650)</u>
At 31 December 2024 (after offsetting)							<u>157,490</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of the deferred tax assets and liabilities of the Group are as follows: (Cont'd)

Deferred tax liabilities of the Group

	Accelerated capital allowances RM	Revaluation of leasehold land and buildings RM	Right-of-use assets RM	Total RM
2021				
At 1 January 2021	(47,801)	-	-	(47,801)
Recognised in profit or loss	(37,840)	-	-	(37,840)
Under provision in prior year	(309,087)	-	-	(309,087)
At 31 December 2021 (before offsetting)	<u>(394,728)</u>	<u>-</u>	<u>-</u>	<u>(394,728)</u>
Offsetting				391,434
At 31 December 2021 (after offsetting)				<u>(3,294)</u>
2022				
At 1 January 2022	(394,728)	-	-	(394,728)
Recognised in profit or loss	(39,194)	-	-	(39,194)
Over provision in prior year	47,021	-	-	47,021
At 31 December 2022 (before offsetting)	<u>(386,901)</u>	<u>-</u>	<u>-</u>	<u>(386,901)</u>
Offsetting				383,607
At 31 December 2022 (after offsetting)				<u>(3,294)</u>
2023				
At 1 January 2023	(386,901)	-	-	(386,901)
Effect arising from merger method of accounting	(10,914)	-	(61,614)	(72,528)
Recognised in profit or loss	(38,992)	-	33,725	(5,267)
Under provision in prior year	(20,546)	-	-	(20,546)
At 31 December 2023 (before offsetting)	<u>(457,353)</u>	<u>-</u>	<u>(27,889)</u>	<u>(485,242)</u>
Offsetting				481,948
At 31 December 2023 (after offsetting)				<u>(3,294)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred Tax Assets/(Liabilities) (Cont'd)

The components and movements of the deferred tax assets and liabilities of the Group are as follows: (Cont'd)

Deferred tax liabilities of the Group (Cont'd)

	Accelerated capital allowances RM	Revaluation of leasehold land and buildings RM	Right-of-use assets RM	Total RM
2024				
At 1 January 2024	(457,353)	-	(27,889)	(485,242)
Recognised in profit or loss	(68,641)	-	(25,473)	(94,114)
Recognised in other comprehensive income	-	(819,616)	-	(819,616)
Under provision in prior year	(30,588)	-	-	(30,588)
At 31 December 2024 (before offsetting)	<u>(556,582)</u>	<u>(819,616)</u>	<u>(53,362)</u>	<u>(1,429,560)</u>
Offsetting				<u>606,650</u>
At 31 December 2024 (after offsetting)				<u>(822,910)</u>

The deferred tax assets have not been recognised in respect of the following items:

	2021 RM	2022 RM	2023 RM	2024 RM
Accelerated capital allowances	22,744	27,351	11,567	7,245
Lease liabilities	-	-	4,277	3,116
Provisions	5,131,425	3,877,369	3,959,843	3,420,840
Unutilised capital allowances	11,554	48,514	14,197	5,296
Unutilised industrial building allowances	100,328	100,328	100,328	100,328
Unused business losses	<u>840,729</u>	<u>1,256,526</u>	<u>1,521,896</u>	<u>1,694,959</u>
	<u>6,106,780</u>	<u>5,310,088</u>	<u>5,612,108</u>	<u>5,231,784</u>

The deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen from combining entities that have recent history of losses.

13. ACCOUNTANTS' REPORT (Cont'd)

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8. Deferred Tax Assets/(Liabilities) (Cont'd)

Pursuant to Section 8 of the Finance Act 2021 (Act 833) and the amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the time limit on the carried forward unused tax losses has been extended to maximum of ten (10) consecutive years of assessment. Any unused tax losses accumulated up to the year of assessment 2018 can be carried forward for another ten (10) consecutive years of assessment (ie: from year of assessment 2019 to 2028) under the current tax legislation.

The unused tax losses shall be disregarded after the end of the year of assessment as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
2028	315,836	293,522	291,208	250,447
2029	65,262	65,262	65,262	60,929
2030	305,481	305,481	222,754	222,754
2031	154,150	154,150	154,150	154,150
2032	-	438,111	438,111	386,571
2033	-	-	350,411	350,411
2034	-	-	-	269,697
	<u>840,729</u>	<u>1,256,526</u>	<u>1,521,896</u>	<u>1,694,959</u>

9. Inventories

	2021 RM	2022 RM	2023 RM	2024 RM
At cost				
Raw materials	<u>4,210</u>	<u>-</u>	<u>132,968</u>	<u>37,881</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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10. Contract Assets/(Liabilities)

	2021 RM	2022 RM	2023 RM	2024 RM
Contract assets relating to construction contracts	42,499,044	51,141,326	55,511,476	106,556,701
Less: Accumulated impairment losses	<u>(1,504,117)</u>	<u>(1,731,873)</u>	<u>(2,572,732)</u>	<u>(2,387,492)</u>
	<u>40,994,927</u>	<u>49,409,453</u>	<u>52,938,744</u>	<u>104,169,209</u>
Contract liabilities relating to construction contracts	<u>(6,054)</u>	<u>(1,012,770)</u>	<u>(3,747,226)</u>	<u>(10,409,631)</u>
	<u>40,988,873</u>	<u>48,396,683</u>	<u>49,191,518</u>	<u>93,759,578</u>

Included in the contract assets of the Group are retention sum receivables amounting to RM22,262,273 (2023: RM16,098,289; 2022: RM13,134,022; 2021: RM9,510,964). The retention sum receivables are expected to be collected within the period range from 1 to 4 (2023: 1 to 4; 2022: 1 to 4; 2021: 1 to 4) years.

	2021 RM	2022 RM	2023 RM	2024 RM
At 1 January	29,356,996	40,988,873	48,396,683	49,191,518
Effect arising from merger method of accounting	-	-	3,038,174	-
Contract revenue recognised during the financial year	73,401,299	139,414,102	173,382,584	386,016,405
Billings during the financial year	(61,255,460)	(131,778,536)	(174,862,290)	(341,633,585)
Impairment losses recognised	(513,962)	(1,443,330)	(831,375)	(425,098)
Reversal of impairment losses	-	1,215,574	67,742	610,338
At 31 December	<u>40,988,873</u>	<u>48,396,683</u>	<u>49,191,518</u>	<u>93,759,578</u>
Presented as:				
Contract assets	40,994,927	49,409,453	52,938,744	104,169,209
Contract liabilities	<u>(6,054)</u>	<u>(1,012,770)</u>	<u>(3,747,226)</u>	<u>(10,409,631)</u>
	<u>40,988,873</u>	<u>48,396,683</u>	<u>49,191,518</u>	<u>93,759,578</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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10. Contract Assets/(Liabilities) (Cont'd)

Movements in the allowance for impairment losses on contract assets are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
2021			
At 1 January 2021	990,155	-	990,155
Impairment losses recognised	513,962	-	513,962
At 31 December 2021	<u>1,504,117</u>	<u>-</u>	<u>1,504,117</u>
2022			
At 1 January 2022	1,504,117	-	1,504,117
Impairment losses recognised	-	1,443,330	1,443,330
Reversal of impairment losses	(1,215,574)	-	(1,215,574)
At 31 December 2022	<u>288,543</u>	<u>1,443,330</u>	<u>1,731,873</u>
2023			
At 1 January 2023	288,543	1,443,330	1,731,873
Effect arising from merger method of accounting	77,226	-	77,226
Impairment losses recognised	703,638	127,737	831,375
Reversal of impairment losses	(67,742)	-	(67,742)
At 31 December 2023	<u>1,001,665</u>	<u>1,571,067</u>	<u>2,572,732</u>
2024			
At 1 January 2024	1,001,665	1,571,067	2,572,732
Impairment losses recognised	-	425,098	425,098
Reversal of impairment losses	(610,338)	-	(610,338)
At 31 December 2024	<u>391,327</u>	<u>1,996,165</u>	<u>2,387,492</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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10. Contract Assets/(Liabilities) (Cont'd)

The contract assets represent the unbilled amount for work completed at the reporting date. This amount will be transferred to trade receivables when the right to bill becomes unconditional.

The contract liabilities consist of advance billings in excess of revenue recognised over time during the construction period.

Contract value yet to be recognised as revenue

The revenue of the Group expected to be recognised in the future relating to performance obligations that were unsatisfied (or partially satisfied) at the reporting date is RM445,565,708 (2023: RM398,325,327; 2022: RM210,414,039; 2021: RM113,213,898).

The Group expects to recognise this revenue as the construction contracts are completed, which is expected to occur over the next 12 to 24 months.

11. Trade Receivables

	2021	2022	2023	2024
	RM	RM	RM	RM
Trade receivables				
- Related parties	-	18,300	58,229	20,531,316
- Third parties	22,062,261	27,931,147	37,838,158	77,481,357
	<u>22,062,261</u>	<u>27,949,447</u>	<u>37,896,387</u>	<u>98,012,673</u>
Less: Accumulated impairment losses	(4,486,846)	(3,351,417)	(2,268,036)	(1,369,153)
	<u>17,575,415</u>	<u>24,598,030</u>	<u>35,628,351</u>	<u>96,643,520</u>

Related parties represent corporate shareholders of the ultimate holding company, associate company of the immediate holding company and a company in which a Director of the immediate holding company has substantial financial interest. The amount due from related parties are non-interest bearing and generally on 30 days (2023: 30 days; 2022: 30 days; 2021: Nil) terms.

Trade receivables of the Group are non-interest bearing and are generally on 14 to 120 days (2023: 14 to 120 days; 2022: 30 to 120 days; 2021: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

13. ACCOUNTANTS' REPORT (Cont'd)

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11. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses on trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
2021			
At 1 January 2021	723,482	2,755,953	3,479,435
Impairment losses recognised	-	1,612,197	1,612,197
Reversal of impairment losses	(574,786)	(30,000)	(604,786)
At 31 December 2021	<u>148,696</u>	<u>4,338,150</u>	<u>4,486,846</u>
2022			
At 1 January 2022	148,696	4,338,150	4,486,846
Impairment losses recognised	-	105,858	105,858
Reversal of impairment losses	(1,566)	(1,239,721)	(1,241,287)
At 31 December 2022	<u>147,130</u>	<u>3,204,287</u>	<u>3,351,417</u>
2023			
At 1 January 2023	147,130	3,204,287	3,351,417
Effect arising from merger method of accounting	408,532	-	408,532
Impairment losses recognised	605,296	-	605,296
Reversal of impairment losses	(5,536)	(2,091,673)	(2,097,209)
At 31 December 2023	<u>1,155,422</u>	<u>1,112,614</u>	<u>2,268,036</u>
2024			
At 1 January 2024	1,155,422	1,112,614	2,268,036
Impairment losses recognised	51,221	272,884	324,105
Reversal of impairment losses	(170,834)	(1,052,154)	(1,222,988)
At 31 December 2024	<u>1,035,809</u>	<u>333,344</u>	<u>1,369,153</u>

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

13. ACCOUNTANTS' REPORT (Cont'd)

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11. Trade Receivables (Cont'd)

The ageing analysis of trade receivables at the end of the reporting period is as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
2021			
Not past due	16,319,949	(84,596)	16,235,353
Past due			
Less than 3 months	1,204,162	(64,019)	1,140,143
3 to 6 months	200,000	(81)	199,919
	1,404,162	(64,100)	1,340,062
Credit impaired			
Individually impaired	4,338,150	(4,338,150)	-
	<u>22,062,261</u>	<u>(4,486,846)</u>	<u>17,575,415</u>
2022			
Not past due	21,367,972	(60,576)	21,307,396
Past due			
Less than 3 months	3,199,530	(26,946)	3,172,584
3 to 6 months	177,658	(59,608)	118,050
	3,377,188	(86,554)	3,290,634
Credit impaired			
Individually impaired	3,204,287	(3,204,287)	-
	<u>27,949,447</u>	<u>(3,351,417)</u>	<u>24,598,030</u>
2023			
Not past due	17,502,711	(283,614)	17,219,097
Past due			
Less than 3 months	7,229,570	(445,243)	6,784,327
3 to 6 months	10,485,314	(260,497)	10,224,817
More than 6 months	1,566,178	(166,068)	1,400,110
	19,281,062	(871,808)	18,409,254
Credit impaired			
Individually impaired	1,112,614	(1,112,614)	-
	<u>37,896,387</u>	<u>(2,268,036)</u>	<u>35,628,351</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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11. Trade Receivables (Cont'd)

The ageing analysis of trade receivables at the end of the reporting period is as follows:
(Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
2024			
Not past due	77,462,619	(152,738)	77,309,881
Past due			
Less than 3 months	3,988,142	(91,912)	3,896,230
3 to 6 months	311,884	(45,154)	266,730
More than 6 months	15,916,684	(746,005)	15,170,679
	20,216,710	(883,071)	19,333,639
Credit impaired			
Individually impaired	333,344	(333,344)	-
	<u>98,012,673</u>	<u>(1,369,153)</u>	<u>96,643,520</u>

Trade receivables that are not past due nor individually impaired are creditworthy debtors with good payment records with the Group.

As at 31 December 2024, gross trade receivables of the Group of RM20,216,710 (2023: RM19,281,062; 2022: RM3,377,188; 2021: RM1,404,162) were past due but not individually impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM333,344 (2023: RM1,112,614; 2022: RM3,204,287; 2021: RM4,338,150). These relate to a number of independent customers that are in financial difficulties and have defaulted on payments.

13. ACCOUNTANTS' REPORT (Cont'd)

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12. Other Receivables

	Note	2021 RM	2022 RM	2023 RM	2024 RM
Other receivables					
- Related party	(a)	-	-	51,421	-
- Third parties	(b)	342,060	1,340,692	6,654,431	3,527,061
		<u>342,060</u>	<u>1,340,692</u>	<u>6,705,852</u>	<u>3,527,061</u>
Amount due from a former subsidiary	(c)	-	-	1,200,000	-
Deposits		127,491	525,548	959,527	1,188,139
Prepayments		34,482	364,676	484,283	1,000,771
		<u>504,033</u>	<u>2,230,916</u>	<u>9,349,662</u>	<u>5,715,971</u>

- (a) Related party represents a company in which a Director of the Group has substantial financial interest.
- (b) Included in other receivables is an amount of RMNil (2023: RM3,540,000; 2022: RMNil; 2021: RMNil), represents the balance of consideration due from third parties for the disposal of the entire equity interest in Best Stone held by SAC as disclosed in Section 1.7. This amount was fully received as at the date of this report.
- (c) This represents unsecured, non-interest bearing advances and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)

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13. Amount Due from/(to) Related Companies

(a) Amount due from related companies

This represents unsecured and non-interest bearing trade balances. The normal trade credit term is 30 days (2023: 30 days; 2022: 30 days; 2021: Nil).

(b) Amount due to related companies

	Note	2021 RM	2022 RM	2023 RM	2024 RM
Trade related	(i)	-	2,165	-	1,071,597
Non-trade related	(ii)	-	17,023	-	34,560
		-	19,188	-	1,106,157

(i) This represents unsecured and non-interest bearing trade balances. The normal trade credit term is 30 days (2023: Nil; 2022: 30 days; 2021: Nil).

(ii) This represents unsecured, non-interest bearing advances and repayable on demand.

14. Fixed Deposits with Licensed Banks

The fixed deposits with licensed banks of the Group amounting to RM3,286,598 (2023: RM2,138,784; 2022: RM3,319,084; 2021: RM1,076,575) have been pledged as securities for the banking facilities granted to the Group as disclosed in Note 19(b).

The maturity of the fixed deposits of the Group is 30 days (2023: range from 30 to 365 days; 2022: range from 30 to 365 days; 2021: range from 30 to 365 days).

The weighted average interest rates per annum of the fixed deposits with licensed banks of the Group are 2.1% (2023: 2.00%; 2022: 1.88%; 2021: 1.59%).

13. ACCOUNTANTS' REPORT (Cont'd)

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15. Share Capital and Invested Equity

(a) Share capital

	Number of shares				Amount			
	2021	2022	2023	2024	2021	2022	2023	2024
	Units	Units	Units	Units	RM	RM	RM	RM
Issued and fully paid ordinary shares with no par value								
At 1 January/date of incorporation/ 31 December	-	-	-	2	-	-	-	2

The financial statements of the Company had not been included in the combined financial statements for the financial year ended 31 December 2021, 31 December 2022, 31 December 2023 as the Company was only incorporated on 10 January 2024 to facilitate the Listing.

13. ACCOUNTANTS' REPORT (Cont'd)

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15. Share Capital and Invested Equity
(b) Invested equity

	Number of shares				Amount			
	2021	2022	2023	2024	2021	2022	2023	2024
	Units	Units	Units	Units	RM	RM	RM	RM
Issued and fully paid ordinary shares with no par value								
At 1 January	1,500,000	1,500,000	1,500,000	2,500,000	1,500,000	1,500,000	1,500,000	2,500,000
Effect arising from merger method of accounting	-	-	1,000,000	-	-	-	1,000,000	-
At 31 December	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Group. All ordinary shares rank equally with regards to the Group's residual assets.

13. ACCOUNTANTS' REPORT (Cont'd)

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16. Merger Reserve

The merger reserve arose from the difference between the carrying amount of the investment and the nominal value of the shares of the combining entities upon consolidation using merger method of accounting.

17. Revaluation Reserve

	2021 RM	2022 RM	2023 RM	2024 RM
At 1 January	-	-	-	292,505
Effect arising from merger method of accounting	-	-	292,505	-
Revaluation surplus	-	-	-	4,200,343
Deferred tax liabilities recognised directly in equity	-	-	-	(819,616)
At 31 December	<u>-</u>	<u>-</u>	<u>292,505</u>	<u>3,673,232</u>

This is in respect of revaluation surplus net of tax arising from the revaluation of the Group's freehold and leasehold lands and buildings and is non-distributable.

18. Lease Liabilities

	2021 RM	2022 RM	2023 RM	2024 RM
At 1 January	1,105,455	740,452	487,828	1,355,491
Effect arising from merger method of accounting	-	-	678,442	-
Additions	108,800	-	500,000	509,372
Accretion of interest	42,644	27,566	29,477	60,750
Payments	(516,447)	(280,190)	(340,256)	(567,046)
Termination of lease contracts	-	-	-	(73,903)
At 31 December	<u>740,452</u>	<u>487,828</u>	<u>1,355,491</u>	<u>1,284,664</u>
Presented as:				
Non-current	487,830	290,045	929,847	851,832
Current	252,622	197,783	425,644	432,832
	<u>740,452</u>	<u>487,828</u>	<u>1,355,491</u>	<u>1,284,664</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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18. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group at the end of the reporting period are as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Minimum lease payments				
Within one year	293,787	219,800	495,362	483,261
Later than one year but not later than two years	203,062	146,790	357,088	369,807
Later than two years but not later than five years	300,576	151,116	532,040	489,537
Later than five years	-	-	104,837	62,183
	<u>797,425</u>	<u>517,706</u>	<u>1,489,327</u>	<u>1,404,788</u>
Less: Future finance charges	<u>(56,973)</u>	<u>(29,878)</u>	<u>(133,836)</u>	<u>(120,124)</u>
Present value of lease liabilities	<u>740,452</u>	<u>487,828</u>	<u>1,355,491</u>	<u>1,284,664</u>

The Group leases various motor vehicles and buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group at the reporting date are 2.83% (2023: 2.73%; 2022: 2.43%; 2021: 2.47%).

13. ACCOUNTANTS' REPORT (Cont'd)

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19. Bank Borrowings

	2021	2022	2023	2024
	RM	RM	RM	RM
Secured				
Bank overdrafts	285,885	-	1,145,738	-
Bankers' acceptance	14,693,079	16,411,660	12,548,635	30,863,762
Factoring	-	1,891,232	-	-
Term loans	<u>13,808,640</u>	<u>12,869,216</u>	<u>16,042,341</u>	<u>13,918,811</u>
	<u>28,787,604</u>	<u>31,172,108</u>	<u>29,736,714</u>	<u>44,782,573</u>
Non-current				
Secured				
Term loans	<u>12,340,103</u>	<u>11,438,066</u>	<u>14,576,924</u>	<u>12,774,729</u>
Current				
Secured				
Bank overdrafts	285,885	-	1,145,738	-
Bankers' acceptance	14,693,079	16,411,660	12,548,635	30,863,762
Factoring	-	1,891,232	-	-
Term loans	<u>1,468,537</u>	<u>1,431,150</u>	<u>1,465,417</u>	<u>1,144,082</u>
	<u>16,447,501</u>	<u>19,734,042</u>	<u>15,159,790</u>	<u>32,007,844</u>
	<u>28,787,604</u>	<u>31,172,108</u>	<u>29,736,714</u>	<u>44,782,573</u>

The bank borrowings are secured by the followings:

- (a) legal charge over freehold and leasehold land and buildings as disclosed in Notes 4(a), 5(a) and 6(a) respectively;
- (b) pledged of fixed deposits as disclosed in Note 14;
- (c) jointly and several guarantee by certain Directors of the Group;
- (d) corporate guarantee by the immediate holding company, Signature International Berhad;
- (e) assignment of rental proceeds;
- (f) guaranteed by the Government of Malaysia under Special Relief Facility Scheme Guarantee ("SRFSG");
- (g) guaranteed by the Credit Guarantee Corporation (M) Berhad under Flexi Guarantee Scheme; and
- (h) assignment of insurances.

13. ACCOUNTANTS' REPORT (Cont'd)

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19. Bank Borrowings (Cont'd)

Maturity of the bank borrowings of the Group are as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Within one year	16,447,501	19,734,042	15,159,790	32,007,844
Between one and two years	1,546,398	1,332,641	1,231,784	933,569
Between two and five years	3,586,746	2,573,605	2,596,744	2,348,559
After five years	7,206,959	7,531,820	10,748,396	9,492,601
	<u>28,787,604</u>	<u>31,172,108</u>	<u>29,736,714</u>	<u>44,782,573</u>

The weighted average interest rates per annum of the bank borrowings of the Group at the reporting date are as follows:

	2021	2022	2023	2024
	%	%	%	%
Bank overdrafts	6.56	-	5.09	-
Bankers' acceptance	3.87	4.70	5.34	5.51
Factoring	-	7.20	-	-
Term loans	<u>4.10</u>	<u>4.82</u>	<u>4.65</u>	<u>4.57</u>

The combining entity, Zig Zag Builders has outstanding overdraft amount of RM1,145,738 as at 31 December 2023. The overdraft facility for overdraft amount of RM773,852 with a licensed bank is subjected to covenant clause, whereby Zig Zag Builders shall not change the shareholding and cause change in the corporate ownership of Zig Zag Builders. Zig Zag Builders did not fulfil this covenant clause as at 31 December 2023. As at the date of this report, Zig Zag Builders has no outstanding overdraft amount with the aforementioned licensed bank.

13. ACCOUNTANTS' REPORT (Cont'd)

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20. Trade Payables

	2021	2022	2023	2024
	RM	RM	RM	RM
Trade payables				
- Related parties	-	1,397,666	379,787	44,283
- Third parties	10,675,934	9,907,515	16,198,877	49,275,808
	<u>10,675,934</u>	<u>11,305,181</u>	<u>16,578,664</u>	<u>49,320,091</u>
Retention sums	4,216,252	1,751,807	8,885,510	13,691,930
Trade accruals	12,149,655	23,804,602	18,951,549	65,926,169
	<u>27,041,841</u>	<u>36,861,590</u>	<u>44,415,723</u>	<u>128,938,190</u>

Related parties represent the subsidiaries of a corporate shareholder of the immediate holding company, associate companies of the immediate holding company and companies in which certain Directors of the Group has substantial financial interest.

The normal trade credit term granted to the Group range from 14 to 120 days (2023: 30 to 120 days; 2022: 60 to 120 days; 2021: 60 to 120 days) respectively, depending on the terms of the contracts.

21. Other Payables

	2021	2022	2023	2024
	RM	RM	RM	RM
Other payables	49,656	34,917	532,281	229,765
Accruals	2,065,046	2,218,314	3,163,730	4,497,440
Deposits received	38,700	45,300	54,500	61,850
Dividends payables	-	-	-	8,106,000
Sales and Services Tax payable	33,338	21,016	42,654	108,045
	<u>2,186,740</u>	<u>2,319,547</u>	<u>3,793,165</u>	<u>13,003,100</u>

22. Amount Due to Immediate Holding Company

This represents unsecured, non-interest bearing advances and repayable on demand.

13. ACCOUNTANTS' REPORT (Cont'd)

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23. Amount Due to Directors

This represents unsecured, non-interest bearing advances and repayable on demand.

24. Revenue

	2021	2022	2023	2024
	RM	RM	RM	RM
Revenue from contracts with customers				
Contract revenue	73,401,299	139,414,102	173,382,584	386,016,405
Sale of goods	10,815	45,737	-	-
	<u>73,412,114</u>	<u>139,459,839</u>	<u>173,382,584</u>	<u>386,016,405</u>
Timing of revenue recognition				
At a point in time	10,815	45,737	-	-
Over time	73,401,299	139,414,102	173,382,584	386,016,405
	<u>73,412,114</u>	<u>139,459,839</u>	<u>173,382,584</u>	<u>386,016,405</u>

25. Finance Costs

	2021	2022	2023	2024
	RM	RM	RM	RM
Interest expenses on:				
Bank overdrafts	4,504	899	21,252	46
Bankers' acceptance	480,866	879,354	1,088,668	1,301,878
Factoring interest	-	-	19,704	-
Term loans	540,192	646,031	659,298	676,814
Lease liabilities	42,644	27,566	29,477	60,750
Others	425,455	143,389	42,284	29,994
	<u>1,493,661</u>	<u>1,697,239</u>	<u>1,860,683</u>	<u>2,069,482</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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26. Profit before Tax

Profit before tax is arrived at after charging/(crediting):

	2021 RM	2022 RM	2023 RM	2024 RM
Auditors' remuneration				
- Statutory audit				
- Current year	96,500	90,500	115,500	143,000
- Under provision in prior year	-	500	-	-
- Non-statutory audit	-	20,000	-	-
Bad debt written off	-	-	50,000	-
Bad debt recovered	-	-	-	(110,000)
Depreciation of:				
- Property, plant and equipment	195,238	177,593	289,724	641,162
- Right-of-use assets	304,122	275,190	294,078	474,038
Fair value loss/(gain) on:				
- Investment properties	155,000	(70,000)	(230,000)	-
- Other financial assets	-	-	128,625	-
Gain on termination of lease contracts	-	-	-	(3,161)
Impairment losses on:				
- Contract assets	513,962	1,443,330	831,375	425,098
- Property, plant and equipment	-	-	-	170,240
- Trade receivables	1,612,197	105,858	605,296	324,105
Incorporation fee	-	-	-	9,924
Leases expenses relating to short-term leases	-	-	271,336	1,070,019
Loss/(Gain) on disposal of:				
- Investment in a subsidiary	-	-	60	-
- Property, plant and equipment	(53,000)	(75,000)	(85,000)	(9,500)
- Right-of-use assets	(459)	-	-	-
Interest income from:				
- Licensed banks	(14,389)	(111,845)	(51,370)	(58,538)
- Others	(28,231)	(29,991)	(359,537)	(154,309)
Realised loss on foreign exchange	-	-	337	286
Rental income	(92,310)	(176,300)	(185,500)	(234,600)
Reversal of impairment losses on:				
- Contract assets	-	(1,215,574)	(67,742)	(610,338)
- Trade receivables	(604,786)	(1,241,287)	(2,097,209)	(1,222,988)

13. ACCOUNTANTS' REPORT (Cont'd)

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27. Taxation

	2021	2022	2023	2024
	RM	RM	RM	RM
Tax expenses recognised in profit or loss				
Malaysian income tax				
Current tax provision	850,771	1,563,300	3,551,500	13,490,899
Under/(Over) provision in prior years	44,773	112,915	106,069	(59,573)
	<u>895,544</u>	<u>1,676,215</u>	<u>3,657,569</u>	<u>13,431,326</u>
Deferred tax (Note 8)				
Relating to origination and reversal of temporary differences	204,200	(323,885)	(172,190)	338,585
Over provision in prior year	(992,584)	-	-	-
	<u>(788,384)</u>	<u>(323,885)</u>	<u>(172,190)</u>	<u>338,585</u>
	<u>107,160</u>	<u>1,352,330</u>	<u>3,485,379</u>	<u>13,769,911</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%; 2022: 24%; 2021: 24%) of the estimated assessable profits for the financial year.

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27. Taxation (Cont'd)

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group is as follows:

	2021 RM	2022 RM	2023 RM	2024 RM
Profit before tax	<u>2,823,715</u>	<u>7,115,848</u>	<u>13,908,861</u>	<u>54,328,459</u>
At Malaysian statutory tax rate of 24% (2023: 24%; 2022: 24%; 2021: 24%)	677,692	1,707,804	3,338,127	13,038,830
Effect of income subject to 17%	4,337	-	-	-
Income not subject to tax	(506,202)	(423,887)	(311,301)	(71,083)
Expenses not deductible for tax purposes	335,987	144,403	380,236	953,015
Deferred tax assets not recognised	543,157	106,018	314,811	68,814
Utilisation of previously unrecognised deferred tax assets	-	(294,923)	(342,563)	(160,092)
Under/(Over) provision of income tax in prior years	44,773	112,915	106,069	(59,573)
Over provision of deferred tax in prior year	<u>(992,584)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tax expenses for the financial year	<u>107,160</u>	<u>1,352,330</u>	<u>3,485,379</u>	<u>13,769,911</u>

The Group has the following estimated unutilised capital allowances, unutilised industrial building allowances and unused tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	2021 RM	2022 RM	2023 RM	2024 RM
Unutilised capital allowances	11,554	48,514	15,104	5,296
Unutilised industrial building allowances	100,328	100,328	100,328	100,328
Unused tax losses	<u>840,729</u>	<u>1,256,526</u>	<u>1,524,210</u>	<u>1,694,959</u>
	<u>952,611</u>	<u>1,405,368</u>	<u>1,639,642</u>	<u>1,800,583</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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28. Earnings per Share
(a) Basic earnings per share

The basic earnings per share are calculated based on the combined profit for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	2021	2022	2023	2024
Profit attributable to the owners of the parent (RM)	<u>2,716,555</u>	<u>5,763,518</u>	<u>10,423,482</u>	<u>40,558,548</u>
Weighted average number of ordinary shares in issue (units)				
- Ordinary shares in issue as at 1 January	1,500,000	1,500,000	1,500,000	2,500,000
- Effect arising from merger method of accounting	-	-	1,000,000	-
- Effect of ordinary shares issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Weighted average number of ordinary shares in issue as at 31 December	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,500,000</u>	<u>2,500,002</u>
Basic earnings per ordinary shares (RM)	<u>1.81</u>	<u>3.84</u>	<u>4.17</u>	<u>16.22</u>

(b) Diluted earnings per share

The Group has no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the reporting period and before the authorisation of these combined financial statements.

13. ACCOUNTANTS' REPORT (Cont'd)

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29. Dividends

	2021	2022	2023	2024
	RM	RM	RM	RM
Dividend recognised as distribution to ordinary shareholders of the combining entities:				
A single-tier interim dividend of RM0.15 per ordinary share in respect of the financial year ended 31 December 2023	-	-	-	225,000
A single-tier interim dividend of RM0.10 per ordinary share in respect of the financial year ended 31 December 2023	-	-	-	100,000
A single-tier interim dividend of RM6.67 per ordinary share in respect of the financial year ended 31 December 2024	-	-	-	10,000,000
A single-tier interim dividend of RM6.00 per ordinary share in respect of the financial year ended 31 December 2024	-	-	-	6,000,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,325,000</u>

The Directors do not recommend the payment of any final dividend in respect of the current financial year.

13. ACCOUNTANTS' REPORT (Cont'd)

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30. Staff Costs

	2021	2022	2023	2024
	RM	RM	RM	RM
Fees	114,000	40,000	-	-
Salaries, wages and other emoluments	5,621,590	7,657,224	10,818,641	18,038,938
Defined contribution plans	597,193	808,521	1,338,457	1,996,234
Social security contributions	52,833	70,637	117,973	180,820
Other benefits	101,615	46,316	186,980	277,898
Benefits-in-kind	67,150	68,950	60,250	62,125
	<u>6,554,381</u>	<u>8,691,648</u>	<u>12,522,301</u>	<u>20,556,015</u>

Included in the staff costs above is aggregate amount of remuneration received/receivable by the Executive Directors of the Group during the financial year as below:

	2021	2022	2023	2024
	RM	RM	RM	RM
Executive Directors of the Group				
Fees	114,000	40,000	-	-
Salaries and other emoluments	643,300	720,000	1,025,000	1,700,007
Defined contribution plans	63,756	86,400	123,000	204,000
Social security contributions	3,177	1,798	2,513	3,277
Other benefits	363	206	414	375
Benefits-in-kind	56,850	39,450	31,950	41,325
	<u>881,446</u>	<u>887,854</u>	<u>1,182,877</u>	<u>1,948,984</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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31. Reconciliation of Liabilities Arising from Financing Activities

The table below shows the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	New lease [Note 5(d)] RM	Other changes (ii) RM	At 31 December RM
2021						
Amount due to Directors	23	2,300,070	(2,299,970)	-	-	100
Lease liabilities	18	1,105,455	(473,803)	108,800	-	740,452
Bankers' acceptance	19	6,572,801	8,120,278	-	-	14,693,079
Term loans	19	14,381,430	(572,790)	-	-	13,808,640
		<u>24,359,756</u>	<u>4,773,715</u>	<u>108,800</u>	<u>-</u>	<u>29,242,271</u>
2022						
Amount due to immediate holding company	22	-	20,705	-	-	20,705
Amount due to related companies	13	-	17,023	-	2,165	19,188
Amount due to Directors	23	100	1,499,900	-	-	1,500,000
Lease liabilities	18	740,452	(252,624)	-	-	487,828
Bankers' acceptance	19	14,693,079	1,718,581	-	-	16,411,660
Factoring	19	-	1,891,232	-	-	1,891,232
Term loans	19	13,808,640	(939,424)	-	-	12,869,216
		<u>29,242,271</u>	<u>3,955,393</u>	<u>-</u>	<u>2,165</u>	<u>33,199,829</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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31. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

The table below shows the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes: (Cont'd)

	Note	At 1 January RM	Financing cash flows (i) RM	New lease [Note 5(d)] RM	Other changes (ii) RM	At 31 December RM
2023						
Amount due to immediate holding company	22	20,705	4,784,755	-	-	4,805,460
Amount due to related companies	13	19,188	(17,023)	-	(2,165)	-
Amount due to Directors	23	1,500,000	168,545	-	97,943	1,766,488
Lease liabilities	18	487,828	(310,779)	500,000	678,442	1,355,491
Bankers' acceptance	19	16,411,660	(3,863,025)	-	-	12,548,635
Factoring	19	1,891,232	(1,891,232)	-	-	-
Term loans	19	12,869,216	(1,257,571)	-	4,430,696	16,042,341
		<u>33,199,829</u>	<u>(2,386,330)</u>	<u>500,000</u>	<u>5,204,916</u>	<u>36,518,415</u>
2024						
Amount due to immediate holding company	22	4,805,460	(4,805,460)	-	-	-
Amount due to related companies	13	-	34,560	-	1,071,597	1,106,157
Amount due to Directors	23	1,766,488	(1,739,843)	-	(26,645)	-
Lease liabilities	18	1,355,491	(506,296)	509,372	(73,903)	1,284,664
Bankers' acceptance	19	12,548,635	18,315,127	-	-	30,863,762
Term loans	19	16,042,341	(2,123,530)	-	-	13,918,811
		<u>36,518,415</u>	<u>9,174,558</u>	<u>509,372</u>	<u>971,049</u>	<u>47,173,394</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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31. Reconciliation of Liabilities Arising from Financing Activities (Cont'd)

- (i) The financing cash flows include the net amount of proceeds from/repayment of bankers' acceptance, factoring and term loans, payment of lease liabilities and net amount of advances from/repayment to immediate holding company, related companies and Directors in the combined statements of cash flows.
- (ii) Other changes include purchase of other financial assets, proceeds from disposal of property plant and equipment, acquisition and disposal of a subsidiary, net amount of non-interest bearing trade balances with related companies, and gain on termination of lease contracts.

32. Financial Guarantees

	2021 RM	2022 RM	2023 RM	2024 RM
Secured				
Banker's guarantee and performance bond in favour of third parties	9,738,274	20,999,805	23,791,114	22,997,864

33. Related Party Disclosures

- (a) Identifying related parties

For the purposes of these combined financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

13. ACCOUNTANTS' REPORT (Cont'd)

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33. Related Party Disclosures (Cont'd)**(b) Significant related party transactions**

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the Group has the following transactions with related parties during the financial year:

	2021	2022	2023	2024
	RM	RM	RM	RM
Transaction with ultimate holding company				
Progress billing received/receivable	-	-	-	2,500
Transactions with immediate holding company				
Advances received	-	-	4,805,400	-
Repayment paid	-	-	-	4,805,460
Transactions with related companies				
Lease expenses paid/payable	-	-	-	47,520
Progress billing paid/payable	-	271,799	353,173	5,211,687
Progress billing received/receivable	-	5,372,654	1,386,466	5,781,113
Transactions with Directors				
Advances received	2,000,000	2,850,000	12,739,600	-
Disposal of property, plant and equipment	-	-	-	26,645
Repayment paid	4,300,000	1,350,000	12,500,000	1,734,600

13. ACCOUNTANTS' REPORT (Cont'd)

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33. Related Party Disclosures (Cont'd)**(b) Significant related party transactions (Cont'd)**

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the Group has the following transactions with related parties during the financial year: (Cont'd)

	2021	2022	2023	2024
	RM	RM	RM	RM
Transactions with a former subsidiary				
Advances to	-	-	1,200,000	-
Advances received	-	-	3,540,000	-
Purchase	-	-	658,546	-
Repayment paid	-	-	-	1,200,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200,000</u>
Transactions with related parties				
Interest income	-	-	-	82,121
Progress billing				
paid/payable	-	2,481,089	1,832,785	181,011
Progress billing				
received/receivable	-	51,900	1,015,634	55,978,603
	<u>-</u>	<u>51,900</u>	<u>1,015,634</u>	<u>55,978,603</u>

The nature and relationship between the Group with the related parties are as follows:

- (i) a corporate shareholder of the immediate holding company;
- (ii) subsidiaries of the corporate shareholder of the immediate holding company;
- (iii) associate companies of the immediate holding company; and
- (iv) companies in which certain Directors of the immediate holding company have substantial financial interests.

13. ACCOUNTANTS' REPORT (Cont'd)

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33. Related Party Disclosures (Cont'd)**(c) Compensation of key management personnel**

Information regarding compensation of key management personal are as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Executive Directors of the Group				
Fees	114,000	40,000	-	-
Salaries and other emoluments	643,300	720,000	1,025,000	1,700,007
Defined contribution plans	63,756	86,400	123,000	204,000
Social security contributions	3,177	1,798	2,513	3,277
Other benefits	363	206	414	375
Benefits-in-kind	56,850	39,450	31,950	41,325
	<u>881,446</u>	<u>887,854</u>	<u>1,182,877</u>	<u>1,948,984</u>

34. Segment Information

The Group operates principally within one segment, that is, interior fit-out works. This is consistent with the internally generated reports reviewed by Board of Directors to make strategic decisions.

Capital expenditure during the financial year consist of addition of property, plant and equipment, right-of-use assets under lease financing and investment properties are RM1,519,595 (2023: RM898,577; 2022: RM144,633; 2021: RM163,267).

Geographical information

No geographical segment is prepared as the Group operates only in Malaysia.

13. ACCOUNTANTS' REPORT (Cont'd)

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34. Segment Information (Cont'd)
Major customers

The Group has large and diversified customer base which consists of individuals and corporations. The following is the major customer with revenue equal of more than 10% of the Group's revenue.

	2021	2022	2023	2024
	RM	RM	RM	RM
Customer A	-	23,901,518	52,883,790	-
Customer B	-	-	24,428,367	-
Customer C	36,830,305	23,209,887	20,229,384	-
Customer D	-	47,124,420	-	-
Customer E	17,806,084	-	-	-
Customer F	10,897,050	-	-	-
Customer G	-	17,709,563	-	-
Customer H	-	-	-	47,013,731
	<u>65,533,439</u>	<u>111,945,388</u>	<u>97,541,541</u>	<u>47,013,731</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments
(a) Classification of financial instruments

The following table analyses the financial assets and financial liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Carrying amount RM	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
2021				
Financial assets				
Trade receivables	17,575,415	-	17,575,415	-
Other receivables *	469,551	-	469,551	-
Fixed deposits with licensed banks	1,076,575	-	1,076,575	-
Cash and bank balances	1,261,227	-	1,261,227	-
	<u>20,382,768</u>	<u>-</u>	<u>20,382,768</u>	<u>-</u>
Financial liabilities				
Trade payables	27,041,841	-	-	27,041,841
Other payables #	2,153,402	-	-	2,153,402
Amount due to Directors	100	-	-	100
Lease liabilities	740,452	-	-	740,452
Bank borrowings	28,787,604	-	-	28,787,604
	<u>58,723,399</u>	<u>-</u>	<u>-</u>	<u>58,723,399</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(a) Classification of financial instruments (Cont'd)**

The following table analyses the financial assets and financial liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
2022				
Financial assets				
Trade receivables	24,598,030	-	24,598,030	-
Other receivables *	1,866,240	-	1,866,240	-
Amount due from related companies	43,489	-	43,489	-
Fixed deposits with licensed banks	3,319,084	-	3,319,084	-
Cash and bank balances	2,424,760	-	2,424,760	-
	<u>32,251,603</u>	<u>-</u>	<u>32,251,603</u>	<u>-</u>
Financial liabilities				
Trade payables	36,861,590	-	-	36,861,590
Other payables #	2,298,531	-	-	2,298,531
Amount due to immediate holding company	20,705	-	-	20,705
Amount due to related companies	19,188	-	-	19,188
Amount due to Directors	1,500,000	-	-	1,500,000
Lease liabilities	487,828	-	-	487,828
Bank borrowings	31,172,108	-	-	31,172,108
	<u>72,359,950</u>	<u>-</u>	<u>-</u>	<u>72,359,950</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(a) Classification of financial instruments (Cont'd)**

The following table analyses the financial assets and financial liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
2023				
Financial assets				
Other financial assets	371,375	371,375	-	-
Trade receivables	35,628,351	-	35,628,351	-
Other receivables *	8,865,379	-	8,865,379	-
Amount due from related companies	141,614	-	141,614	-
Fixed deposits with licensed banks	2,138,784	-	2,138,784	-
Cash and bank balances	8,707,280	-	8,707,280	-
	<u>55,852,783</u>	<u>371,375</u>	<u>55,481,408</u>	<u>-</u>
Financial liabilities				
Trade payables	44,415,723	-	-	44,415,723
Other payables #	3,750,511	-	-	3,750,511
Amount due to immediate holding company	4,805,460	-	-	4,805,460
Amount due to Directors	1,766,488	-	-	1,766,488
Lease liabilities	1,355,491	-	-	1,355,491
Bank borrowings	29,736,714	-	-	29,736,714
	<u>85,830,387</u>	<u>-</u>	<u>-</u>	<u>85,830,387</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(a) Classification of financial instruments (Cont'd)**

The following table analyses the financial assets and financial liabilities in the combined statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Carrying amount RM	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM
2024				
Financial assets				
Other financial assets	371,375	371,375	-	-
Trade receivables	96,643,520	-	96,643,520	-
Other receivables *	4,715,200	-	4,715,200	-
Amount due from related companies	2,399,042	-	2,399,042	-
Fixed deposits with licensed banks	3,286,598	-	3,286,598	-
Cash and bank balances	36,981,574	-	36,981,574	-
	<u>144,397,309</u>	<u>371,375</u>	<u>144,025,934</u>	<u>-</u>
Financial liabilities				
Trade payables	128,938,190	-	-	128,938,190
Other payables #	12,895,055	-	-	12,895,055
Amount due to related companies	1,106,157	-	-	1,106,157
Lease liabilities	1,284,664	-	-	1,284,664
Bank borrowings	44,782,573	-	-	44,782,573
	<u>189,006,639</u>	<u>-</u>	<u>-</u>	<u>189,006,639</u>

* Exclude prepayments

Exclude Sales and Services Tax payable

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade and other receivables, amount due from related companies and deposits with banks. There are no significant changes as compared to prior year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Group has trade transactions with and provides unsecured advances to its related companies. The Group monitors on an ongoing basis the results of the related companies and repayments made by the related companies.

At each reporting date, the Group assesses whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. 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. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the combined statements of financial position at the end of the reporting period represents the Group's maximum exposure to credit risk.

The Group's credit exposures are concentrated mainly on 4 (2023: 2; 2022: 3; 2021: 2) debtors, which accounted for 53% (2023: 68%; 2022: 87%; 2021: 82%) of total trade receivables at the end of the reporting period and amount due from related companies where risks of default have been assessed to be low. There are no other customers which individually represents more than 10% of the total trade receivables.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)
(b) Financial risk management objectives and policies (Cont'd)
(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have 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.

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2021						
Non-derivative financial liabilities						
Trade payables	27,041,841	-	-	-	27,041,841	27,041,841
Other payables	2,153,402	-	-	-	2,153,402	2,153,402
Amount due to Directors	100	-	-	-	100	100
Lease liabilities	293,787	203,062	300,576	-	797,425	740,452
Bank borrowings	16,830,996	1,906,668	4,260,424	7,986,582	30,984,670	28,787,604
Financial guarantee *	9,738,274	-	-	-	9,738,274	-
	<u>56,058,400</u>	<u>2,109,730</u>	<u>4,561,000</u>	<u>7,986,582</u>	<u>70,715,712</u>	<u>58,723,399</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(ii) Liquidity risk (Cont'd)**

The following table analyses the remaining contractual maturity for financial liabilities. The tables have 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. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2022						
Non-derivative financial liabilities						
Trade payables	36,861,590	-	-	-	36,861,590	36,861,590
Other payables	2,298,531	-	-	-	2,298,531	2,298,531
Amount due to immediate holding company	20,705	-	-	-	20,705	20,705
Amount due to related companies	19,188	-	-	-	19,188	19,188
Amount due to Directors	1,500,000	-	-	-	1,500,000	1,500,000
Lease liabilities	219,800	146,790	151,116	-	517,706	487,828
Bank borrowings	20,305,912	1,823,480	3,709,014	9,275,480	35,113,886	31,172,108
Financial guarantee *	20,999,805	-	-	-	20,999,805	-
	<u>82,225,531</u>	<u>1,970,270</u>	<u>3,860,130</u>	<u>9,275,480</u>	<u>97,331,411</u>	<u>72,359,950</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)
(b) Financial risk management objectives and policies (Cont'd)
(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have 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. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2023						
Non-derivative financial liabilities						
Trade payables	44,415,723	-	-	-	44,415,723	44,415,723
Other payables	3,750,511	-	-	-	3,750,511	3,750,511
Amount due to immediate holding company	4,805,460	-	-	-	4,805,460	4,805,460
Amount due to Directors	1,766,488	-	-	-	1,766,488	1,766,488
Lease liabilities	495,362	357,088	532,040	104,837	1,489,327	1,355,491
Bank borrowings	15,871,650	1,863,365	4,251,029	14,025,758	36,011,802	29,736,714
Financial guarantee *	23,791,114	-	-	-	23,791,114	-
	<u>94,896,308</u>	<u>2,220,453</u>	<u>4,783,069</u>	<u>14,130,595</u>	<u>116,030,425</u>	<u>85,830,387</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)
(b) Financial risk management objectives and policies (Cont'd)
(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have 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. (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
2024						
Non-derivative financial liabilities						
Trade payables	128,938,190	-	-	-	128,938,190	128,938,190
Other payables	12,895,055	-	-	-	12,895,055	12,895,055
Amount due to related companies	1,106,157	-	-	-	1,106,157	1,106,157
Lease liabilities	483,261	369,807	489,537	62,183	1,404,788	1,284,664
Bank borrowings	32,608,030	1,494,880	3,802,506	12,139,652	50,045,068	44,782,573
Financial guarantee *	22,997,864	-	-	-	22,997,864	-
	<u>199,028,557</u>	<u>1,864,687</u>	<u>4,292,043</u>	<u>12,201,835</u>	<u>217,387,122</u>	<u>189,006,639</u>

* Based on the maximum amount that can be called for under the financial guarantee contract.

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks

(a) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD") and Chinese Renminbi ("RMB").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(a) Foreign currency risk (Cont'd)**

The carrying amounts of the Group's foreign currency denominated monetary asset at the end of the reporting period are as follows:

	Denominated in				Total RM
	SGD RM	USD RM	RMB RM	Others RM	
Group					
2021					
Monetary asset					
Cash and bank balances	337	4,179	7,624	8,825	20,965
2022					
Monetary asset					
Cash and bank balances	155	4,179	7,624	8,825	20,783
2023					
Monetary asset					
Cash and bank balances	3,513	3,343	6,901	12,972	26,729
2024					
Monetary asset					
Cash and bank balances	3,513	3,343	3,781	25,330	35,967
	484				

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(a) Foreign currency risk (Cont'd)**Foreign currency risk sensitivity

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the SGD, USD and RMB exchange rates against RM with all other variables held constant.

	Effects on profit before tax			
	2021	2022	2023	2024
	RM	RM	RM	RM
Group				
Change in currency rate				
SGD				
- Strengthened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	17	8	176	176
- Weakened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	(17)	(8)	(176)	(176)
USD				
- Strengthened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	209	209	167	167
- Weakened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	(209)	(209)	(167)	(167)
RMB				
- Strengthened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	381	381	345	189
- Weakened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	(381)	(381)	(345)	(189)
Others				
- Strengthened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	441	441	649	1,267
- Weakened by 5% (2023: 5%; 2022: 5%; 2021: 5%)	<u>(441)</u>	<u>(441)</u>	<u>(649)</u>	<u>(1,267)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(a) Interest rate risk**

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitor its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	2021	2022	2023	2024
	RM	RM	RM	RM
Fixed rate instruments:				
Financial asset				
Fixed deposits with licensed banks	<u>1,076,575</u>	<u>3,319,084</u>	<u>2,138,784</u>	<u>3,286,598</u>
Financial liabilities				
Lease liabilities	(740,452)	(487,828)	(1,355,491)	(1,284,664)
Term loans	<u>(978,129)</u>	<u>(843,030)</u>	<u>(1,050,316)</u>	<u>(756,532)</u>
	<u>(1,718,581)</u>	<u>(1,330,858)</u>	<u>(2,405,807)</u>	<u>(2,041,196)</u>

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(b) Financial risk management objectives and policies (Cont'd)****(iii) Market risks (Cont'd)****(a) Interest rate risk (Cont'd)**

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was: (Cont'd)

	2021	2022	2023	2024
	RM	RM	RM	RM
Floating rate instruments:				
Financial liabilities				
Bank overdraft	(285,885)	-	(1,145,738)	-
Bankers' acceptance	(14,693,079)	(16,411,660)	(12,548,635)	(30,863,762)
Factoring	-	(1,891,232)	-	-
Term loans	(12,830,511)	(12,026,186)	(14,992,025)	(13,162,279)
	<u>(27,809,475)</u>	<u>(30,329,078)</u>	<u>(28,686,398)</u>	<u>(44,026,041)</u>

Interest rate risk sensitivity analysisCash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have (decreased)/increased the Group's profit before tax by RM440,260 (2023: RM286,864; 2022: RM303,291; 2021: RM278,095) respectively, arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

13. ACCOUNTANTS' REPORT (Cont'd)

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35. Financial Instruments (Cont'd)**(c) Fair value of financial instruments**

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The carrying amount of long-term floating rate borrowings approximate their fair value as the borrowings will be re-priced to market interest rate on or near reporting date.

The table below analyses financial instruments carried at fair value, together with their fair value and carrying amount shown in the combined statements of financial position:

	Fair value of financial instruments carried at fair value				Carrying amount
	Level 1	Level 2	Level 3	Total	
	RM	RM	RM	RM	RM
2023					
Financial asset					
Other financial assets	-	-	371,375	371,375	371,375
2024					
Financial asset					
Other financial assets	-	-	371,375	371,375	371,375

The fair value above has been determined using the following basis:

- The fair value of other financial assets represents keyman insurance contract purchased for certain key senior management of the Group is determined based on the cash surrender value in accordance with the keyman insurance policy which is not an observable input. The fair value of the keyman insurance was estimated by reference to the cash surrender value set out in the keyman insurance policy.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

13. ACCOUNTANTS' REPORT (Cont'd)

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36. Capital 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group includes within net debt, lease liabilities and bank borrowings less cash and cash equivalents. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The gearing ratios at the end of the reporting period are as follows:

	2021	2022	2023	2024
	RM	RM	RM	RM
Lease liabilities	740,452	487,828	1,355,491	1,284,664
Bank borrowings (exclude bank overdrafts)	28,501,719	31,172,108	28,590,976	44,782,573
	<u>29,242,171</u>	<u>31,659,936</u>	<u>29,946,467</u>	<u>46,067,237</u>
Less: Cash and cash equivalents	(975,342)	(2,424,760)	(7,561,542)	(36,981,574)
Net debts	<u>28,266,829</u>	<u>29,235,176</u>	<u>22,384,925</u>	<u>9,085,663</u>
Total equity	<u>17,253,934</u>	<u>22,667,352</u>	<u>38,521,200</u>	<u>66,135,477</u>
Gearing ratio (times)	<u>1.64</u>	<u>1.29</u>	<u>0.58</u>	<u>0.14</u>

There was no changes in the Group's approach to capital management during the financial year.

37. Significant Event During the Financial YearDisposal of an investment property

On 20 June 2024, SAC entered into a sale and purchase agreement ("SPA") with a third party for the disposal of one (1) residential unit erected within a housing development known as Puteri Cove Residensi, bearing postal address T1-18-05, Residensi Teluk Puteri, Jalan Tanjung, Puteri Harbour, 79100 Iskandar Puteri, Johor for a total consideration of RM650,000.

The disposal has been completed during the financial year.

13. ACCOUNTANTS' REPORT (Cont'd)

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38. Subsequent Events After the Financial Year

- (a) SAC and Ho Hup Construction Company Berhad ("Ho Hup") have agreed to a settlement arrangement, under which Ho Hup will dispose of 3 shop office units, namely A-01-17, A-02-17, and A-03-17 at Aurora Place at Bukit Jalil, Kuala Lumpur, to SAC at a discounted price of RM1,850,000 and will pay an additional sum of RM100,000 being the full and final settlement of the outstanding balances.

Settlement agreement dated 28 March 2025 between SAC and Ho Hup for the settlement of the outstanding balances of RM1,519,691 for the interior fitting-out works undertaken by SAC in a retail mall known as "Aurora Place" at Bukit Jalil, Kuala Lumpur which was completed on 4 April 2025.

The details of the acquisition are as follow:

- (i) Conditional sale and purchase agreement dated 28 March 2025 between SAC and Ho Hup for the acquisition of 1 shop office unit erected within a commercial development known as "Aurora Place", bearing postal address A-01-17, Plaza Bukit Jalil (Aurora Place), No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur for a cash consideration of RM900,000.

The acquisition is yet to be completed as at the date of this report.

- (ii) Conditional sale and purchase agreement dated 28 March 2025 between SAC and Ho Hup for the acquisition of 2 shop office units erected within a commercial development known as "Aurora Place", bearing postal address A-02-17 and A-03-17, both of Plaza Bukit Jalil (Aurora Place), No. 1, Persiaran Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur for a cash consideration of RM950,000, which is expected to complete by June 2025.

The acquisition is yet to be completed as at the date of this report.

- (b) On 21 February 2025, SAC declared an interim dividend of RM6.67 per ordinary shares amounted to RM10,000,000 in respect of the financial year ended 31 December 2024.

13. ACCOUNTANTS' REPORT (Cont'd)

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SIGNATURE ALLIANCE GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying combined financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Prospectus Guidelines - Equity issued by the Securities Commission Malaysia so as to give a true and fair view of the financial position of the Group as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024, and of their financial performance and their cash flows for the financial years ended 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024.

Approved and adopted on behalf of the Board of Directors in accordance with a resolution of the Directors dated **29 APR 2025**



CHANG CHUNG FEI



FOO KHAI SHIN

KUALA LUMPUR

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



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The Board of Directors
Signature Alliance Group Berhad
No. 11, Jalan SC 6
Pusat Perindustrian Sungai Chua
43000 Kajang
Selangor Darul Ehsan

Dear Sirs,

SIGNATURE ALLIANCE GROUP BERHAD
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

We have completed our assurance engagement to report on the compilation of pro forma combined statements of financial position of Signature Alliance Group Berhad ("SAG" or "the Company") and its combining entities ("SAG Group" or "the Group") for which the Directors of SAG are solely responsible. The pro forma combined statements of financial position consist of the pro forma statements of financial position as at 31 December 2024 together with the accompanying notes thereon, as set out in the accompanying statements, for which we have stamped for the purpose of identification.

The applicable criteria on the basis of which the Directors of SAG have compiled the pro forma combined statements of financial position are disclosed in Note 2 to the pro forma combined statements of financial position and are in accordance with paragraphs 9.18, 9.19 and 9.20 of Chapter 9, Part II Division 1: Equity of the *Prospectus Guidelines - Equity* issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the *Guidance Note for Issuers of Pro Forma Financial Information* issued by the Malaysian Institute of Accountants ("Applicable Criteria").

The pro forma combined statements of financial position of the Group has been compiled by the Directors of SAG, for the inclusion in the prospectus of SAG ("Prospectus") in connection with the initial public offering ("IPO") and the listing of and quotation for the entire enlarged issued share capital of SAG on the ACE Market on Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing"), to illustrate the effect on the financial position of SAG Group as at 31 December 2024 adjusted for the events and transactions as disclosed in Notes 3 and 5 to the pro forma combined statements of financial position respectively.

As part of this process, the financial information about SAG's pro forma combined statements of financial position have been extracted by the Directors of SAG from the audited financial statements of the Company and its combining entities for the financial year ended 31 December 2024, on which their auditors' report have been issued without any modifications.

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



**SIGNATURE ALLIANCE GROUP BERHAD
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA
COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

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

The Directors are responsible for compiling the pro forma combined statements of financial position based on the Applicable Criteria.

Reporting Accountants' Independence and Quality Control

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Our firm applied the International Standard on Quality Management 1 ("ISQM 1"), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the pro forma combined statements of financial position of SAG Group has been compiled, in all material aspects, by the Directors of SAG based on the Applicable Criteria.

We conducted our engagement in accordance with International Standards on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the Directors of SAG have compiled, in all material respects, the pro forma combined statements of financial position based on the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinion on any historical financial information used in compiling the pro forma combined statements of financial position, nor have we, in the course of this engagement, perform an audit or review of the financial information used in compiling the pro forma combined statements of financial position.

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



**SIGNATURE ALLIANCE GROUP BERHAD
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA
COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

Reporting Accountants' Responsibilities (Cont'd)

The purpose of the pro forma combined statements of financial position included in the Prospectus is solely to illustrate the impact of significant events or transactions on the unadjusted financial information of the Group as if the events had occurred or the transactions had been undertaken at an earlier date selected for illustrative purposes only. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions would have been as presented.

A reasonable assurance engagement to report on whether the pro forma combined statements of financial position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors of SAG in the compilation of the pro forma combined statements of financial position of the Group provide a reasonable basis for presenting the significant effects directly attributable to the listing scheme as disclosed in Note 5 to the pro forma combined statements of financial position, and to obtain sufficient appropriate evidence about whether:

- (a) the related pro forma combined statements of financial position give appropriate effect to those criteria; and
- (b) the pro forma combined statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the pro forma combined statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma combined statements of financial position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our Opinion

In our opinion, the pro forma combined statements of financial position of SAG Group has been compiled, in all material respects, on the basis of the Applicable Criteria.

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



**SIGNATURE ALLIANCE GROUP BERHAD
REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA
COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

Other Matters

This report has been prepared for inclusion in the Prospectus of SAG in connection with the Listing. As such, this report should not be used, circulated, quoted or otherwise referred to in any document or used for any purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Yours faithfully,


UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF 1411
Chartered Accountants


YEOH AIK CHUAN
Approved Number: 02239/07/2026 J
Chartered Accountant

KUALA LUMPUR

29 APR 2025

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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

1. Introduction

The Company was incorporated in Malaysia under the Companies Act 2016 on 10 January 2024 as a private limited company under the name of Signature Alliance Group Sdn. Bhd. and domiciled in Malaysia. On 20 September 2024, the Company was converted into a public limited company and assumed its present name, Signature Alliance Group Berhad.

The pro forma combined statements of financial position of Signature Alliance Group Berhad ("SAG" or "the Company") and its combining entities ("SAG Group" or "the Group") has been compiled by the Directors of SAC, for illustrative purposes only, for the inclusion in the prospectus of SAG in connection with the initial public offering ("IPO") and the listing of and quotation for the entire enlarged issued share capital of SAG on the ACE Market on Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing").

2. Basis of Preparation

- 2.1. The pro forma combined statements of financial position of the Group has been compiled based on the audited financial statements of SAG and its combining entities for the financial period/year ended ("FPE"/"FYE") 31 December 2024:

Combining entity	FPE/FYE
SAG	FPE 31 December 2024
Space Alliance Contracts Sdn. Bhd. ("SAC")	FYE 31 December 2024
Zig Zag Builders Sdn. Bhd. ("Zig Zag Builders")	FYE 31 December 2024

The audited financial statements of SAG for the FPE 31 December 2024, SAC and Zig Zag Builders for the FYE 31 December 2024 has been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS").

The audited financial statements of SAG for the FPE 31 December 2024, SAC and Zig Zag Builders for the FYE 31 December 2024 were reported without any modifications and were not subjected to any audit qualifications or disclaimer of opinions.

- 2.2. The pro forma combined statements of financial position of the Group has been presented in a manner consistent with both the format of the audited financial statements and accounting policies adopted by the Group in the preparation of its audited financial statements for the FPE/FYE 31 December 2024.

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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

2. Basis of Preparation (Cont'd)

- 2.3. The applicable criteria on the basis of which the Directors of SAG has compiled the pro forma combined statements of financial position are as disclosed in the notes to the pro forma combined statements of financial position and are in accordance with the requirements of the *Prospectus Guidelines - Equity* issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the *Guidance Note for Issuers of Pro Forma Financial Information* issued by the Malaysian Institute of Accountants ("Applicable Criteria").
- 2.4. The Group is regarded as a continuing entity resulting from the acquisition exercise, as the business combination involves entities which are ultimately controlled by the same parties before and after the business combination. The pro forma combined statements of financial position of the Group has applied the merger method of accounting on a retrospective basis and restated its comparatives as if the consolidation had taken place before the start of the earliest period presented in the financial statements.

Under the merger method:

- (a) the assets and liabilities of the acquired entities are recognised and measured in the combined financial statements at the pre-combination carrying amounts.
- (b) the retained earnings and other equity balances of the acquired entities immediately before the business combination are those of the Group.
- (c) the difference between the cost of investment and the share capital of the combining entities, are treated as merger reserve in the pro forma combined statements of financial position.

Inter-company transactions, balances and unrealised gains or losses on transactions between combining entities are eliminated.

- 2.5. The pro forma combined statements of financial position, of which the Directors of SAG are solely responsible, have been prepared to illustrate the effect on the financial position of SAG Group as at 31 December 2024 had the events and transactions set out in Notes 3 and 5 herein been implemented on 31 December 2024.
- 2.6. The pro forma combined statements of financial position of the Group have been prepared for illustrative purposes only and, such information may not, because of its nature, give a true picture of the actual financial position and the results of the Group and do not purport to predict the future financial position and results of the Group.



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)**SIGNATURE ALLIANCE GROUP BERHAD****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****3. Details of Acquisitions****3.1. Acquisition of SAC**

On 27 September 2024, SAG entered into a conditional share sale agreement with Signature International Berhad ("SIB"), Chang Chung Fei and Ng Mun Moh to acquire the entire equity interest in SAC comprising 1,500,000 ordinary shares for a total purchase consideration of RM30,547,200 which was satisfied by the issuance of 591,999,998 new SAG shares ("SAG Shares") to SIB, Chang Chung Fei and Ng Mun Moh at an issue price of RM0.0516 each.

Details of the Acquisition of SAC and the number of SAG Shares issued to the vendors pursuant to the Acquisition of SAC are set out below:

Vendors of SAC	Shareholdings in SAC		Purchase consideration RM	No. of SAG Shares issued Units
	No. of shares acquired Units	% of share capital %		
SIB	765,000	51.0	15,579,072	301,920,000
Chang Chung Fei	514,500	34.3	10,477,690	203,055,998
Ng Mun Moh	220,500	14.7	4,490,438	87,024,000
Total	<u>1,500,000</u>	<u>100.0</u>	<u>30,547,200</u>	<u>591,999,998</u>

The Acquisition of SAC was completed on 3 March 2025 and consequently, SAC became a wholly-owned subsidiary of SAG.

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)**SIGNATURE ALLIANCE GROUP BERHAD****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****3. Details of Acquisitions (Cont'd)****3.2. Acquisition of Zig Zag Builders**

On 27 September 2024, SAG entered into a conditional share sale agreement with SIB and Foo Khai Shin to acquire the entire equity interest in Zig Zag Builders comprising 1,000,000 ordinary shares for a total purchase consideration of RM7,636,800 which was satisfied by the issuance of 148,000,000 new SAG shares to SIB and Foo Khai Shin at an issue price of RM0.0516 each.

Details of the Acquisition of Zig Zag Builders and the number of SAG Shares issued to the vendors pursuant to the Acquisition of Zig Zag Builders are set out below:

Vendors of Zig Zag Builders	Shareholdings in Zig Zag Builders		Purchase consideration RM	No. of SAG Shares issued Units
	No. of shares acquired Units	% of share capital %		
SIB	501,000	50.1	3,826,037	74,148,000
Foo Khai Shin	499,000	49.9	3,810,763	73,852,000
Total	1,000,000	100.0	7,636,800	148,000,000

The Acquisition of Zig Zag Builders was completed on 3 March 2025 and consequently, Zig Zag Builders became a wholly-owned subsidiary of SAG.

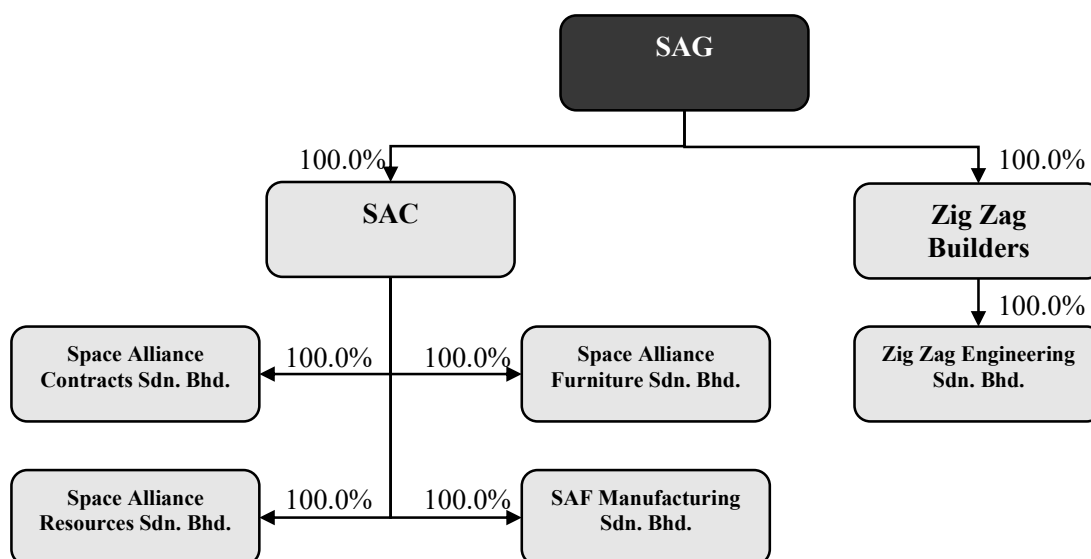
(the Acquisition of SAC and Acquisition of Zig Zag Builders are collectively referred as the "Acquisitions")

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
3. Details of Acquisitions (Cont'd)

Following the completion of the Acquisitions, the group structure of SAG will be as follows:



As disclosed in Note 2.4, the Group has applied the merger method of accounting for the acquisition of the combining entities. Under the merger method of accounting, the difference between the cost of investment recorded by the Company (ie: consideration paid for the Acquisitions) and the share capital of SAC and Zig Zag Builders are accounted for as merger reserve as follows:

	RM
Consideration paid for the Acquisitions	38,184,000
Less: Issued and paid-up share capital of SAC and Zig Zag Builders as at 31 December 2024	<u>(2,500,000)</u>
Merger reserve	<u>(35,684,000)</u>

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)**SIGNATURE ALLIANCE GROUP BERHAD****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****4. Shareholdings Reorganisation**

In respect of the Acquisitions, the vendors of SAC and Zig Zag Builders, namely SIB, Chang Chung Fei, Foo Khai Shin and Ng Mun Moh entered into a conditional share sale agreement to implement a shareholdings reorganisation exercise involving the transfer of their shareholdings in the Company among themselves, details of which are as follows:

Name	After the Acquisitions		Changes in no. of SAG Shares held pursuant to the Shareholdings Reorganisation	After the Shareholdings Reorganisation	
	No. of shares Units	% of share capital %		No. of shares Units	% of share capital %
SIB	376,068,000	50.8	(1,021,040)	375,046,960	50.7
Chang Chung Fei	203,056,000	27.4	(38,912,950)	164,143,050	22.2
Foo Khai Shin	73,852,000	10.0	56,610,970	130,462,970	17.6
Ng Mun Moh	87,024,000	11.8	(16,676,980)	70,347,020	9.5
Total	<u>740,000,000</u>	<u>100.0</u>		<u>740,000,000</u>	<u>100.0</u>

The Shareholdings Reorganisation was undertaken to facilitate the transfer of shareholdings of existing SAG Shares held by SIB, Chang Chung Fei and Ng Mun Moh to Foo Khai Shin in the Company to reflect the agreed shareholdings amongst themselves and does not have any effect on SAG's issued share capital.

The Shareholdings Reorganisation was completed on 26 March 2025.

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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

5. Listing Scheme

In conjunction with the IPO, the Company will undertake a public issue of 260,000,000 new ordinary shares in SAG ("Issue Share(s)" or "IPO Share(s)") ("Public Issue"), representing 26.0% of the enlarged share capital of SAG at an IPO price of RM0.62 per IPO Share.

5.1. Public Issue

The Issue Shares shall be allocated in the following manner:

(i) Malaysian Public

50,000,000 Issue Shares, representing 5.0% of the enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

(a) 25,000,000 Issue Shares, representing 2.5% of the enlarged share capital, made available to public investors; and

(b) 25,000,000 Issue Shares, representing 2.5% of the enlarged share capital, made available to Bumiputera public investors.

(ii) Eligible Directors, employees and persons who have contributed to the success of the Group

30,000,000 Issue Shares, representing 3.0% of the enlarged share capital, are reserved for the eligible Directors, employees and persons who have contributed to the success of the Group under the Pink Form Allocations.

(iii) Restricted Offering

20,000,000 Issue Shares, representing 2.0% of the enlarged share capital, are reserved for application by the Entitled Shareholders of SIB under the Restricted Offering.

(iv) Private placement to Bumiputera investors approved by Ministry of Investment, Trade and Industry ("MITI")

125,000,000 Issue Shares, representing 12.5% of the enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

(v) Private placement to selected investors

35,000,000 Issue Shares, representing 3.5% of the enlarged share capital, are reserved for private placement to selected investors.

Upon completion of the Public Issue, the share capital of SAG will increase from RM38,184,002 comprising 740,000,000 ordinary shares to RM199,384,002 comprising 1,000,000,000 ordinary shares.



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
5. Listing Scheme (Cont'd)
5.2. Listing

Upon completion of the IPO, the Company's entire enlarged share capital of RM199,384,002 comprising 1,000,000,000 Shares shall be listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad.

5.3. Proposed Utilisation of Proceeds

The estimated gross proceeds from the Public Issue of RM161,200,000 are planned to be utilised in the following manner:

<u>Utilisation of proceeds</u>	<u>Note</u>	<u>Amount of proceeds</u>		<u>Estimated time for utilisation from the date of the Listing</u>
		<u>RM</u>	<u>%</u>	
Set up of corporate office and production facility in Selangor	(a)	88,000,000	54.6%	Within 36 months
Purchase of machinery and equipment	(b)	4,000,000	2.5%	Within 36 months
Expansion/establishment of branch offices in Pulau Pinang and Johor	(c)	12,000,000	7.4%	Within 36 months
Working capital	(d)	30,140,000	18.7%	Within 12 months
Repayment of bank borrowings	(e)	20,000,000	12.4%	Within 6 months
Estimated listing expenses	(f)	7,060,000	4.4%	Within 1 month
		<u>161,200,000</u>	<u>100.0%</u>	

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
5. Listing Scheme (Cont'd)
5.3. Proposed Utilisation of Proceeds (Cont'd)
Notes:

- (a) *As part of the Group's business growth strategy, the Group intends to centralise its offices and production activities for the customisation of carpentry/ joinery parts and integral fixtures as well as manufacturing of wooden furniture. The Group intends to allocate RM88,000,000 of its IPO proceeds to acquire a parcel of vacant land in Selangor, and subsequently construct the following on this parcel of land:*
- (i) *a production facility for the customisation of carpentry/joinery parts and integral fixtures as well as manufacturing of wooden furniture (with built-up area of approximately 50,000 sq ft) as well as an adjoining storage space (with built-up area of approximately 15,000 sq ft); and*
- (ii) *a corporate office, which will be used as the Group's new headquarters (with built-up area of approximately 52,000 square feet).*

The new corporate office and production facility will be constructed adjoining to each other.

On 4 February 2025, Space Alliance Resources Sdn. Bhd. ("SAR") made an application to Jabatan Ketua Pengarah Tanah dan Galian (Persekutuan) ("JKPTG") to secure a piece of industrial land with an approximate land area of 1,500,000 sq ft held under Geran 97545, Lot 51, Mukim Kapar, Daerah Klang, Negeri Selangor ("Klang Land"). Subject to JKPTG's approval of the application, JKPTG will issue Form 5A to SAR which indicates the total amount of land premium payable for the land. The premium is estimated to be up to RM74,000,000, on the basis of RM50 per sq ft.

Upon payment of the land premium, SAR will register as the proprietor of the Klang Land, whereby the expected leasehold tenure of the Klang Land is 99 years, subject to the terms and conditions of the lease to be granted by JKPTG.

The breakdown of the land acquisition and construction cost is estimated as follows:

Description	Estimated cost RM
Land acquisition ⁽¹⁾	74,000,000
Construction works ⁽²⁾	44,000,000
	<u>118,000,000</u>



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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
5. Listing Scheme (Cont'd)
5.3. Proposed Utilisation of Proceeds (Cont'd)
Notes:

- (a) *The breakdown of the land acquisition and construction cost is estimated as follows: (Cont'd)*

Notes:

- (1) *The land acquisition costs will be partially funded via the gross proceeds from the Public Issue (RM44,000,000), and the remaining RM30,000,000 will be funded via bank borrowings.*
- (2) *The estimated costs for construction works for the new corporate office and production facility will be fully funded via the gross proceeds from the Public Issue. The approximate construction costs for the new corporate office and production facility are as follows:*

Description ^(b)	^(a) Estimated cost	
	RM	%
Construction works	27,316,000	62.1
Interior fitting-out and furniture	14,871,000	33.8
Preliminaries	1,813,000	4.1
	<u>44,000,000</u>	<u>100.0</u>

Notes:

- (a) *Based on fees estimation by the professional consultants.*
- (b) *Upon acquiring the parcel of vacant land, the Group will appoint a third-party contractor to undertake the construction works for its new corporate office and production facility via tender process. However, the interior fitting-out works and internal furnishing will be undertaken by the Group.*

In the event there are any excess available from the above land acquisition and construction costs, such excess of proceeds will be allocated for the general working capital requirements. Conversely, if the allocated proceeds are insufficient for the above land acquisition and construction costs, such shortfall will be funded via internally generated funds and/or bank borrowings.

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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

5. Listing Scheme (Cont'd)

5.3. Proposed Utilisation of Proceeds (Cont'd)

Notes:

- (b) *In line with the Group's plans to expand its overall production capacity and automate certain processes for its customisation and manufacturing activities, the Group intends to acquire additional machinery and equipment for the production facility to be setup as disclosed in Section 5.3(a). As such, the Group intends to utilise RM4,000,000 or 2.5% of its IPO Proceeds for the purchase of additional machinery and equipment.*
- (c) *The Group intends to capture more business opportunities for interior fitting-out services in Pulau Pinang and Johor and strengthen its market presence in the northern and southern regions of Peninsular Malaysia by expanding its existing branch office in Pulau Pinang and establishing a new branch office in Johor. The Group intends to allocate RM12,000,000 of its IPO proceeds for the expansion/establishment of branch offices in Pulau Pinang and Johor. Taken into account the additional branch offices space, the Group also intends to expand its headcount to scale up its operations in these regions, particularly the project management team.*
- (d) *The Group intends to allocate RM30,140,000, representing 18.7% of its IPO Proceeds to meet its working capital requirements for its interior fitting-out projects, the breakdown of which is as follows:*

<i>Description</i>	<i>Estimated cost RM</i>
<i>Collateral and fees for bank guarantees obtained for performance bonds</i>	<i>5,140,000</i>
<i>Payment to suppliers and/or subcontractors</i>	<i>25,000,000</i>
	<i><u>30,140,000</u></i>

- (e) *The Group intends to allocate RM20,000,000, representing 12.4% of the IPO Proceeds to repay its bank borrowings which were utilised to finance the acquisition of properties, purchase of keyman insurance and for working capital requirements.*

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
5. Listing Scheme (Cont'd)
5.3. Proposed Utilisation of Proceeds (Cont'd)
Notes:

- (f) *An amount of RM7,060,000, representing 4.4% of its IPO Proceeds is allocated to meet the estimated expenses of the Listing. The following summarises the estimated expenses incidental to the Listing to be borne by the Group:*

<i>Estimated listing expenses</i>	<i>RM</i>
<i>Professional fees ⁽¹⁾</i>	<i>2,345,000</i>
<i>Fees payable to authorities</i>	<i>86,000</i>
<i>Underwriting, placement and brokerage fees</i>	<i>4,089,000</i>
<i>Printing and contingencies ⁽²⁾</i>	<i>540,000</i>
	<i>7,060,000</i>

Notes:

- ⁽¹⁾ *Includes advisory/professional fees for, amongst others, the Adviser, solicitors, reporting accountants, independent market researcher, internal control reviewer and Issuing House.*
- ⁽²⁾ *Other incidental or related expenses in connection with the IPO.*

Any variations from the amounts budgeted above, save for item (d), shall be adjusted towards or against, as the case may be, the proceeds allocated for the Group's working capital requirements. Any further shortfall will be funded via its internally generated funds and/or bank borrowings.

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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

				Pro Forma I		Pro Forma II		Pro Forma III
	Audited			After Acquisitions		After Pro Forma	Utilisation of	After Pro Forma
	SAG as at	Acquisitions	Subsequent	and Subsequent	Public Issue	I and Public	Proceeds	II and
Note	31 December	RM	Events	Events	RM	Issue	RM	Utilisation of
	2024	RM	RM	RM		RM		Proceeds
	RM							RM
ASSETS								
Non-Current Assets								
Property, plant and equipment	-	9,326,294	-	9,326,294	-	9,326,294	-	9,326,294
Right-of-use assets	-	7,989,756	-	7,989,756	-	7,989,756	-	7,989,756
Investment properties	-	7,315,000	-	7,315,000	-	7,315,000	-	7,315,000
Other financial assets	-	371,375	-	371,375	-	371,375	-	371,375
Deferred tax assets	-	157,490	-	157,490	-	157,490	-	157,490
	-	25,159,915	-	25,159,915	-	25,159,915	-	25,159,915



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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

		Audited SAG as at 31 December 2024 RM	Acquisitions RM	Subsequent Events RM	Pro Forma I After Acquisitions and Subsequent Events RM	Public Issue RM	Pro Forma II After Pro Forma I and Public Issue RM	Utilisation of Proceeds RM	Pro Forma III After Pro Forma II and Utilisation of Proceeds RM
Note									
Current Assets									
		-	37,881	-	37,881	-	37,881	-	37,881
		-	104,169,209	-	104,169,209	-	104,169,209	-	104,169,209
		-	96,643,520	-	96,643,520	-	96,643,520	-	96,643,520
		270,660	5,445,311	-	5,715,971	-	5,715,971	-	5,715,971
		-	2,399,042	-	2,399,042	-	2,399,042	-	2,399,042
		-	13,358	-	13,358	-	13,358	-	13,358
		-	3,286,598	-	3,286,598	-	3,286,598	-	3,286,598
Cash and bank balances	6.2	4,538	36,977,036	(11,503,000)	25,478,574	161,200,000	186,678,574	(27,060,000)	159,618,574
		275,198	248,971,955	(11,503,000)	237,744,153	161,200,000	398,944,153	(27,060,000)	371,884,153
Total Assets		275,198	274,131,870	(11,503,000)	262,904,068	161,200,000	424,104,068	(27,060,000)	397,044,068



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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

		Audited SAG as at 31 December 2024 RM	Acquisitions RM	Subsequent Events RM	Pro Forma I After Acquisitions and Subsequent Events RM	Public Issue RM	Pro Forma II After Pro Forma I and Public Issue RM	Utilisation of Proceeds RM	Pro Forma III After Pro Forma II and Utilisation of Proceeds RM
	Note								
EQUITY AND LIABILITIES									
Equity									
Share capital	6.3	2	38,184,000	-	38,184,002	161,200,000	199,384,002	(2,679,360)	196,704,642
Merger reserve	6.4	-	(35,684,000)	-	(35,684,000)	-	(35,684,000)	-	(35,684,000)
Revaluation reserve ⁽¹⁾		-	3,673,232	-	3,673,232	-	3,673,232	-	3,673,232
Retained earnings	6.5	(1,322,954)	61,285,197	(10,000,000)	49,962,243	-	49,962,243	(4,380,640)	45,581,603
Total Equity		(1,322,952)	67,458,429	(10,000,000)	56,135,477	161,200,000	217,335,477	(7,060,000)	210,275,477
Non-Current Liabilities									
Lease liabilities		-	851,832	-	851,832	-	851,832	-	851,832
Bank borrowings	6.6	-	12,774,729	-	12,774,729	-	12,774,729	(8,856,000)	3,918,729
Deferred tax liabilities		-	822,910	-	822,910	-	822,910	-	822,910
		-	14,449,471	-	14,449,471	-	14,449,471	(8,856,000)	5,593,471



NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Audited		Pro Forma I		Pro Forma II		Pro Forma III
		SAG as at		After Acquisitions		After Pro Forma	Utilisation of	After Pro Forma
		31 December	Subsequent	and Subsequent	Public Issue	I and Public	Proceeds	II and
Note		2024	Events	Events		Issue		Utilisation of
		RM	RM	RM	RM	RM	RM	Proceeds
								RM
Current Liabilities								
Contract liabilities		-	10,409,631	-	10,409,631	-	-	10,409,631
Trade payables		-	128,938,190	-	128,938,190	-	-	128,938,190
Other payables	6.7	1,598,150	11,404,950	(1,503,000)	11,500,100	-	-	11,500,100
Amount due to related companies		-	1,106,157	-	1,106,157	-	-	1,106,157
Lease liabilities		-	432,832	-	432,832	-	-	432,832
Bank borrowings	6.6	-	32,007,844	-	32,007,844	-	(11,144,000)	20,863,844
Tax payable		-	7,924,366	-	7,924,366	-	-	7,924,366
		1,598,150	192,223,970	(1,503,000)	192,319,120	-	(11,144,000)	181,175,120
Total Liabilities		1,598,150	206,673,441	(1,503,000)	206,768,591	-	(20,000,000)	186,768,591
Total Equity and Liabilities		275,198	274,131,870	(11,503,000)	262,904,068	161,200,000	(27,060,000)	397,044,068



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)**SIGNATURE ALLIANCE GROUP BERHAD****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)**

	Audited SAG as at 31 December 2024 RM	Acquisitions RM	Subsequent Events RM	Pro Forma I After Acquisitions and Subsequent Events RM	Public Issue RM	Pro Forma II After Pro Forma I and Public Issue RM	Utilisation of Proceeds RM	Pro Forma III After Pro Forma II and Utilisation of Proceeds RM
Number of ordinary shares	2	739,999,998		740,000,000		1,000,000,000		1,000,000,000
Net assets ("NA")	(1,322,952)	67,458,429		56,135,477		217,335,477		210,275,477
NA per share (RM)	(661,476.00)	0.09		0.08		0.22		0.21
Borrowings (excluding lease liabilities arising from lease of offices and hostels)	-	45,841,784		45,841,784		45,841,784		25,841,784
Gross gearing (times) ⁽²⁾	-	0.68		0.82		0.21		0.12

Notes:

- (1) Revaluation reserve arose after the property, plant and equipment and right-of-use ("ROU") assets have been valued by independent professional value. The valuation of the property, plant and equipment and ROU assets was prepared in accordance with the Malaysian Valuation Standards. However, it was not carried out in accordance with the Asset Valuation Guidelines issued by the Securities Commission Malaysia ("SC") as the valuation was conducted pursuant to the adoption of the revaluation model to be in line with the accounting policies of the ultimate holding company and immediate holding company and not pursuant to the Listing.
- (2) Computed based on total borrowings (excluding lease liabilities arising from lease of offices and hostels) divided by net assets.



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (*Cont'd*)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)
6.1. Adjustments to the Pro Forma Combined Statements of Financial Position as at 31 December 2024
6.1.1. Pro forma I

Pro forma I incorporates the effects of the Acquisitions as disclosed in Note 3 and subsequent event adjustment after 31 December 2024 as detailed below:

Dividends

- (a) On 12 December 2024, SAC declared an interim dividend of RM6.67 per ordinary share amounting to RM10,000,000 in respect of the financial year ended 31 December 2024.
- (b) On 20 December 2024, Zig Zag Builders declared an interim dividend of RM6.00 per ordinary share amounting to RM6,000,000 in respect of the financial year ended 31 December 2024.
- (c) On 21 February 2025, SAC declared an interim dividend of RM6.67 per ordinary share amounting to RM10,000,000 in respect of the financial year ended 31 December 2024.

The breakdown of the dividends declared and dividend paid after 31 December 2024 are as follows:

<i>Description</i>	<i>FYE 31 December 2024 RM</i>	<i>1 January 2025 up to LPD RM</i>
<i>Dividends declared</i>	<i>16,000,000</i>	<i>10,000,000</i>
<i>Dividends paid</i>	<i>7,894,000</i>	<i>11,503,000</i>

The remaining balances of RM6,603,000 is yet to be paid as at 16 April 2025, being the latest practical date ("LPD") prior to the date of the Prospectus.

These subsequent events are illustrated in the pro forma combined statements of financial position to show the effect of these transactions had these transactions been effected on 31 December 2024.

6.1.2. Pro forma II

Pro forma II incorporates the effects of Pro forma I and after the Public Issue as disclosed in Note 5.1.



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)
6.1. Adjustments to the Pro Forma Combined Statements of Financial Position as at 31 December 2024 (Cont'd)
6.1.3. Pro forma III

Pro forma III incorporates the effects of Pro forma II and the utilisation of the proceeds from the Public Issue.

The estimated gross proceeds from the Public Issue of RM161,200,000 are planned to be utilised in the following manner:

<u>Utilisation of proceeds</u>	<u>Note</u>	<u>Amount of proceeds</u>		<u>Estimated time for utilisation from the date of the Listing</u>
		<u>RM</u>	<u>%</u>	
Set up of corporate office and production facility in Selangor	(a)	88,000,000	54.6%	Within 36 months
Purchase of machinery and equipment	(a)	4,000,000	2.5%	Within 36 months
Expansion/establishment of branch offices in Pulau Pinang and Johor	(a)	12,000,000	7.4%	Within 36 months
Working capital		30,140,000	18.7%	Within 12 months
Repayment of bank borrowings	(b)	20,000,000	12.4%	Within 6 months
Estimated listing expenses	(c)	7,060,000	4.4%	Within 1 month
		<u>161,200,000</u>	<u>100.0%</u>	

Pending the deployment of the proceeds raised from the Public Issue as aforementioned, the funds will be placed in short-term deposits with financial institutions.

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

SIGNATURE ALLIANCE GROUP BERHAD

NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)

6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)

6.1. Adjustments to the Pro Forma Combined Statements of Financial Position as at 31 December 2024 (Cont'd)

6.1.3. Pro forma III (Cont'd)

The estimated gross proceeds from the Public Issue of RM161,200,000 are planned to be utilised in the following manner: (Cont'd)

Notes:

- (a) As at LPD, the utilisation of proceeds for each of these purposes is not factually supported by purchase orders or contractual binding agreements. Hence, the Group has not illustrated the utilisation of proceeds for these purposes in the pro forma combined statements of financial position.*
- (b) The Group intended to utilise RM20,000,000 of its IPO Proceeds as settlement for certain borrowings as at 31 December 2024. The utilisation is reflected in the pro forma combined statements of financial position.*
- (c) The estimated listing expenses totaling RM7,060,000 to be borne by the Group comprises professional fees, fees payable to authorities, underwriting, placement and brokerage fees and miscellaneous expenses. Included in the estimated listing expenses, a total of RM2,679,360 is assumed to be directly attributable to the Public Issue and therefore will be set off against the share capital. The remaining expenses of RM4,380,640 are assumed not to be attributable to the Public Issue and therefore will be charged to the profit or loss.*

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14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)**SIGNATURE ALLIANCE GROUP BERHAD****NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)****6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)****6.2. Cash and Bank Balances**

	RM
As at 31 December 2024	4,538
Acquisitions	36,977,036
Subsequent Events	(11,503,000)
As per Pro forma I	<u>25,478,574</u>
Public Issue	<u>161,200,000</u>
As per Pro forma II	<u>186,678,574</u>
Utilisation of Proceeds	<u>(27,060,000)</u>
As per Pro forma III	<u>159,618,574</u>

6.3. Share Capital

	No. of Shares	RM
As at 31 December 2024	2	2
Acquisitions	<u>739,999,998</u>	<u>38,184,000</u>
As per Pro forma I	<u>740,000,000</u>	<u>38,184,002</u>
Public Issue	<u>260,000,000</u>	<u>161,200,000</u>
As per Pro forma II	<u>1,000,000,000</u>	<u>199,384,002</u>
Utilisation of Proceeds	<u>-</u>	<u>(2,679,360)</u>
As per Pro forma III	<u>1,000,000,000</u>	<u>196,704,642</u>

6.4. Merger Reserve

	RM
As at 31 December 2024	-
Acquisitions	<u>(35,684,000)</u>
As per Pro forma I, II and III	<u>(35,684,000)</u>



14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (Cont'd)
SIGNATURE ALLIANCE GROUP BERHAD
NOTES TO PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)
6. PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024 (CONT'D)
6.5. Retained Earnings

	RM
As at 31 December 2024	(1,322,954)
Acquisitions	61,285,197
Subsequent Events	(10,000,000)
As per Pro forma I and II	<u>49,962,243</u>
Utilisation of Proceeds	(4,380,640)
As per Pro forma III	<u>45,581,603</u>

6.6. Bank Borrowings

	Non-current RM	Current RM	Total RM
As at 31 December 2024/ As per Pro forma I and II	12,774,729	32,007,844	44,782,573
Utilisation of Proceeds	(8,856,000)	(11,144,000)	(20,000,000)
As per Pro forma III	<u>3,918,729</u>	<u>20,863,844</u>	<u>24,782,573</u>

6.7. Other Payables

	RM
As at 31 December 2024	1,598,150
Acquisitions	11,404,950
Subsequent Events	(1,503,000)
As per Pro forma I, II and III	<u>11,500,100</u>

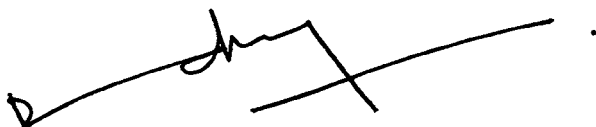


**14. REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA
COMBINED STATEMENTS OF FINANCIAL POSITION (*Cont'd*)**

SIGNATURE ALLIANCE GROUP BERHAD

Approval by Board of Directors

Approved and adopted on behalf of the Board of Directors of Signature Alliance Group Berhad
on **29 APR 2025**



Chang Chung Fei
Director



Foo Khai Shin
Director

15. STATUTORY AND OTHER INFORMATION**15.1 SHARE CAPITAL**

- (a) As at the date of this Prospectus, we only have one class of shares, namely, ordinary shares, all of which rank equally with one another.
- (b) Save for the Pink Form Allocations as disclosed in Section 4.3.2,
 - (i) no Director or employee of our Group has been or is entitled to be given or has exercised any option to subscribe for any share of our Company or our subsidiaries; and
 - (ii) there is no scheme involving the employees of our Group in the shares of our Company or our subsidiaries.
- (c) Save for the subscriber Shares, new Shares issued for the Acquisitions and to be issued for the Public Issue as disclosed in Sections 6.2 and 4.3.1 respectively, no shares of our Company have been issued or are proposed to be issued as fully or partly paid-up, in cash or otherwise, within the past 2 years immediately preceding the date of this Prospectus.
- (d) Other than our Public Issue as disclosed in Section 4.3.1, there is no intention on the part of our Directors to further issue any Shares on the basis of this Prospectus.
- (e) As at the date of this Prospectus, our Company does not have any outstanding convertible debt securities.

15.2 SHARE CAPITAL OF OUR SUBSIDIARIES

Details of our Company's share capital are as set out in Section 6.1. Details of the share capital of our subsidiaries are as set out below.

15.2.1 SAC

SAC's issued share capital as at LPD is RM1,500,000 comprising 1,500,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
28 October 2009	200,000	RM200,000/ Subscribers' shares	200,000
2 April 2012	300,000	RM300,000/ Cash	500,000
10 April 2013	500,000	RM500,000/ Cash	1,000,000
27 March 2017	500,000	RM500,000/ Otherwise than cash	1,500,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SAC. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**15.2.2 SACabinet**

SACabinet's issued share capital as at LPD is RM100,000 comprising 100,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
25 November 2014	2	RM2/ Subscribers' shares	2
21 March 2015	99,998	RM99,998/ Cash	100,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SACabinet. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.3 SAF

SAF's issued share capital as at LPD is RM150,000 comprising 150,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
29 August 2013	10,000	RM10,000/ Subscribers' shares	10,000
27 March 2015	90,000	RM90,000/ Cash	100,000
1 March 2023	50,000	RM50,000/ Cash	150,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SAF. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.4 SAF Manufacturing

SAF Manufacturing's issued share capital as at LPD is RM100 comprising 100 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
15 November 2006	100	RM100/ Subscribers' shares	100

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SAF Manufacturing. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15. STATUTORY AND OTHER INFORMATION (Cont'd)**15.2.5 SAR**

SAR's issued share capital as at LPD is RM150,000 comprising 150,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
3 November 2011	100,000	RM100,000/ Subscribers' shares	100,000
1 November 2017	2,078	RM2,078/ Cash	102,078
1 November 2017	47,922	RM47,922/ Otherwise than cash	150,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in SAR. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.6 Zig Zag Builders

Zig Zag Builders' issued share capital as at LPD is RM1,000,000 comprising 1,000,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
20 April 2015	2	RM2/ Subscribers' shares	2
24 July 2015	249,998	RM249,998/ Cash	250,000
18 November 2015	250,000	RM250,000/ Cash	500,000
5 December 2017	500,000	RM500,000/ Cash	1,000,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Zig Zag Builders. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15.2.7 Zig Zag Engineering

Zig Zag Engineering's issued share capital as at LPD is RM250,000 comprising 250,000 ordinary shares. The movements in its issued share capital since incorporation are as follows:

Date of allotment	No. of shares allotted	Consideration/ Type of issue	Cumulative share capital RM
11 March 2024	2	RM2/ Subscribers' shares	2
6 June 2024	249,998	RM249,998/ Cash	250,000

As at LPD, there are no outstanding warrants, options, convertible securities or uncalled capital in Zig Zag Engineering. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.3 CONSTITUTION

The following provisions relating to the selected matters are extracted from our Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here or the context otherwise requires.

15.3.1 Changes to share capital and variation of class rights

Clause 8 – Variation of Rights

(1) Variation of rights

If at any time the share capital is divided into different classes of shares, the rights attached to each class of shares (unless otherwise provided by the terms of issue of the shares of that class) may only, whether or not the Company is being wound up, be varied:

- (a) with the consent in writing of the holders holding not less than 75.0% of the total voting rights of the holders of that class of shares; or
- (b) by a special resolution passed by a separate meeting of the holders of that class of shares sanctioning the variation.

Clause 12 – Issue of Securities

(1) Allotment of shares or grant of rights

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares but subject always to the Act, the Listing Requirements and this Constitution, the Directors have the right to:

- (a) issue and allot shares in the Company; and
- (b) grant rights to subscribe for shares or options over unissued shares in the Company.

(2) Pre-emptive rights shall not apply

Subject to the Act, the Listing Requirements, this Constitution and the relevant Shareholders' approval being obtained, the Directors may issue any shares (including rights or options over subscription of such shares):

- (a) with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine;
- (b) to any person, whether a member or not, in such numbers or proportions as the Directors may determine; and
- (c) for such consideration as the Directors may determine.

Pre-emptive rights to issue and allot new shares under Section 85 of the Act shall not apply to the Company.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

(3) Issue of new shares or securities to Members

- (a) Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.
- (b) The offer shall be made by notice specifying the number of shares or securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or securities offered, the Directors may dispose of those shares or securities in such manner as they think most beneficial to the Company.
- (c) The Directors may likewise also dispose of any new share or security which (by reason of the ratio which the new shares or securities bear to shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.

(4) General mandate for issue of securities

Subject to Rule 6.07 of the Listing Requirements and notwithstanding the existence of a resolution pursuant to Sections 75(1) and 76(1) of the Act, the Company must not issue any shares or convertible securities if the total number of those shares or convertible securities, when aggregated with the total number of any such shares or convertible securities issued during the preceding 12 months, exceeds 10% of the total number of issued shares (excluding treasury shares) of the Company except where the shares or convertible securities are issued with the prior shareholder approval in a general meeting of the precise terms and conditions of the issue.

Clause 46 – Alteration of Capital

- (1) The Company may from time to time by ordinary resolution and subject to other applicable laws or requirements:

(a) Consolidation of shares

consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) Subdivision of shares

subdivide its shares or any of them into shares, whichever is in the subdivision; the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

- (2) The Company may from time to time by special resolution and subject to other applicable requirements:

(a) *Cancellation of shares*

cancel shares which, at the date of the passing of the resolution in that regard, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled or in such other manner allowed by law; or

(b) *Reduction of share capital*

reduce its share capital in such manner permitted by law, and (where applicable) subject to the relevant required approvals being obtained.

(3) *Purchase of own shares*

The Company shall have the power, subject to and in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines in respect thereof for the time being in force, to purchase its own shares and thereafter to deal with the shares purchased in accordance with the provisions of the Act, the Listing Requirements and any rules, regulations and guidelines thereunder or issued by Bursa Securities and any other relevant authorities in respect thereof.

15.3.2 Transfer of Securities

Clause 14 – Transfer of Securities

The transfer of any Deposited Security or class of Deposited Security of the Company, shall be by way of book entry by the Depository in accordance with the Depository Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the Deposited Securities.

Clause 17 – Transfer of Shares or Debentures

(1) *Instrument of transfer*

Subject to this Constitution and other written laws, any shareholder or debenture holder may transfer all or any of his shares or debentures by instrument of transfer as prescribed under the Act.

(2) *Execution of instrument of transfer*

The instrument of transfer must be executed by or on behalf of the transferor and the transferee.

(3) *Effect the transfer of shares or debentures*

The transferor shall remain as the holder of such shares or debentures until the transfer is registered and the name of the transferee is entered in the register of members or register of debenture holders in respect of the shares or debentures respectively.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.3.3 Remuneration of Directors

Clause 93 – Remuneration of Directors

(1) *Non-executive Directors' remuneration*

The Company may from time to time by an ordinary resolution passed at a general meeting, approve the remuneration of the Directors, who hold non-executive office with the Company, for their services as non-executive Directors.

(2) *Fee*

Subject to Clause 84 of the Constitution, the fees of the Directors and any benefits payable to the Directors shall be subject to annual shareholders' approval at a general meeting.

(3) *Fees for non-executive Directors*

If the fee of each such non-executive Director is not specifically fixed by the members, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the members, shall be decided by resolution of the Board. In default of any decision being made in this respect by the Board, the fees payable to the non-executive Directors shall be divided equally amongst themselves and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(4) *Expenses*

The following expenses shall be determined by the Directors:

- (a) Traveling, hotel and other expenses properly incurred by the Directors in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company; and
- (b) Other expenses properly incurred by the Directors arising from the requirements imposed by the authorities to enable the Directors to effectively discharge their duties.

(5) *Executive Directors' remuneration*

Executive Directors of the Company shall be remunerated in the manner referred to in Clause 84 of the Constitution but such remuneration shall not include a commission on or percentage of turnover.

15.3.4 Voting and borrowing powers of the Directors

Clause 95 – Powers of Directors

Without limiting the generality of Clause 94(1) and (2) of the Constitution, the Directors may, subject to the Act and the Listing Requirements, exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any third party:

(1) *Borrowing*

borrow money;

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

(2) Mortgage

mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(3) Issue debentures

issue debentures and other securities whether outright or as security; and/or

(4) Lend or advance money

(a) lend and advance money or give credit to any person or company;

(b) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company;

(c) secure or undertake in any way the repayment of monies lent or advanced to or the liabilities incurred by any person or company;

and otherwise to assist any person or company provided always that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

Clause 105 – Directors' Interest in Contracts

- (1) A Director shall not vote in regard to any contract or proposed contract or arrangement in which he has, directly or indirectly, an interest.
- (2) Every Director shall observe the provisions of Sections 221 and 222 of the Act relating to the disclosure of the interest of the Directors in contracts or proposed contracts with the Company or of any office or property held by the Directors which might create duties or interest in conflict with their duties or interest as Directors and participation in discussion and voting. Such disclosure of material personal interest by the Directors shall be in the form of a notice. Such notice shall be in the form and manner prescribed under Section 221 of the Act.

Clause 118 – Voting at Board Meetings

(1) Directors' decision

Subject to this Constitution, questions arising at a board meeting shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Directors.

(2) Casting of vote

Each Director is entitled to cast 1 vote on each matter for determination.

Clause 119 – Casting Vote

In the case of an equality of votes, the chairperson of the board meeting is entitled to a second or casting vote, except where 2 Directors form a quorum, the chairperson of a meeting at which only such a quorum is present, or at which only 2 Directors are competent to vote on the question at issue shall not have a casting vote.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.4 GENERAL INFORMATION

- (a) Save for the dividends paid to our shareholders for FYE 2024 and from 1 January 2025 up to LPD, and Directors' and/ or Promoters' remuneration as disclosed in Sections 5.1.5, 5.2.4 and 5.3.5 respectively, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be paid or given, to any of our Promoters, Directors or substantial shareholders.
- (b) Save for the related party transactions as set out in Section 10.1, none of our Promoters, Directors, and/ or substantial shareholders have any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.
- (c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the summarised procedures for application of our Shares are set out in Section 16.
- (d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.
- (e) Our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

15.5 CONSENTS

- (a) The written consents of our Adviser, Sponsor, Joint Underwriters, Joint Placement Agents, Solicitors, Share Registrar, Company Secretaries and Issuing House to the inclusion in this Prospectus of their names in the form and context in which such names appear have been given before the issue of this Prospectus and have not subsequently been withdrawn;
- (b) The written consents of our Auditors and Reporting Accountants to the inclusion in this Prospectus of their names, Accountants' Report and report relating to the pro forma combined financial information in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not subsequently been withdrawn; and
- (c) The written consent of our IMR to the inclusion in this Prospectus of its name and the IMR Report, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus and have not been subsequently withdrawn.

15. STATUTORY AND OTHER INFORMATION (*Cont'd*)

15.6 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

- (a) Constitution;
- (b) Audited financial statements of our Company since date of incorporation up to 31 December 2024;
- (c) Audited financial statements of SAC, SACabinet, SAF, SAF Manufacturing, SAR and Zig Zag Builders for FYE 2021 to 2024;
- (d) Audited financial statements of Zig Zag Engineering since date of incorporation up to 31 December 2024;
- (e) Accountants' Report as set out in Section 13;
- (f) Reporting Accountants' Report relating to our pro forma combined financial information as set out in Section 14;
- (g) IMR Report as set out in Section 8;
- (h) Material contracts as set out in Section 6.5; and
- (i) Letters of consent as set out in Section 15.5.

15.7 RESPONSIBILITY STATEMENTS

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

M&A Securities acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION PERIOD

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 14 MAY 2025

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 21 MAY 2025

In the event of any changes to the date or time for closing, we will advertise the notice of changes in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia, and make an announcement on Bursa Securities' website.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS**16.2.1 Retail Offering**

Application must accord with our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors**Application Method**

Applications by Eligible Persons

Pink Application Form only

Application by the Entitled Shareholders of SIB

Blue Application Form or electronic subscription via Issuing House's TIIH Online platform ("**e-Subscription**")

Applications by the Malaysian Public:

(a) Individuals

White Application Form or Electronic Share Application or Internet Share Application

(b) Non-Individuals

White Application Form only

16.2.2 Placement**Types of Application****Application Method**

Applications by selected investors

The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions

Applications by Bumiputera investors approved by MITI

MITI will contact the Bumiputera investors directly. They should follow MITI's instructions

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

Eligible Persons, Entitled Shareholders of SIB, selected investors and Bumiputera investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. **The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Application.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

16.3.2 Application by Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (a) You must be one of the following:
 - (i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (ii) a corporation/ institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors/ trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and
- (c) You must submit Applications by using only one of the following methods:
 - (i) White Application Form; or
 - (ii) Electronic Share Application; or
 - (iii) Internet Share Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

16.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribe to the allocated IPO shares. Applicants must follow the notes and instructions in the said document and where relevant, in this Prospectus.

16.3.4 Application by Entitled Shareholders of SIB

Applications by the Entitled Shareholders of SIB for the IPO Shares which have been set aside for the Restricted Offering must be made on the Blue Application Form or by way of e-Subscription at <https://tiih.online>. The Entitled Shareholders of SIB must follow the notes and instructions in the said document as well as the cover letter accompanying the Blue Application Form and where relevant, in the Prospectus. The Entitled Shareholders of SIB are not precluded from making additional applications for the IPO Shares made available under the Malaysian Public category using the White Application Form.

20,000,000 IPO Shares are reserved for application by the Entitled Shareholders of SIB via the Restricted Offering, and shall be allocated in the following manner:

- (i) each Entitled Shareholder of SIB who applies for at least 100 IPO Shares is guaranteed an allocation of 100 IPO Shares. This is to minimise the incidence of odd lots;
- (ii) any such balance of IPO Shares after the allocation under item (i) above shall be allocated to the Entitled Shareholders of SIB who applied in excess of 100 IPO Shares on a pro rata basis and in board lot, computed based on their respective shareholdings in SIB as at the Entitlement Date; and
- (iii) any such balance of IPO Shares after the allocation under item (ii) above shall be allocated to the Entitled Shareholders of SIB on a pro-rata basis and in board lot, computed based on the quantum of their respective IPO Shares under application.

In the event there are any balance IPO Shares under the Restricted Offering after the above sequence of processes (i) to (iii) of allocations are completed, any such balance of IPO Shares subsequently will be allocated in the processes set out in (ii) to (iii) above repeatedly until all IPO Shares under the Restricted Offering are allocated.

Nevertheless, our Board reserves the right to allot any balance IPO Shares applied for in such manner as our Board deems fit and expedient as well as in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out above is achieved. Our Board also reserves the right to reject or accept any Application, in whole and in part, on a non-discriminatory basis without the need to give any reason.

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

As our Shares are prescribed securities, the Shares will be credited into the respective CDS accounts of the Entitled Shareholders of SIB. No physical share certificate will be issued, but the notice of allotment shall be despatched.

The entitlement of the Entitled Shareholders of SIB to participate in the Restricted Offering is non-renounceable and non-tradeable. The Restricted Offering does not preclude the Entitled Shareholders of SIB from making additional applications for the IPO Shares made available under the Malaysian Public category using the White Application Forms.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

Excluded Shareholders are advised that they shall be solely responsible to seek their own advice as to the laws of any jurisdiction which they may be subject to. Participation in the Restricted Offering by any of the shareholders of SIB shall be based on their warranty to our Company, SIB or M&A Securities that they may lawfully so participate without our Company, M&A Securities, the Issuing House and/ or other advisers and experts being in breach of the laws of any jurisdiction other than the laws of Malaysia to which the Excluded Shareholders are or might be subject to. Excluded Shareholders will have no rights or claims whatsoever against us, Promoters, M&A Securities, any of their respective Directors or any other persons involved in the Restricted Offering in respect of their entitlement to apply for the IPO Shares under the Restricted Offering. We, the Promoters, M&A Securities, any of their respective Directors or any other persons involved in the Restricted Offering shall not accept any responsibility and liability in the event that any acceptance under the Restricted Offering is or becomes illegal, unenforceable, voidable or void or shall contravene the laws in such countries and jurisdictions.

The Prospectus will not be registered under any applicable securities legislation of any foreign jurisdiction. Accordingly, the Prospectus will not be sent to the Excluded Shareholders.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.62 for each IPO Share.

Payment must be made out in favour of "**TIH SHARE ISSUE ACCOUNT NO. 803**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (a) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

- (b) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

so as to arrive not later than 5.00 p.m. on 21 May 2025 or by such other time and date specified in any change to the date or time for closing.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, Malayan Banking Berhad, Public Bank Berhad, RHB Bank Berhad, CGS International Securities Malaysia Sdn Bhd (formerly known as CGS-CIMB Securities Sdn Bhd), Malacca Securities Sdn Bhd and Moomoo Securities Malaysia Sdn Bhd. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 PROCEDURES FOR APPLICATION BY ENTITLED SHAREHOLDERS OF SIB

16.7.1 By way of Blue Application Form

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

However, the Entitled Shareholders of SIB may request for a copy of the printed Prospectus from the Issuing House or our Company or SIB at no cost and are given an option to have the printed Prospectuses despatched to them free of charge to their mailing address within 3 Market Days from the date of receipt of their request, or to obtain the printed Prospectuses from the following locations as stated below:

- (i) our Company;
- (ii) SIB; and
- (iii) Issuing House.

Any delivery charges will be borne by our Company.

The Blue Application Form can be obtained from the Issuing House.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

The FULL amount payable is RM0.62 for each IPO Share. Application and payment for the IPO Shares under the Restricted Offering must be made on the Blue Application Form issued together with the Prospectus and must be completed in accordance with the notes and instructions printed therein.

The completed Blue Application Form, together with the remittance in RM for the full amount payable in the form of Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and made out in favour of "**SIB RESTRICTED OFFER A/C**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with the name, address and CDS account number of the applicant in block letters, must be received by our Issuing House no later than 5.00 p.m. on 21 May 2025, or by such other time and date specified in any change to the date or time for closing. Cheques or any other modes of payment will not be accepted and will be rejected.

Each completed Blue Application Form must be accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

**Tricor Investor & Issuing House Services Sdn Bhd
(197101000970 (11324-H))**

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

- (ii) **DELIVER BY HAND AND DEPOSIT** in the drop-in boxes provided at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur,

So as to arrive no later than 5.00 p.m. on 21 May 2025, or by such other time and date specified in any change to the date or time for closing.

The Entitled Shareholders of SIB, who wish to apply for the IPO Shares which have been set aside for the Restricted Offering using the Blue Application Form may check their eligibility by referring to our Issuing House at the address stated above.

16.7.2 By way of e-Subscription

The Entitled Shareholders of SIB can have the option to subscribe the Restricted Offering through e-Subscription available from Issuing House's TIIH Online platform at <https://tiih.online>. The e-Subscription is available to all Entitled Shareholders of SIB including individuals, corporate or institutional shareholders.

Applications made by way of e-Subscription which do not conform **STRICTLY** to the terms of our Prospectus or notes and instructions will not be accepted. A processing fee of RM7.00 for individual shareholder and RM4.00 for corporate shareholder will be charged by the Issuing House for each CDS account subscribed for. The Entitled Shareholders of SIB will also need to pay a stamp duty of RM10.00 for each CDS account applied for the Restricted Offering. The Entitled Shareholders of SIB who wish to subscribe for the Restricted Offering by way of e-Subscription shall take note of the following:

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (a) any e-Subscription received by the Issuing House after the Closing Date shall be regarded as null and void and of no legal effect unless our Board in its absolute discretion determines otherwise. Any e-Subscription, once received by the Issuing House, is irrevocable and shall be bound;
- (b) The Entitled Shareholders of SIB who has registered with TIIH Online ("**Registered Entitled Shareholder(s)**") will receive notification to login to TIIH Online platform in respect of their shareholding in their CDS Account(s). Accordingly, for each CDS Account, the Registered Entitled Shareholder can choose to subscribe to the Restricted Offering which they are entitled to;
- (c) the e-Subscription made must be in accordance with the procedures of submitting e-Subscription using TIIH Online platform, the terms and conditions of e-Subscription and the Prospectus. Any e-Subscription submitted that does not conform to the terms and conditions of TIIH Online platform and the Prospectus may not be accepted at the sole discretion of our Company. Our Company reserves the right at its absolute discretion to reject any e-Subscription which are incomplete or completed incorrectly;
- (d) the minimum number of guaranteed IPO shares under the Restricted Offering is set out in the electronic Blue Application Form. The Registered Entitled Shareholders are required to indicate the number of excess IPO Shares they wish to apply in;
- (e) the e-Subscription must be accompanied by remittance in RM which is to be made through online payment gateway or telegraphic transfer; and
- (f) a handling fee is payable should the Registered Entitled Shareholder make the e-Subscription.

All Entitled Shareholders of SIB who wish to opt for e-Subscription, please read and follow the procedures set below:

(i) Sign up as a user of TIIH Online

- (a) Access TIIH Online platform at <https://tiih.online>.
- (b) Under e-Services, select "Sign Up" – "Create Individual Account" (applicable for individual shareholders) or "Create Corporate Holder Account" (applicable for corporation or institutional shareholders). Shareholder may refer to the tutorial guide posted on the homepage for assistance.
- (c) Registration will be verified and Entitled Shareholder of SIB will be notified by email within one to two working days.
- (d) Entitled Shareholder of SIB to proceed to activate the account with the temporary password given in the email and re-set their own password.

Note: An email address is allowed to be used once to register as a new user account, and the same email address cannot be used to register another user account. If the Entitled Shareholder of SIB is already a user of TIIH Online platform, he/ she is not required to sign up again. Corporate shareholder to contact Issuing House for further details and requirements for signing up to a Corporate Holder Account(s).

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

(ii) Procedures for e-Subscription

Individual Registered Entitled Shareholders

- (a) Login to TIIH Online platform at <https://tiih.online>.
- (b) Select the corporate exercise name: SIB Restricted Offering.
- (c) Read and agree to the Terms & Conditions and confirm the Declaration.
- (d) Preview the CDS Account entitlement details to the Restricted Offering.
- (e) Select the relevant CDS Account and insert the number of minimum guaranteed IPO Shares to subscribe and the number of excess IPO Shares to apply (if applicable) in the electronic Blue Application Form.
- (f) Review and confirm the number of IPO Shares which you are subscribing and the number of excess IPO Shares you are applying (if applicable) and the total amount payable for the Restricted Offering (if applicable).
- (g) Review the remittance to the subscription of the Restricted Offering, handling fee of RM7.00 and stamp duty of RM10.00 for each CDS are included in the total amount payable.
- (h) Proceed to pay via online payment gateway either through Maybank2U or any Financial Process Exchange (FPX) participating bank which you have an internet banking account.
- (i) As soon as the online payment is completed, a confirmation message with details of your subscription and payment from TIIH Online and the relevant payment gateway will be sent to your registered e-mail address.
- (j) Print the payment receipt and electronic Blue Application Form for record.

Corporation or Institutional Registered Entitled Shareholders

- (a) Login to TIIH Online at <https://tiih.online>.
- (b) Select the corporate exercise name: SIB Restricted Offering.
- (c) Agree to the Terms & Conditions and Declaration.
- (d) Proceed to download the "Electronic Blue Application Entitlement".
- (e) Preview the respective CDS Account details and its entitlement.
- (f) Arrange to pay for the remittance on the subscription of IPO Shares via telegraphic transfer into the Restricted Offering designated bank account as follows:

Account Name: **SIB RESTRICTED OFFER A/C**

Bank: Malayan Banking Berhad

Account No: 514057904309

and arrange to pay handling fee of RM4.00 and stamp duty fee of RM10.00 for each CDS account into the Issuing House's bank account as follows:

Account Name: TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

Bank: Malayan Banking Berhad

Account No: 514012025081

Note: The above two bank accounts are for payment to be made by Corporation or Institutional Registered Entitled Shareholders who are subscribing via TIIH Online platform.

- (a) Once payment is completed, prepare the submission of the subscriptions by inserting the required information into the "Electronic Blue Application Entitlement" file.
- (b) Login to TIIH Online platform, select corporate exercise name "SIB Restricted Offering" and proceed to upload the subscription file duly completed.
- (c) Select "Submit" to complete the submission.
- (d) Print the confirmation report of the submission for record.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

(iii) Terms and conditions for e-Subscription

The e-Subscription shall be made on and subject to the terms and conditions appearing herein:

- (a) after login to TIIH Online platform, you are required to confirm and declare the following information given are true and correct:
 - (i) you have attained 18 years of age as at the last day for subscription and payment;
 - (ii) you have, prior to making the e-Subscription, received a printed copy of the Prospectus and/or have had access to the Prospectus from Bursa Securities' website at www.bursamalaysia.com, the contents of which you have read and understood;
 - (iii) you agree to all the terms and conditions for the e-Subscription as set out in the Prospectus and have carefully considered the risk factors as set out in the Prospectus, in addition to all other information contained in the Prospectus, before making the e-Subscription;
- (b) you agree and undertake to subscribe for and to accept the number of IPO Shares and excess IPO Shares applied for as stated in the electronic Blue Application Form. Your confirmation of your subscription will signify, and will be treated as, your subscription of the number of IPO Shares that may be allotted to you;
- (c) by making and completing your e-Subscription, you, if successful, request and authorise the Issuing House to credit the new shares allotted to you into your CDS Account;
- (d) you acknowledge that your e-Subscription is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company or the Issuing House and irrevocably agree that if:
 - (i) our Company or the Issuing House does not receive your e-Subscription; or
 - (ii) data relating to your e-Subscription application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to the Issuing House, you will be deemed not to have made an e-Subscription and you may not make any claim whatsoever against our Company or the Issuing House for any compensation, loss or damage relating to the e-Subscription;
- (e) you will ensure that your personal particulars recorded with TIIH Online platform and Bursa Depository are correct. Otherwise, your e-Subscription may be rejected; you must inform Bursa Depository promptly of any change in address failing which the notification on the outcome of your e-Subscription will be sent to your address last maintained with Bursa Depository;
- (f) by making and completing an e-Subscription, you agree that:
 - (i) in consideration of our Company agreeing to allow and accept your e-Subscription for IPO Shares, your e-Subscription is irrevocable and cannot be subsequently withdrawn; and

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

- (ii) the Issuing House will not be liable for any delays, failures or inaccuracies in the processing of data relating to your e-Subscription due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
- (g) the Issuing House, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions; and
- (h) notification on the outcome of your e-Subscription will be despatched to you by ordinary post to the address as shown in the record of depositors of SIB at your own risk within the timelines as follows:
 - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the last day of the Application; or
 - (ii) unsuccessful / partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 10 Market Days from the date of the final ballot of the Application at your own risk.

The refund will be credited directly into your bank account if you have registered such bank account information with Bursa Depository for the purposes of cash dividend/ distribution. If you have not registered such bank account information with Bursa Depository the refund will be by issuance of cheque and sent by ordinary mail to your last address maintained with Bursa Depository at your own risk.

If acceptance of and payment for the Restricted Offering offered to you (whether in full or in part, as the case may be) are not received by the Issuing House by 5.00 p.m. on 21 May 2025, the IPO Shares will be deemed to have been declined and will be cancelled. Our Board will then have the right to allot any IPO Shares not validly taken up to applicants applying for the excess in the manner as set out in the Prospectus.

16.8 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

- (a) reject Applications which:
 - (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (ii) are illegible, incomplete or inaccurate; or
 - (iii) are accompanied by an improperly drawn up or improper form of remittance; or
- (b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (c) bank in all Application monies (including those from unsuccessful/ partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 below.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE *(Cont'd)*

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.9 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by the issuing house to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on the issuing house's website at <https://tiih.online> within 1 market day after the balloting date.

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

In the event of an under-subscription of our Issue Shares by the Malaysian Public and/or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.3.3, any of the abovementioned Issue Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Underwriting Agreement.

16.10 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful/ partially successful in your Application, your Application Monies (without interest) will be refunded to you in the following manner.

16.10.1 For applications by way of Application Forms

- (a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary/ registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (*Cont'd*)

- (b) If your Application is rejected because you did not provide a CDS Account number, your Application monies will be refunded via banker's draft sent by ordinary/ registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).
- (d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution) or by issuance of banker's draft sent by ordinary/registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16.10.2 For applications by way of Electronic Share Application and Internet Share Application

- (a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) or Participating Securities Firms within 2 Market Days after the receipt of confirmation from the Issuing House.
- (b) You may check your account on the 5th Market Day from the balloting date.
- (c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) or Participating Securities Firms not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10.3 For applications by Entitled Shareholders of SIB by way of Blue Application Form and e-Subscription

- (a) In respect of unsuccessful / partially successful application, the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the date of the final ballot of the Application.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (b) The refund will be credited directly into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend/ distribution). If you have not provided such bank account information to Bursa Depository, the refund will be made via issuance of banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository at your own risk.

16.11 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (a) Our IPO Shares allotted to you will be credited into your CDS Account.
- (b) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued/ offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS Accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.12 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms and Authorised Financial Institutions

The results of the allocation of IPO Shares derived from successful balloting will be made available to the public at the Issuing House website at <https://tiuh.online>, **one Market Day** after the balloting date.

You may also check the status of your Application at the above website, **5 Market Days** after the balloting date or by calling your respective ADA during office hours at the telephone number as stated in the list of ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.