NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF VERDANT SOLAR HOLDINGS BERHAD ("VERDANT" OR "COMPANY") DATED 29 SEPTEMBER 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, Mercury Securities Sdn Bhd ("**Mercury Securities**"), or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

Prospective investors should note that the Application Forms are not available in electronic format.

Jurisdictional Disclaimer

This distribution of the Electronic Prospectus and the sale of the units are subject to Malaysian law. Bursa Securities, Mercury Securities and Verdant 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

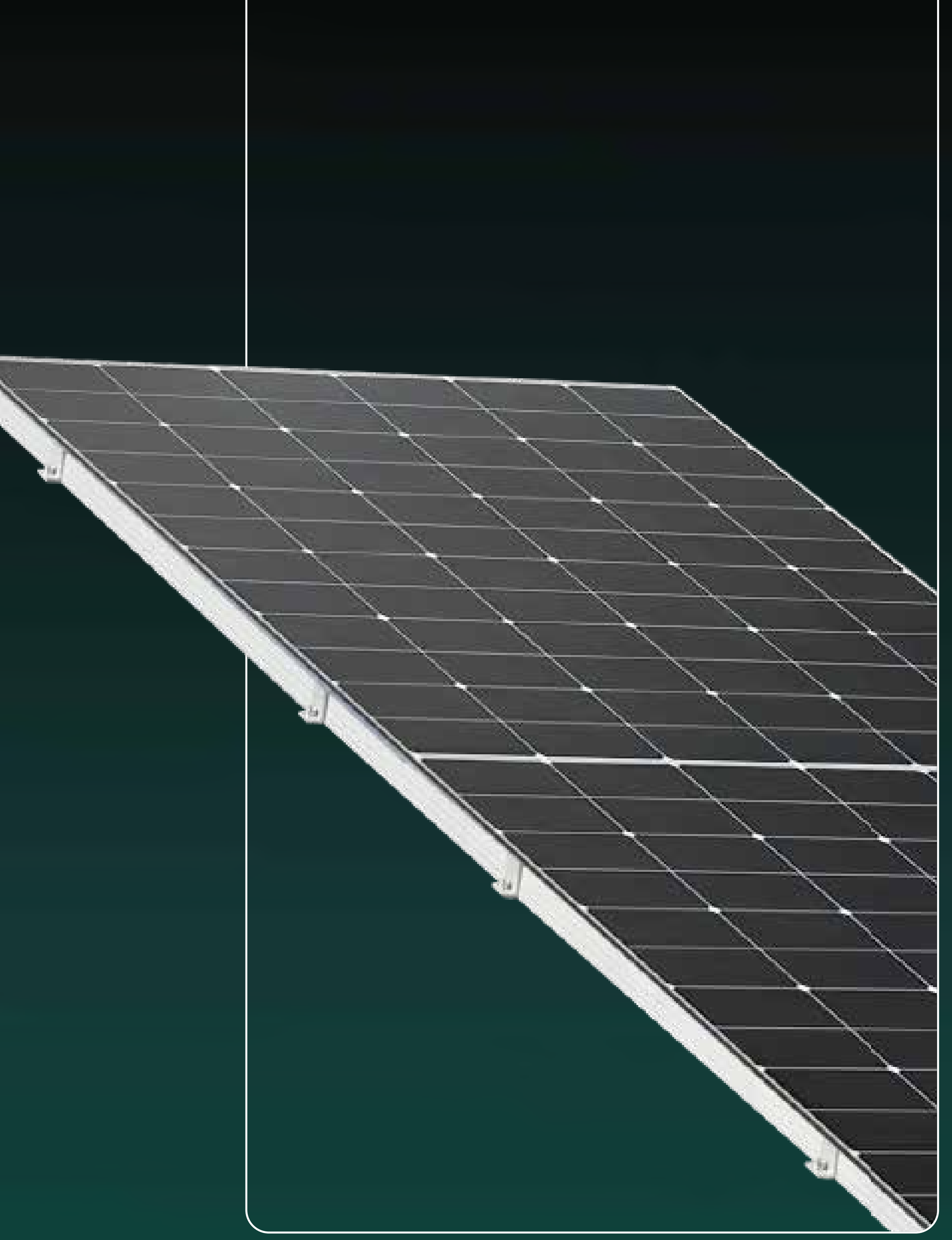
Applications will be accepted from 10.00 a.m. on 29 September 2025 and will close at 5.00 p.m. on 7 October 2025. In the event there is any change to the timetable, the Company will make an announcement on the Website and advertise the notice of the change in widely circulated daily English and Bahasa Malaysia newspaper within Malaysia.

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.



VERDANT SOLAR

VERDANT SOLAR HOLDINGS BERHAD

(Registration No. 202401050517 (1596361-V))

(Incorporated in Malaysia under the Companies Act 2016)

VERDANT SOLAR HOLDINGS BERHAD

PROSPECTUS

VERDANT SOLAR

VERDANT SOLAR HOLDINGS BERHAD

(Registration No. 202401050517 (1596361-V))
(Incorporated in Malaysia under the Companies Act 2016)

INITIAL PUBLIC OFFERING IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ENLARGED ISSUED SHARE CAPITAL OF VERDANT SOLAR HOLDINGS BERHAD ("VERDANT" OR "COMPANY") ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:

A. PUBLIC ISSUE OF 142,000,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:

- **i. 40,881,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;**
- **ii. 25,000,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF VERDANT AND ITS SUBSIDIARIES; AND**
- **iii. 76,119,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,**

AND

B. OFFER FOR SALE OF 73,586,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN IPO PRICE OF RM0.31 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent

Mercury Securities Sdn Bhd
(Registration No. 198401000672 (113193-W))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Bursa Securities has approved the admission of our Company to the Official List 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 for the admission of our Company to the Official List of Bursa Securities and the listing and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities, and the 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 Prospectus, 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.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 153.

THE ACE MARKET OF BURSA SECURITIES 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 OF BURSA SECURITIES. THERE IS ALSO NO ASSURANCE THAT THERE WILL BE A LIQUID MARKET IN THE SHARES OR UNITS OF SHARES TRADED ON THE ACE MARKET OF BURSA SECURITIES. 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.

PROSPECTUS

THIS PROSPECTUS IS DATED 29 SEPTEMBER 2025

All defined terms used in this Prospectus are defined under "Definitions" commencing from page vii to xi of this Prospectus.

RESPONSIBILITY STATEMENTS

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

Mercury Securities, being our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent, 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.

STATEMENTS OF DISCLAIMER

Approval has been obtained from Bursa Securities for the listing of and quotation for the securities being offered. Our admission to the Official List of the ACE Market of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company, or our IPO Shares.

Bursa Securities is not 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 for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

This Prospectus, together with the Application Form, has also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

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

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

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

This Prospectus is prepared and published solely in connection with our IPO under the laws of Malaysia. Our IPO Shares are offered in Malaysia solely based on the contents of this Prospectus. Our Company, Directors, Promoter, Selling Shareholders, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent have not authorised anyone to provide you with information which is not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoter, Selling Shareholders, Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent or any of their respective directors, or any other persons involved in our IPO. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase of our IPO Shares in any other jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation.

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 Shares, 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 your application for our IPO Shares would result in the contravention of any law of such countries or jurisdictions.

Neither us nor our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent 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.

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 this 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 to. We will further assume that you have accepted our IPO Shares in Malaysia and will at all applicable times 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.

ELECTRONIC PROSPECTUS

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

You are advised that the internet is not a fully secured medium, and that your Internet Share Application may be subjected to the risks of problems occurring during the data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions or Participating Securities Firms. 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 Principal Adviser or the Issuing House, a paper/printed copy of this Prospectus.

In the event of any discrepancy arising between the contents of the Electronic Prospectus 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 this Prospectus registered with Bursa Securities shall prevail.

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

(i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;

(ii) we and our Principal 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 Principal Adviser are also not responsible for any loss or damage or costs that you may suffer or incur in connection with or as a result of dealing with the Third Party Internet Sites or the use of or reliance of any data, information, files or other material provided by such parties; and

(iii) any data, information, files or other material downloaded from Third Party Internet Sites is done at your own discretion and risk. We and our Principal 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 materials.

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

(i) the Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms which may be viewed via web browser or other relevant software;

(ii) the Internet Participating Institutions or Participating Securities Firms 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

(iii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium.

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

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INDICATIVE TIMETABLE

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

Events	Tentative Time / Dates
Issuance of this Prospectus / Opening of Application	10.00 a.m./ 29 September 2025
Closing of Application	5.00 p.m./ 7 October 2025
Balloting of Application	9 October 2025
Allotment / Transfer of IPO Shares to successful applicants	17 October 2025
Listing on the ACE Market	22 October 2025

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “Verdant” and “our Company” in this Prospectus are to Verdant Solar Holdings Berhad. Unless otherwise stated, references to “Group” in this Prospectus are to our Company and our subsidiaries taken as a whole; and references to words such as “we”, “us”, “our” and “ourselves” are to our Company, and, save where the context otherwise requires, our Group or our subsidiaries. Unless the context otherwise requires, references to “Management” are to our Managing Director, Non-Independent Executive 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.

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

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 2 decimal place (for percentages) or RM and 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 “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular only shall include the 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 natural persons, firms, companies, body corporates and corporations.

All references to dates and times are references to dates and times in Malaysia, unless otherwise stated.

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

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 our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originates from our Management. In particular, certain information in this Prospectus is extracted or derived from report(s) prepared by the IMR for inclusion in this Prospectus. 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 or is expose to. However, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. Hence, you should not place undue reliance on the statistical data and third-party projections cited in this Prospectus.

If there are any discrepancies or inconsistencies between the English and Bahasa Malaysia versions of this Prospectus, the English version of this Prospectus shall prevail.

The information on our website, or any website directly or indirectly linked to our websites does not form part of this Prospectus. If there is any discrepancy between the contents of such website relating to our Company and this Prospectus, the information contained in this Prospectus shall prevail.

All information stated herein are as at the LPD unless otherwise specified.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, future plans and prospects, and objectives of our Group 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, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Group's 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 terminologies including words such as "may", "will", "would", "could", "believe", "expect", "anticipate", "intend", "estimate", "aim", "plan", "forecast", "project" or similar expressions and include all statements that are not historical facts.

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

(i) demand for our services, trends and competitive position;

(ii) our business strategies, future plans and potential growth opportunities;

(iii) our future financial position, earnings, cash flows and liquidity;

(iv) our ability to pay future dividends; and

(v) the regulatory environment and the effects of future regulation.

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

(i) the general economic, business, social, political and investment environment in Malaysia and globally;

(ii) government policy, legislation or regulation;

(iii) finance costs, interest rates, tax rates and exchange rates;

(iv) the competitive environment in the industry in which we operate;

(v) availability and fluctuations in prices of materials;

(vi) reliance on licenses, permits and approvals; and

(vii) any other factors beyond our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 on "Risk Factors" and Section 12.2 on "Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made based on information available to us as at the LPD.

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 CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus) and Rules 3.12D of the Listing Requirements.

DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

"Verdant" or "Company"	:	Verdant Solar Holdings Berhad (Registration No. 202401050517 (1596361-V))
"Verdant Group" or "Group"	:	Collectively, Verdant and its subsidiaries
"VESB"	:	Verdant Energy Sdn Bhd (Registration No. 201801047016 (1309048-U))
"VSSB"	:	Verdant Solar Sdn Bhd (Registration No. 201501019046 (1144381-A))

GENERAL:

"ACE Market"	:	The ACE Market of Bursa Securities
"Acquisition"	:	Acquisition by our Company of the entire equity interest of VSSB from Lim Tzer Haur, Ng Kel Mynn and Ong Hsiao Loong for a purchase consideration of RM4,729,327.00 which was fully satisfied by the issuance and allotment of 675,618,143 new Shares at an issue price of RM0.007 per Share
"Act"	:	Companies Act 2016
"ADA(s)"	:	Authorised Depository Agent(s)
"AGM"	:	Annual general meeting
"Application(s)"	:	Application(s) for our IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
"Application Form(s)"	:	Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"ATM(s)"	:	Automated teller machine(s)
"Authorised Financial Institution"	:	Authorised financial institution participating in the Internet Share Application, with respect to payments for our IPO Shares
"Board"	:	Board of Directors of our Company
"Bursa Depository" or "Depository"	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"CCM"	:	Companies Commission of Malaysia
"CDS"	:	Central Depository System
"CDS Account"	:	An account established by Bursa Depository for a depositor for the recording of securities and for dealing in such securities by the depositor

"China"	:	People's Republic of China
"CIDB"	:	Construction Industry Development Board
"CIDB Act"	:	Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994
"CF" or "CCC"	:	Certificate of fitness for occupation or Certificate of completion and compliance, as the case may be
"Closing Date"	:	The date adopted in this Prospectus as the last date for acceptance and receipt of the Application for our IPO Shares
"CMSA"	:	Capital Markets and Services Act 2007
"Constitution"	:	Constitution of our Company
"CRM"	:	Customer relationship management
"Depositor"	:	A holder of CDS Account
"Depository Rules"	:	Rules of Bursa Depository as issued under the SICDA
"Director(s)"	:	Director(s) of our Company
"EBIT"	:	Earnings before interest and taxation
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"Electronic Prospectus"	:	Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium including, but not limited to, CD-ROMs *(compact disc read-only memory)*
"Electronic Share Application"	:	Application for our IPO Shares through a Participating Financial Institution's ATM
"Eligible Persons"	:	Collectively, our Directors, employees of our Group and persons who have contributed to the success of our Group and who are eligible to participate in our Pink Forms Allocations
"Energy Commission Malaysia"	:	A statutory body established under the Energy Commission Act 2001 and is responsible for regulating the energy sector, specifically the electricity and piped gas supply industries, in Peninsular Malaysia
"EPF"	:	Employees Provident Fund
"EPS"	:	Earnings per Share
"ERP"	:	Enterprise resource planning
"Financial Years Under Review"	:	Collectively, FYE 2022, FYE 2023, FYE 2024 and FYE 2025
"FYE(s)"	:	Financial year(s) ended or ending 30 June, as the case may be
"Government"	:	Government of Malaysia
"GP"	:	Gross profit
"IFRS"	:	International Financial Reporting Standards

"IMR" or "PROVIDENCE"	:	Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A))
"IMR Report"	:	Independent Market Research Report titled "Outlook of the Solar Photovoltaics Engineering, Procurement, Construction and Commissioning Services Industry in Malaysia" prepared by PROVIDENCE
"Internet Participating Financial Institution(s)" or "Participating Securities Firm(s)"	:	Participating financial institution(s) or participating securities firm(s) for the Internet Share Application
"Internet Share Application"	:	Application for our IPO Shares through an online share application service provided by the Internet Participating Financial Institutions or Participating Securities Firms
"IPO"	:	Our initial public offering of the IPO Shares comprising the Public Issue and Offer for Sales, collectively, in conjunction with our Listing
"IPO Price"	:	RM0.31 per IPO Share, where applicable
"IPO Share(s)"	:	Collectively, Issue Share(s) and Offer Share(s)
"Issue Share(s)"	:	142,000,000 new Shares to be issued by our Company to be allocated under the Public Issue
"Issuing House"	:	Malaysian Issuing House Sdn Bhd (Registration No. 199301003608 (258345-X))
"Listing"	:	Listing of and quotation for our entire enlarged issued share capital comprising 817,618,243 Shares on the ACE Market
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	2 September 2025, being the latest practicable date prior to the issuance of this Prospectus
"Malaysian Public"	:	Malaysian citizens, companies, co-operatives, societies, and institutions incorporated or organised under the laws of Malaysia
"Market Day(s)"	:	Any day on which Bursa Securities is open for trading of 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
"Mercury Securities" or "Principal Adviser" or "Sponsor" or "Sole Underwriter" or "Sole Placement Agent"	:	Mercury Securities Sdn Bhd (Registration No. 198401000672 (113193-W))
"MFRS"	:	Malaysian Financial Reporting Standards
"MyIPO"	:	Intellectual Property Corporation of Malaysia
"NA"	:	Net assets
"New Branch Offices"	:	A branch office to be established and located in Melaka, Kuantan and Ipoh, respectively

DEFINITIONS *(Cont'd)*

"Offer for Sale"	:	Offer for sale of 73,586,000 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Share(s)"	:	73,586,000 existing Shares to be offered by our Selling Shareholders pursuant to our Offer for Sale
"Official List"	:	A list specifying all securities which have been admitted for listing of Bursa Securities and not removed
"Participating Financial Institution(s)"	:	Participating financial institution(s) for the Electronic Share Application
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PE Multiple"	:	Price-to-earnings multiple
"Pink Application Form"	:	Application form for the application of our IPO Shares allocated for application by the Eligible Persons accompanying this Prospectus
"Pink Form Allocations"	:	Allocation of 25,000,000 Issue Shares to the Eligible Persons at our IPO Price pursuant to Public Issue
"Promoter"	:	Lim Tzer Haur
"Prospectus"	:	This prospectus dated 29 September 2025 in relation to our IPO
"Public Issue"	:	Public issue of 142,000,000 Issue Shares at our IPO Price
"SAC"	:	Shariah Advisory Council of the SC
"SEDA"	:	Sustainable Energy Development Authority Malaysia
"SC"	:	Securities Commission Malaysia
"Selling Shareholder(s)"	:	Lim Tzer Haur, Ng Kel Mynn and Ong Hsiao Loong, who are undertaking the Offer for Sale
"Share(s)" or "Verdant Share(s)"	:	Ordinary share(s) in our Company
"Share Registrar"	:	Boardroom Share Registrars Sdn Bhd (Registration No. 199601006647 (378993-D))
"SICDA" or "Depository Act"	:	Securities Industry (Central Depositories) Act 1991
"SOCSO"	:	Social Security Organisation Malaysia, also known as PERKESO (Pertubuhan Keselamatan Malaysia)
"Specified Shareholder(s)"	:	Collectively, Lim Tzer Haur and Ng Kel Mynn
"SSA"	:	Conditional share sale agreement dated 3 February 2025 entered into between Verdant with Lim Tzer Haur, Ng Kel Mynn and Ong Hsiao Loong pursuant to the Acquisition
"TNB"	:	Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W))

"Underwriting Agreement"	:	The underwriting agreement dated 8 September 2025 entered into between our Company and Mercury Securities pursuant to our IPO

CURRENCIES AND UNITS:

"kWh"	:	Kilowatt-hour
"kWp"	:	Kilowatt-peak
"MW"	:	Megawatt
"MWp"	:	Megawatt peak
"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"RMB"	:	Renminbi
"sq ft"	:	Square feet
"USD"	:	United States Dollar

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GLOSSARY OF TECHNICAL TERMS

Technical terms used throughout this Prospectus shall have the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:

“AC”	:	Alternating current, an electrical current that periodically reverses direction and changes its magnitude continuously with time
“as-built documents”	:	Documents and drawings created to show a complete history of every change and update made to a project
“balance of system”	:	Encompasses all components of a solar PV system other than the solar panels and mounting structures. Balance of system includes, among others, cables and wiring systems, junction boxes with fuses and relays, electricity generation and bi-directional meters, energy meters and safety and grounding equipment
“BESS”	:	Battery Energy Storage System, a device that enables electricity generated from renewable sources, such as solar and wind, to be stored and discharged when required
“civil and structural construction”	:	Works relating to the design and build of building structures and infrastructure
“combiner box”	:	A device that combines the output of numerous strings of solar PV modules for connection to the inverter
“DC”	:	Direct current, an electrical current that flows in one direction
“displaced cost”	:	The average cost of generating and supplying 1 kWh of electricity from non-renewable resources up to the point of interconnection
“Distribution Licensee”	:	TNB and Sabah Electricity Sdn Bhd being the holders of the licence to distribute electricity in Peninsular Malaysia and Sabah respectively, issued by Energy Commission Malaysia under Section 9 of the Electricity Supply Act 1990
“electricity”	:	A secondary energy source derived from electromagnetism, one of the natural forces. As a secondary energy source, the generation of electricity relies on primary energy sources such as solar, wind, fossil fuels, hydro and radioactive materials In the context of this Prospectus, it is used synonymously with “power”, unless indicated otherwise
“electricity meter”	:	A device that measures the amount of electricity consumed by a commercial or industrial or residential building or an electricity-powered device over a period of time
“EPCC”	:	Engineering, procurement, construction and commissioning, a form of contract to undertake construction contracts where the contractor holds the responsibility towards the design, procurement, construction, commissioning and handover of a project
“FiT”	:	Feed-in Tariff, the FiT is a mechanism under the Renewable Energy Policy and Action Plan to catalyse generation of renewable energy, up to 30 MW in output. This mechanism allows electricity produced from indigenous renewable energy resources to be sold to power utilities at a fixed premium price for a specific duration

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

"HVAC systems"	:	Heating, ventilation and air conditioning systems, refer to the systems used to regulate and maintain indoor environmental conditions by providing improved indoor air quality and humidity control. HVAC systems are commonly used in residential, commercial and industrial buildings
"interconnection"	:	Refers to where a solar PV system is connected to the power grid, commonly within the premises of the facility
"inverter"	:	An electronic device or circuitry that changes direct current to alternating current. Electricity generated by solar PV systems is indirect, which has to be converted into alternating current using an inverter, before it can be used by most electrical appliances, machineries, and equipment, or transmitted over the power grid
"M&E works"	:	Mechanical and electrical works
"mounting structure"	:	A form of racking or frame designed to support and secure solar PV modules in a fixed or adjustable position in order to ensure the proper installation, orientation and stability of the solar PV modules
"mounting system"	:	Solar module racking used for solar power plants
"NEM"	:	Net Energy Metering, a scheme implemented by SEDA, whereby the energy produced from the solar PV system installed will first be used by the consumer for his own consumption. Any surplus of energy produced will be exported to the power grid and sold to the Distribution Licensees at the displaced cost
"NOVA Programme"	:	Net Offset Virtual Aggregations, a programme implemented by SEDA, under which a consumer can install solar PV installation for self-consumption in its own premises. The solar PV Installation shall be designed primarily for self-consumption
"O&M"	:	Operations and maintenance, routine operations and maintenance of an asset, including preventive maintenance and, when needed, unscheduled repairs
"power distribution boards"	:	Refers to electrical devices that distribute and control the flow of electricity from a main power source to various circuits within a building or facility. They act as centralised hubs for managing electrical power, ensuring its safe and efficient distribution to different loads
"power grid"	:	A network of power lines and associated equipment used to transmit and distribute electricity over a geographic area
"PV"	:	Photovoltaic, refers to the conversion of light into electricity using semiconducting materials
"renewable energy"	:	Energy from renewable resources that are naturally replenished. Examples of renewable energy sources include solar, wind, hydro, wave, and geothermal heat
"rooftop solar PV system"	:	A solar PV system that has its electricity-generating solar panels mounted on the rooftop of a residential, commercial or industrial building or structure

GLOSSARY OF TECHNICAL TERMS *(Cont'd)*

"SELCO"	:	Self-Consumption, a scheme implemented by SEDA, that allows consumers to install solar PV systems entirely for their own use, and in the event of excess of generation, the electricity is not allowed to be exported to the power grid
"SolaRIS"	:	Solar For Rakyat Incentive Scheme, an incentive programme launched by the Government aimed at attracting new installations of solar PV system among residential customers to increase the renewable energy capacity to 70% by the year 2050 and to reduce carbon emissions
"solar irradiation"	:	Refers to the amount of energy that reaches a unit area over a specified time
"solar panel"	:	Solar photovoltaic panels, a device that converts sunlight into electricity by using PV cells
"solar PV array"	:	A collection of solar PV modules arranged systematically and wired together into a circuit to capture and convert sunlight into electricity
"solar PV module"	:	An arrangement of multiple interconnected solar panels that are assembled together as a single unit encased within a frame
"solar PV system"	:	Solar PV system comprises solar panels combined with inverters and other electrical and mechanical hardware that converts sunlight into electricity
"solar ventilation system"	:	A system that uses solar energy to provide ventilation and improve indoor air quality by circulating fresh air or removing stale air from a building
"substation"	:	A structure in the utility grid that performs functions such as changing the voltage from high to low (known as step-down), or from low to high (known as step-up), or distributing the power to other locations or for some other functions. It also provides the interconnection point between the power grid and the power generator or distribution to users

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TABLE OF CONTENTS

TABLE OF CONTENTS *(Cont'd)*

TABLE OF CONTENTS *(Cont'd)*

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name (Gender)	Designation	Residential address	Nationality
Ong Wei Liam @ Jeremy Ong (M)	Independent Non-Executive Chairman	B-17-03, Tiffani Kiara, No. 1, Changkat Duta Kiara, Mont Kiara, 50480 Kuala Lumpur, Wilayah Persekutuan	Malaysian
Lim Tzer Haur (M)	Managing Director	A-21-6, Residensi Tebing Selatan, No. 179, Jalan Kelang Lama, 58000 Kuala Lumpur	Malaysian
Ng Kel Mynn (F)	Non-Independent Executive Director	A-21-6, Residensi Tebing Selatan, No. 179, Jalan Kelang Lama, 58000 Kuala Lumpur	Malaysian
Kee Tze Hui (M)	Non-Independent Executive Director / Chief Operating Officer	A-13A-16, Nova Saujana, Jalan Lapangan Terbang Subang, 40150 Shah Alam, Selangor	Malaysian
Geetha Kandiah (F)	Independent Non-Executive Director	19, Jalan Setiakasih 8, Bukit Damansara, 50490 Kuala Lumpur, Wilayah Persekutuan	Malaysian
Po Yih Ming (F)	Independent Non-Executive Director	173-4, Sri Wangsaria, Jalan Ara, Bangsar, 59100 Kuala Lumpur, Wilayah Persekutuan	Malaysian
Fadli Riza Bin Ramli (M)	Independent Non-Executive Director	11, Jalan Kelawar 6/4H, 40000 Shah Alam, Selangor	Malaysian

Notes:

M *refers to male*
F *refers to female*

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Po Yih Ming	Chairperson	Independent Non-Executive Director
Geetha Kandiah	Member	Independent Non-Executive Director
Fadli Riza Bin Ramli	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Fadli Riza Bin Ramli	Chairperson	Independent Non-Executive Director
Po Yih Ming	Member	Independent Non-Executive Director
Geetha Kandiah	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(Cont'd)*

NOMINATION COMMITTEE

Name	Designation	Directorship
Geetha Kandiah	Chairperson	Independent Non-Executive Director
Po Yih Ming	Member	Independent Non-Executive Director
Fadli Riza Bin Ramli	Member	Independent Non-Executive Director

REGISTERED OFFICE : Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor

Telephone number: (603) 7725 1777
Email: info@cospec.com.my

HEADQUARTER : Level 9, Menara Dana 13
Dana 1 Commercial Centre
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor

Telephone number: (603) 7831 8770
Email address: hello@verdantsolar.my
Website: www.verdantsolar.my

COMPANY SECRETARIES : **Cospec Management Services Sdn Bhd**
(Registration No. 199301023725 (278463-H))

Third Floor, No. 73, 75, 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor

Telephone number: (603) 7725 1777

Tea Sor Hua
Malaysian Association of Company Secretaries ("**MACS**")
Membership No.: MACS 01324
SSM Practicing Certificate No. 201908001272

Lee Siew Fun
Malaysian Institute of Chartered Secretaries and Administrators ("**MAICSA**")
Membership No.: MAICSA 7063623
SSM Practicing Certificate No. 202008000735

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1. CORPORATE DIRECTORY *(Cont'd)*

PRINCIPAL ADVISER, SPONSOR, SOLE UNDERWRITER AND SOLE PLACEMENT AGENT	:	**Mercury Securities Sdn Bhd** (Registration No. 198401000672 (113193-W)) L-7-2, No.2, Jalan Solaris Solaris Mont Kiara 50480 Kuala Lumpur Telephone number: (603) 6203 7227
SOLICITORS FOR OUR IPO	:	**Ong Eu Jin Partnership** Unit 9-1, Level 9 Wisma Mont Kiara No. 1, Jalan Kiara Mont Kiara 50480 Kuala Lumpur Telephone number: (603) 6206 2053
SHARE REGISTRAR	:	**Boardroom Share Registrars Sdn Bhd** (Registration No: 199601006647 (378993-D)) 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13 46200 Petaling Jaya, Selangor Telephone number: (603) 7890 4700
ISSUING HOUSE	:	**Malaysian Issuing House Sdn Bhd** (Registration No: 199301003608 (258345-X)) 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13 46200 Petaling Jaya, Selangor Telephone number: (603) 7890 4700
EXTERNAL AUDITORS AND REPORTING ACCOUNTANTS	:	**TGS TW PLT** (Registration No. 202106000004) (LLP0026851-LCA) & AF 002345 Unit E-16-2B, Level 16, Icon Tower (East) No 1, Jalan 1/68F Jalan Tun Razak 50400 Kuala Lumpur Telephone number: (603) 9771 4326 Partner-in-charge: Kuan Jun Xian Approval number: 03758/06/2027 J (Chartered Accountant of the Malaysian Institute of Accountants and Fellow Member of the Association of Chartered Certified Accountants)

1. CORPORATE DIRECTORY *(Cont'd)*

INDEPENDENT MARKET RESEARCHER	:	**Providence Strategic Partners Sdn Bhd** (Registration No. 201701024744 (1238910-A)) P-6-5, Pacific Towers Jalan 13/6 46200 Petaling Jaya Selangor Telephone number: (603) 7625 1769 Person-in-charge: Elizabeth Dhoss (Bachelor of Business Administration from the University of Malaya)
LISTING SOUGHT	:	ACE Market of Bursa Securities
SHARIAH STATUS	:	Approved by the SAC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 24 July 2025, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital comprising 817,618,243 Shares 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.	Complied
(b)	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
(c)	The Bumiputera equity requirement for public listed companies as approved / exempted by the SC including any conditions imposed thereon;	Complied
(d)	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(e)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of Verdant on the first day of listing;	To be complied
(f)	In relation to the public offering to be undertaken by Verdant, 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 Verdant arising from the public offering, if any.	To be complied
(g)	Verdant / Mercury 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 Verdant to the Official List of the ACE Market.	To be complied

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

Bursa Securities had, vide its letter dated 24 July 2025, approved the relief sought by our Company as follows:

Reference	Details of relief granted
Rule 3.06 of the Listing Requirements	Relief from having continuity of substantially the same management at the level of executive directors and senior management for 3 full financial years before submitting the listing application to Bursa Securities or since commencement of its operations (if less than 3 full financial years).

2.1.2 SC

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 4 August 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)	Verdant to make available at least 50% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of listing;	To be complied
(b)	Verdant to allocate 12.5% of its enlarged number of issued shares to Bumiputera investors to be approved or recognised by the Ministry of Investment, Trade and Industry within 1 year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or 5 years after being listed on the ACE Market of Bursa Securities, whichever is earlier ("**Compliance Date**");	To be complied
(c)	Verdant to submit to the SC a proposal to comply with the equity condition stated in Paragraph (b) above, at least 6 months prior to the Compliance Date; and	To be complied
(d)	Mercury Securities or Verdant to submit Verdant's equity structure to the SC upon completion of the Listing.	To be complied

2.1.3 SAC

The SAC had on 12 September 2025, classified our Shares as Shariah-compliant securities based on our audited combined financial statements for the FYE 2025.

2.2 MORATORIUM ON OUR SHARES

In compliance 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:

(a) 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**");

(b) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45.00% of the total number of issued Shares remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and

(c) on the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium.

Details of our Specified Shareholders and their shareholdings which will be subject to the abovesaid moratorium, are set out below:

	Shares under the First 6-Months Moratorium		Shares under the Second 6-Months Moratorium	
Specified Shareholders	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Lim Tzer Haur	433,463,263	53.02	367,928,210	45.00
Ng Kel Mynn	108,365,766	13.25	-	-
Total	**541,829,029**	**66.27**	**367,928,210**	**45.00**

	Year 2		Year 3	
Specified Shareholders	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Lim Tzer Haur	245,285,474	30.00	122,642,738	15.00
Ng Kel Mynn	-	-	-	-
Total	**245,285,474**	**30.00**	**122,642,738**	**15.00**

Note:

(1) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

Our Specified Shareholders have provided written undertakings to Bursa Securities that they will not sell, transfer or assign their respective Shares under moratorium during their respective moratorium period.

The moratorium restriction, which is fully accepted by our Specified Shareholders are specifically endorsed on the share certificates representing their Shares which are under moratorium to ensure that our Share Registrar does not register any sale, transfer or assignment that contravenes such restrictions.

3. PROSPECTUS SUMMARY

THIS PROSPECTUS SUMMARY ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS PROSPECTUS. IT DOES NOT CONTAIN ALL THE INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE WHOLE PROSPECTUS PRIOR TO DECIDING ON WHETHER TO INVEST IN OUR SHARES.

3.1 PRINCIPAL DETAILS OF OUR IPO

Our IPO comprises the Public Issue of 142,000,000 Issue Shares and the Offer for Sale by the Selling Shareholders of 73,586,000 Offer Shares, both at the IPO Price. 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:

	Public Issue		Offer for Sale		Total	
	No. of Shares	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Malaysian Public (via balloting)	40,881,000	5.00	-	-	40,881,000	5.00
Eligible Persons	25,000,000	3.06	-	-	25,000,000	3.06
Private placement to selected investors	76,119,000	9.31	73,586,000	9.00	149,705,000	18.31
Total	**142,000,000**	**17.37**	**73,586,000**	**9.00**	**215,586,000**	**26.37**

Note:

(1) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

Enlarged number of issued Shares upon Listing	817,618,243
IPO Price per Share	RM0.31
Market capitalisation upon Listing	RM253,461,655

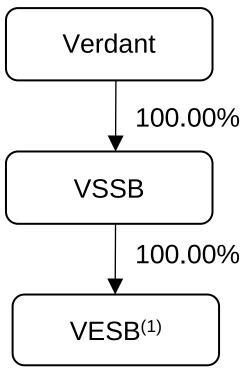
Further details of our IPO are set out in Section 4 of this Prospectus.

In compliance with the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of Shares held by our Specified Shareholders. Further details of the moratorium are set out in Section 2.2 of this Prospectus.

3.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia on 28 November 2024 under the Act as a private limited company under the name of Verdant Solar Holdings Sdn Bhd. Subsequently, our Company was converted to a public limited company on 7 February 2025 and assumed our present name as Verdant Solar Holdings Berhad. Our Company is principally an investment holding company.

Our Group structure after our IPO is as follows:

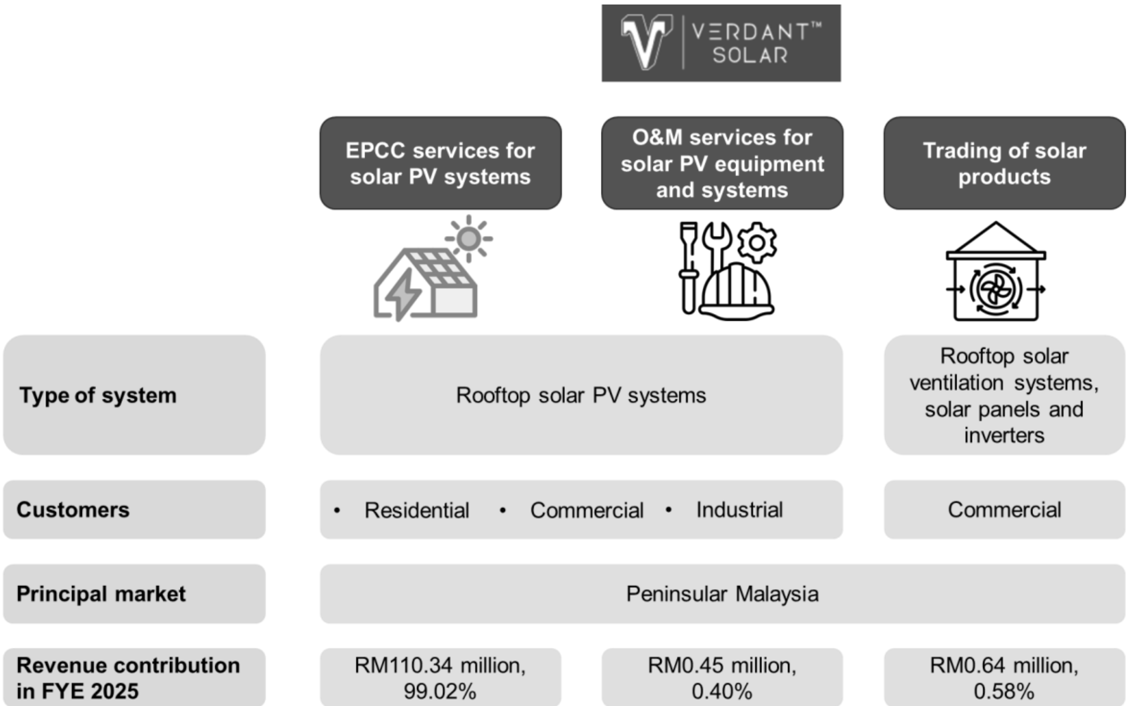


Note:

(1) As at the LPD, VESB is dormant and has no business activities. Our Group has submitted the striking off application for VESB to the CCM on 25 June 2025. As at the LPD, VESB is in the midst of being struck off. The striking off process is expected to be completed by December 2025.

Through our subsidiaries, we are principally involved in the provision of EPCC services for solar PV systems, O&M services for solar PV systems and trading of solar products.

Our business model is as follows:



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

The breakdown of our Group's revenue segmentation by business segments is as follow:

Business segment	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
EPCC services for solar PV systems								
- Residential	13,812	93.95	25,949	97.39	55,018	97.76	106,353	95.45
- Commercial and industrial	463	3.15	444	1.67	438	0.78	3,986	3.57
O&M services for solar PV systems	-	-	5	0.02	142	0.25	445	0.40
Trading of solar products	426	2.90	246	0.92	678	1.21	642	0.58
Total	**14,701**	**100.00**	**26,644**	**100.00**	**56,276**	**100.00**	**111,426**	**100.00**

3.3 COMPETITIVE STRENGTHS

A summary of our competitive strengths is set out as follow:

(a) We have track record built upon our experience in delivering solar PV system projects for residential properties which has contributed to our growth

We have been operating in the solar PV industry since 2015. We initially focused on the marketing of solar PV systems for residential properties and trading of solar ventilators during our initial period of operations. In 2019, we expanded our business to include EPCC services for solar PV systems and subsequently to include O&M services for solar PV systems in 2023.

We are committed to installing the solar PV systems and having them fully operational within 30 days, commencing upon the receipt of installation deposit from our customers.

As at the LPD, we have successfully completed 78.69 MWp solar PV system projects, thereby demonstrating our capabilities in providing quality and timely completion of our solar PV system projects. From this, we have undertaken solar PV system projects with a cumulative installation capacity of 74.63 MWp across residential properties. Please refer to Section 7.2.4 of this Prospectus for our cumulative installed capacity since the commencement of our business.

(b) We are committed to ensuring a seamless experience for our customers

We have developed our very own Verdant Home mobile application to provide and ensure a seamless experience for our customers. With the mobile application's user-friendly interface, customers can easily navigate the mobile application, access relevant data and make informed decisions. The mobile application allows customers to monitor the performance of their solar PV systems in real-time, track energy generation and consumption, and receive alerts for any system issues. We stay in contact with our customers through the mobile application, sending out reminders for scheduled maintenance to ensure optimal system performance.

(c) We have experienced Managing Director, key senior management and technical team

Our Group is led by our Managing Director, Lim Tzer Haur who has 12 years of experience in the solar PV industry. Lim Tzer Haur is responsible for overseeing business development, financial stability and the overall strategic direction of our Group. His vision and strategic leadership have led to the growth of our Group's business over the years.

He is supported by our key senior management as well as our engineering team comprising 26 engineers as at the LPD in our project department. They are responsible for design, technical analysis, project management and quality assurance of the solar PV system projects that we undertake.

Please refer to Sections 5.1.2, 5.2.2 and 5.4.3 for the profiles of our Managing Director and key senior management.

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

3.4 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group did not experience any interruptions to our operations which had a significant effect on our business and operations during the past 12 months preceding the LPD.

3.5 BUSINESS STRATEGIES AND FUTURE PLANS

A summary of our business strategies and future plans is set out below:

(a) We intend to strengthen our market presence in Peninsular Malaysia and expand to Melaka, Kuantan and Ipoh

Our Group operates primarily in Selangor, where our headquarter is located. This central location allows us to build brand presence and effectively market our services to customers in the central region of Peninsular Malaysia. In addition, we have established branch offices in Penang and Johor to further expand our reach to the northern and southern regions of Peninsular Malaysia.

In order to strengthen our market presence in the other regions of Peninsular Malaysia, our Group intends to establish branch offices in Melaka, Kuantan and Ipoh to expand our coverage to capture more customers located in surrounding these localities. This will allow us to respond more promptly to business opportunities as well as requests from customers in these new localities and surrounding regions. We intend to rent ready-built commercial properties in Melaka, Kuantan and Ipoh to support our expansion in these cities.

(b) We intend to expand our business through strategic investments, mergers and acquisitions opportunities

Aside from expanding our business through organic growth, we are also exploring for investment as well as merger and acquisition opportunities which align with our Group's business to improve our Group's operational efficiencies and expand our Group's core services.

We are selective about company acquisitions, first assessing if the proposed target business presents a clear value proposition, customer base or is in possession of certifications which are able to complement our Group's business. Our intention is to invest in or acquire companies which can strengthen our Group's business reputation, expand our Group's range of services and customer base, provide value chain integration for our existing business segments and customers and facilitate our Group's entry into new verticals.

We intend to focus our acquisition targets on companies having, amongst others, existing business operations in the EPCC of solar PV systems for commercial and industrial properties as well as EPCC of large scale solar projects.

(c) We intend to enhance our Verdant Home mobile application and further digitalise our business

We are committed to optimising technology to enhance operational efficiency, drive long-term growth, automate internal processes and improve our customer service and experience via:

(i) Implementation of ERP system;
(ii) Enhancement of Verdant Home mobile application; and
(iii) Implementation of CRM system.

We intend to appoint service providers for both the implementation of ERP system and CRM system. For the enhancement of Verdant Home mobile application, we intend to appoint a third-party software developer who had previously developed our Verdant Home mobile application.

These digital transformation initiatives will position us to better serve our customers by ensuring more accurate, timely and transparent communication. These efforts underscore our commitment to building a resilient and technology-enabled foundation that will empower us to stay competitive in a rapidly evolving market.

Further details on our business strategies and future plans are set out in Section 7.16 of this Prospectus.

3.6 RISK FACTORS

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

(a) Our business is project-based and our historical financial performance may not be indicative of our future financial performance

We provide EPCC services for solar PV systems and O&M services for solar PV systems on a project-by-project basis. Therefore, our revenue may vary significantly in any given financial year depending on the number of new customers and total number of solar PV projects that we undertake in any given year. There is no assurance that we will be able to continuously and consistently secure new customers.

Our GP margin was 32.13%, 28.62%, 35.11% and 38.54% during the Financial Years Under Review. We may not always be able to achieve such GP margins in the future. Our financial performance depends on our ability to continually secure new customers to replenish our order book. Any significant decline in our order book will materially and adversely impact our growth potential, and future financial performance. As at the LPD, our outstanding order book was RM31.13 million which is expected to be recognised as revenue progressively over the next 6 months. There can be no assurance that we will be able to secure new projects to replenish our order book in order to sustain our business and GP margin in the future due to factors beyond our control, among others, such as higher cost of materials, slower adoption of solar PV systems among residential, and commercial and industrial customers, changes in government policies retaining that support the adoption of solar PV systems and competition.

(b) We are dependent on the services and work quality of our subcontractors

We depend on the services and work quality of our subcontractors to carry out the entire installation and commissioning of our solar PV system projects on site at our customers' premises.

We adopt a stringent assessment in selecting subcontractors, which includes evaluating our project requirements, the subcontractors' experience, service quality, qualifications, technical expertise and resource availability.

Notwithstanding the above, engaging subcontractors may still expose us to certain risks, such as difficulties in overseeing their work performance, possibilities of subcontractors failing to complete their contracted scope of works, safety issues onsite, non-compliance with regulatory requirements, or the inability to hire suitable subcontractors promptly and within our budget. The occurrence of the aforementioned risks may result in onsite incidences, delays, defects, disputes and claims or even litigation, all of which may potentially impact our profitability, financial performance and operations.

We are also exposed to defects liability claims during the defects liability period arising from the quality of works of our subcontractors. If we are unable to claim the costs of ratifying these defects caused by our subcontractors or recover the full amount, we may be required to bear the expense. This could increase our project costs, delay project delivery and potentially impact our financial performance.

(c) Our business is subject to certain regulatory registrations, approvals, licenses and permits

As a solar PV service provider, we are subject to various laws, rules and regulations. We are required to obtain approvals, licenses and permits from authorities such as CIDB, SEDA and Energy Commission Malaysia as set out in Section 7.18 of this Prospectus.

We leverage on these registrations, approvals, licenses and permits to continue our core business operations. Compliance with the requirements and conditions imposed by the relevant authorities is essential to maintain the validity of these approvals, permits and licenses.

In the event we fail to comply with the requirements or conditions as imposed, our approvals, licenses and permits may be revoked or suspended. Any delay in renewing these approvals, licenses and permits upon expiry may also result in a temporary suspension or restriction of our business operations. Therefore, the revocation and/or failure to renew any approvals, licenses and permits will have a material impact on our ability to continue business operations.

(d) Our EPCC services depend on the timely supply of quality materials at competitive prices

Our operations involve procuring materials such as solar panels, inverters and mounting structures from foreign suppliers for the implementation of our solar PV system projects. As a result, our ability to carry out projects effectively depends on the timely delivery and satisfactory quality of these procured materials at competitive prices.

We source these materials primarily from foreign suppliers. Depending on the overall demand and supply conditions and delivery lead times, we may face challenges in obtaining the required materials in the necessary quantity, specifications, quality or within the desired timeframe, which could delay the project implementation and completion. If we are unable to procure sufficient materials on time, our project delivery may be delayed.

(e) We are dependent on our Managing Director, key senior management and technical team for our continued success

The continued success, future business growth and expansion of our Group are dependent on the abilities and continued efforts of our Managing Director, key senior management and technical team.

The loss of our Managing Director and any of the key senior management, particularly if it occurs simultaneously or within a short timeframe, may potentially cause disruptions that will results in an unfavourable impact on our Group's business performance and operations, especially if timely replacements or qualified employees cannot be recruited. As such, our ability to retain and attract competent and experienced employees within the solar PV industry is essential for our continued success, future business growth and expansion. Any failure to retain such key employees or to recruit additional qualified employees with the necessary industry knowledge could materially impact our business operations, financial performance and ability to achieve our business objectives.

(f) We may not be able to successfully implement our business strategies and future plans to grow our business

We intend to expand our operations in accordance with our business strategies and future plans set out in Section 7.16 of this Prospectus. However, there is no assurance that we will be able to effectively implement our plans. Even if we are able to successfully implement our plans, there is no assurance that the results of such plans will lead to the outcomes and results we expect.

As part of our business expansion, we also intend to pursue strategic investments, mergers and acquisitions opportunities using the gross proceed of RM10.00 million from our Public Issue. However, there is no assurance that we will be able to identify suitable investment or acquisition targets, negotiate favorable terms or successfully integrate acquired businesses into our operations. Further, we may not be able to successfully integrate the business and operations of the acquisition target with our existing business. The process of integration may lead to unanticipated issues that may require the attention of our management and financial resources that we would otherwise use to develop and expand our existing business. This may lead to an adverse impact on our business and financial performance.

3.7 PROMOTER, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

Name	Designation
Directors	
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Chairman
Lim Tzer Haur	Managing Director
Ng Kel Mynn	Non-Independent Executive Director
Kee Tze Hui	Non-Independent Executive Director / Chief Operating Officer
Geetha Kandiah	Independent Non-Executive Director
Po Yih Ming	Independent Non-Executive Director
Fadli Riza Bin Ramli	Independent Non-Executive Director
Key Senior Management	
Wong Wooi Loon	Finance Manager
Kishen Madana Mohan	Project Team Manager
Wang Woei Shenq	Business Development Manager

The details of our Promoter and substantial shareholders are as follows:

Name / Nationality	After the Acquisition and before IPO				After IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Promoter and substantial shareholder								
Lim Tzer Haur / Malaysian	486,445,163	72.00	-	-	433,463,263	53.02	-	-
Substantial shareholders								
Ng Kel Mynn / Malaysian	121,611,266	18.00	-	-	108,365,766	13.25	-	-
Ong Hsiao Loong / Malaysian	67,561,814	10.00	-	-	60,203,214	7.36	-	-

Notes:

(1) Based on our issued share capital of 675,618,243 Shares after the Acquisition and before our IPO.

(2) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

Further details of our Promoter, substantial shareholders, Directors and key senior management are set out in Section 5 of this Prospectus.

3.8 UTILISATION OF PROCEEDS

The estimated gross proceeds arising from the IPO of approximately RM44.02 million shall accrue entirely to us and will be utilised in the following manner:

Details of use of proceeds	Estimated timeframe for utilisation from the date of Listing	RM'000	%
(a) Business expansion			
(i) Establishment of branch offices in Peninsular Malaysia	Within 36 months	14,000	31.80
(ii) Expansion through strategic investments, merger and acquisition opportunities	Within 36 months	10,000	22.72
(b) Enhancement of digital infrastructure	Within 36 months	3,800	8.63
(c) Working capital	Within 24 months	11,720	26.63
(d) Estimated listing expenses	Within 1 month	4,500	10.22
	Total	**44,020**	**100.00**

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

3.9 FINANCIAL HIGHLIGHTS

3.9.1 Historical financial information

The following table sets out the financial highlights of our historical audited combined statements of comprehensive income of our Group for the Financial Years Under Review:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	14,701	26,644	56,276	111,426
GP	4,723	7,626	19,759	42,949
Other income	55	75	336	1,463
PBT	1,100	1,576	8,818	23,007
PAT / Total comprehensive income	827	1,204	6,649	17,204
GP margin (%)(1)	32.13	28.62	35.11	38.54
PBT margin (%)(2)	7.48	5.92	15.67	20.65
PAT margin (%)(3)	5.63	4.52	11.81	15.44

Notes:

(1) Calculated based on GP divided by revenue.

(2) Calculated based on PBT divided by revenue.

(3) Calculated based on PAT divided by revenue.

The other key financial information based on the historical audited combined statement of financial position of our Group for the Financial Years Under Review are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Total assets	7,342	9,509	32,068	50,782
Total liabilities	5,652	6,815	23,239	28,849
Total equity / Net assets	1,690	2,694	8,829	21,933
Cash and cash equivalents	2,009	3,141	19,435	25,684
Current ratio (times)	1.55	2.00	1.45	1.82
Gearing ratio (times)	1.42	1.08	0.28	0.05
Average trade receivables turnover period (days)	16	12	14	9
Average trade payables turnover period (days)	21	17	31	19
Average inventories turnover period (days)	94	90	84	80

There were no exceptional or extraordinary items during the Financial Years Under Review. Our audited combined financial statements for the Financial Years Under Review were not subject to any audit qualifications.

Further details of our Group's financial information are set out in Section 12 of this Prospectus.

3.10 DIVIDEND POLICY

Our Company does not have any formal dividend policy. As our Company is an investment holding company, our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, and consent from our financiers as set out in the respective facility agreements, there are no legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board.

Dividends declared and paid by our subsidiaries, during the Financial Years Under Review were as follows:

	FYE 2022	FYE 2023	FYE 2024[(1)]	FYE 2025[(2)]	1 July 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	675	200	514	4,100	5,000
Dividends paid during	675	200	363	4,143	5,000
Dividend in specie	-	-	108	-	-
Dividend payable	-	-	43	-	-

Notes:

(1) RM0.51 million declared in the FYE 2024 in respect of the FYE 2024 of which:

(i) RM0.36 million was paid in cash in the FYE 2024;

(ii) RM0.11 million of the dividend in specie for offsetting the amount owing by a Director (i.e., Lim Tzer Haur); and

(iii) RM0.04 million was paid in cash in December 2024.

(2) RM1.60 million declared in the FYE 2025 in respect of the FYE 2024 was paid in cash in September 2024 and RM2.50 million declared in the FYE 2025 in respect of the FYE 2025 was paid in cash in December 2024.

The dividends above were satisfied via internally generated funds. The dividends will not affect the execution and implementation of our future plans or business strategies.

As at the LPD, there is no outstanding dividend declared and remained unpaid. Subsequent to the LPD, no dividend was declared, made or paid by our Group. Our Group does not intend to declare and pay any dividend prior to our Listing.

Further details on our dividend policy are disclosed in Section 12.13 of this Prospectus.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION

The Application for our IPO Shares will open at 10.00 a.m. on 29 September 2025 and will remain open until at 5.00 p.m. on 7 October 2025. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

4.2 INDICATIVE TIMETABLE

Events	Tentative Time / Dates
Issuance of this Prospectus / Opening of Application	10.00 a.m./ 29 September 2025
Closing of Application	5.00 p.m./ 7 October 2025
Balloting of Applications	9 October 2025
Allotment / Transfer of IPO Shares to successful applicants	17 October 2025
Listing on the ACE Market	22 October 2025

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

4.3 PARTICULARS OF OUR IPO

4.3.1 Public Issue

A total of 142,000,000 Issue Shares, representing approximately 17.37% of our enlarged issued share capital are offered at our IPO Price, subject to the terms and conditions of this Prospectus. The Issue Shares shall be allocated in the following manner:

(a) Malaysian Public

40,881,000 Issue Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public, to be allocated via balloting process as follows:

(i) 20,440,500 Issue Shares, representing 2.50% of our enlarged issued share capital will be made available to the Malaysian Public; and

(ii) 20,440,500 Issue Shares representing 2.50% of our enlarged issued share capital will be made available to Bumiputera public investors.

(b) Eligible Persons

25,000,000 Issue Shares, representing 3.06% of our enlarged issued share capital, will be reserved for application by our Eligible Persons under the Pink Form Allocations as follows:

Eligible Persons	No. of Eligible Persons	Aggregate no. of Issue Shares allocated
Our eligible Directors(1)	5	3,100,000
Our Group's eligible employees(2)	58	15,000,000
Persons who have contributed to the success of our Group(3)	87	6,900,000
	150	**25,000,000**

Notes:

(1) The criteria for allocation to our eligible Directors (as approved by our Board) are based on, amongst others, their respective roles, responsibilities, and anticipated contributions to our Group. Details of the allocation to our eligible Directors are as follows:

Name of Directors	*Designation*	*No. of Issue Shares allocated*
Ong Wei Liam @ Jeremy Ong	*Independent Non-Executive Chairman*	*300,000*
Po Yih Ming	*Independent Non-Executive Director*	*300,000*
Geetha Kandiah	*Independent Non-Executive Director*	*200,000*
Fadli Riza Bin Ramli	*Independent Non-Executive Director*	*300,000*
Kee Tze Hui	*Non-Independent Executive Director and Chief Operating Officer*	*2,000,000*
		3,100,000

Lim Tzer Haur (our Managing Director) and Ng Kel Mynn (our Non-Independent Executive Director) have opted not to participate in the Pink Form Allocations as they will be undertaking the Offer for Sale.

(2) The criteria for allocation to our eligible employees (as approved by our Board) are based on, amongst others, the following factors:

(a) the employee must be at least 18 years of age;

(b) the employee must have his/her employment confirmed in writing;

(c) the employees' seniority, position, length of service and level of contribution to our Group; and

(d) other factors deemed relevant by our Board.

Details of the allocation to the eligible key senior management (excluding Kee Tze Hui) who are included as eligible employees are as follows:

Name of key senior management	*Designation*	*No. of Issue Shares allocated*
Wong Wooi Loon	*Finance Manager*	*500,000*
Kishen Madana Mohan	*Project Team Manager*	*1,000,000*
Wang Woei Shenq	*Business Development Manager*	*1,500,000*
	Total	***3,000,000***

The higher allocation to Wang Woei Shenq is in recognition of his long-standing contributions to our Group.

(3) The number of Issue Shares under the Pink Form Allocations to be allotted to those persons who have contributed to the success of our Group (as approved by our Board) are based on, amongst others, the nature and terms of their business relationship with us, the length of their business relationship with us and the level of contribution and support to the success of our Group. The persons who have contributed to the success of our Group includes our customers, suppliers and business associates.

As at the LPD, save as disclosed above, none of our substantial shareholders, Directors or key senior management have indicated to us on their intention to subscribe for our Issue Shares. Also, there is no other person who has indicated their intention to subscribe for more than 5.00% of our IPO Shares.

(c) Private placement to selected investors

76,119,000 Issue Shares, representing 9.31% of our enlarged issued share capital, have been reserved for application by the way of private placement to selected investors.

4.3.2 Offer for Sale

Through a private placement to selected investors, our Selling Shareholders are offering 73,586,000 Offer Shares in total for sale representing approximately 9.00% of our enlarged issued share capital, at our IPO Price.

Details of our Selling Shareholders and Offer Shares by each of the Selling Shareholders are set out as follows:

		As at the LPD		Offer Shares offered			After our IPO (1)	
Name and address	**Nature of relationship**	**No. of Shares**	**% (2)**	**No. of Shares**	**% (2)**	**% (3)**	**No. of Shares**	**% (3)**
Lim Tzer Haur A-21-6, Residensi Tebing Selatan, No. 179, Jalan Kelang Lama, 58000 Kuala Lumpur	Promoter, Managing Director and substantial shareholder	486,445,163	72.00	52,981,900	7.84	6.48	433,463,263	53.02
Ng Kel Mynn A-21-6, Residensi Tebing Selatan, No. 179, Jalan Kelang Lama, 58000 Kuala Lumpur	Non-Independent Executive Director and substantial shareholder	121,611,266	18.00	13,245,500	1.96	1.62	108,365,766	13.25
Ong Hsiao Loong C-06-7, 9 Bukit Utama, No. 9, Persiaran Bukit Utama, Bandar Utama PJU 6, 47800 Petaling Jaya, Selangor	Substantial shareholder	67,561,814	10.00	7,358,600	1.09	0.90	60,203,214	7.36
		675,618,243	**100.00**	**73,586,000**	**10.89**	**9.00**	**602,032,243**	**73.63**

Notes:

(1) Assuming all Offer Shares are fully placed out to selected investors.

(2) Based on our enlarged issued share capital of 675,618,243 Shares after the Acquisition and as at the LPD.

(3) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

Based on our IPO Price, the Offer for Sale will raise gross proceeds of RM22.81 million, which will accrue entirely to the Selling Shareholders and we will not receive any of the proceeds. All expenses relating to the Offer for Sale will be fully borne by the Selling Shareholders, which is estimated to be approximately up to RM0.68 million.

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

Further details on the Selling Shareholders, who are also our Promoter and/or substantial shareholders, is disclosed in Section 5 of this Prospectus.

In summary, subject to the clawback and reallocation provisions set out in Section 4.3.3 of this Prospectus, our IPO Shares will be allocated in the following manner:

	Public Issue		**Offer for Sale**		**Total**	
	No. of Shares	**%[(1)]**	**No. of Shares**	**%[(1)]**	**No. of Shares**	**%[(1)]**
Malaysian Public (via balloting)	40,881,000	5.00	-	-	40,881,000	5.00
Eligible Persons	25,000,000	3.06	-	-	25,000,000	3.06
Private placement to selected investors	76,119,000	9.31	73,586,000	9.00	149,705,000	18.31
Total	**142,000,000**	**17.37**	**73,586,000**	**9.00**	**215,586,000**	**26.37**

Note:

(1) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

4.3.3 Clawback and Reallocation

The IPO shall be subject to the following clawback and reallocation provisions:

(a) if there is an under-subscription in the allocation to Malaysian Public via balloting and there is an oversubscription in the private placement to selected investors, our Issue Shares not taken up may be clawed back from the allocation to Malaysian Public and reallocated to selected investors via private placement. However, if there is an undersubscription in the allocation to Malaysian Public via balloting but no over-subscription in the private placement to selected investors, such remaining Issue Shares will be underwritten by the Sole Underwriter;

(b) any Issue Share not taken up by the respective Eligible Persons based on their predetermined allocations shall be made available for application by the other Eligible Persons who have applied for excess Issue Shares in addition to their pre-determined allocation ("**Excess Issue Shares**"). Such Excess Issue Shares will be allocated to these other Eligible Persons on a fair and equitable basis in the following priority:

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

   (ii) secondly, to minimise odd lots.

   Our Board reserves the right to allocate to the Eligible Persons who have applied for Excess Issue Shares in addition to their predetermined allocation at the discretion of our Board in such manner as it deems fit and expedient in the best interest of our Company. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason thereto.

   Any further Issue Shares which are not subscribed for under the Pink Form Allocations will be made available for application by the Malaysian Public. Any of our Issue Shares under the Pink Form Allocations which are not subscribed for by the Malaysian Public will be made available to selected investors via private placement. Any further Issue Shares not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Sole Underwriter.

(c) if there is an under-subscription in the private placement to selected investors and there is an over-subscription in the allocation to the Malaysian Public, our IPO Shares not taken up may be clawed back from the private placement to selected investors and reallocated to the Malaysian Public via balloting;

The clawback and reallocation provisions will not apply in the event that there is an over-subscription in all of the allocations of our IPO Shares at the Closing Date.

The allocation of our IPO Shares shall be in a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholding base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

There is no over-allotment or "greenshoe" option that will result in an increase in the number of our IPO Shares.

4.3.4 Minimum Subscription

There is no minimum level of subscription in terms of the proceeds to be raised by us from our IPO. However, in order to comply with the public shareholding spread requirements of Bursa Securities, we are required to have at least 25.00% of our enlarged issued Shares to be held by a minimum of 200 public shareholders holding not less than 100 Shares each. This is the minimum subscription level in terms of the number of Shares.

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 refunded within 14 days after we become liable to do so, the provision of sub-Section 243(2) of the CMSA shall apply accordingly.

4.4 BASIS OF ARRIVING AT OUR IPO PRICE

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

(a) the PE Multiple of approximately 14.76 times based on our EPS of 2.10 sen for the FYE 2025, calculated based on our PAT attributable to the owners of the Company for the FYE 2025 of approximately RM17.20 million and our enlarged issued share capital of 817,618,243 Shares upon Listing;

(b) our pro forma combined NA per Share of RM0.07, calculated based on our pro forma combined NA after our IPO and utilisation of IPO proceeds as at 30 June 2025 of approximately RM56.45 million and our enlarged issued share capital of 817,618,243 Shares upon Listing;

(c) our Group's historical financial track record for the Financial Years Under Review summarised as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	14,701	26,644	56,276	111,426
GP	4,723	7,626	19,759	42,949
EBITDA	1,296	1,933	9,034	23,186
PBT	1,100	1,576	8,818	23,007
PAT	**827**	**1,204**	**6,649**	**17,204**
GP margin (%)	32.13	28.62	35.11	38.54
PBT margin (%)	7.48	5.92	15.67	20.65
PAT margin (%)	5.63	4.52	11.81	15.44

(d) our Group's competitive strengths as set out in Section 7.15 of this Prospectus;

(e) our Group's business strategies and future plans as set out in Section 7.16 of this Prospectus; and

(f) the overview and prospects of our industry based on the IMR Report as set out in Section 8 of this Prospectus.

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

4.5 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

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

Details	No. of Shares	RM
Share capital		
As at the LPD	675,618,243	4,729,337
To be issued pursuant to our Public Issue	142,000,000	44,020,000
Enlarged issued share capital upon our Listing	**817,618,243**	**48,749,337**

As at the date of this Prospectus, we have only 1 class of shares, being ordinary shares, all of which rank equally amongst one another.

Our IPO Shares will, upon issuance and allotment or transfer, 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/transfer of our IPO Shares.

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

Each of our shareholders shall be entitled to vote at any of our general meeting in person, or by proxy or by attorney or by other duly authorised representative. Every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held. On a show of hands, each present shareholder in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each ordinary share held. A proxy may, but need not be, a shareholder of our Company.

4.6 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

(a) to provide an opportunity for the Malaysian Public, our eligible Directors and employees as well as persons who have contributed to the success of our Group to participate in our equity;

(b) to enable our Group to raise funds for the purposes specified in Section 4.9 of this Prospectus;

(c) 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; and

(d) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our services and to retain and attract new, skilled employees in the industry.

4.7 TOTAL MARKET CAPITALISATION UPON LISTING

Based on our IPO Price and our enlarged number of issued Shares of 817,618,243 upon Listing, our total market capitalisation is estimated to be RM253,461,655 upon Listing.

4.8 DILUTION

Dilution is the amount by which our IPO Price exceeds our pro forma combined NA per Share immediately after our IPO.

The following table illustrates such dilution on a per Share basis:

		RM
IPO Price	(A)	0.31
Pro forma combined NA per Share as at 30 June 2025 after the Acquisition but before our IPO	(B)	0.03
Pro forma combined NA per Share as at 30 June 2025 after the Acquisition, IPO and utilisation of proceeds	(C)	0.07
Increase in pro forma combined NA per Share to our existing shareholders	(C) - (B)	0.04
Dilution in the pro forma combined NA per Share to our new public investors	(A – C)	0.24
Dilution in the pro forma combined NA per Share to our new public investors as a percentage of our IPO Price	(A – C)/(A)	77.42%

Further details of our pro forma combined NA per Share as at 30 June 2025 is set out in Section 14 of this Prospectus.

Save as disclosed below 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 Promoter, Directors, substantial shareholders, key senior management or persons connected to 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 the date of this Prospectus:

	No. of Shares held after the Acquisition and before IPO	**Total consideration (RM)**	**Average effective cost per Share (RM)**
Promoter, substantial shareholder and Director			
Lim Tzer Haur	486,445,163	3,405,125	0.007
Substantial shareholder and Director			
Ng Kel Mynn	121,611,266	851,279	0.007
Substantial shareholder			
Ong Hsiao Loong	67,561,814	472,933	0.007

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4.9 UTILISATION OF PROCEEDS

The estimated gross proceeds arising from the IPO of approximately RM44.02 million shall accrue entirely to us and will be utilised in the following manner:

Details of use of proceeds	Estimated timeframe for utilisation from the date of Listing	RM'000	%
(a) Business expansion			
(i) Establishment of branch offices in Peninsular Malaysia	Within 36 months	14,000	31.80
(ii) Expansion through strategic investments, merger and acquisition opportunities	Within 36 months	10,000	22.72
(b) Enhancement of digital infrastructure	Within 36 months	3,800	8.63
(c) Working capital	Within 24 months	11,720	26.63
(d) Estimated listing expenses	Within 1 month	4,500	10.22
Total		**44,020**	**100.00**

(a) Business expansion

(i) Establishment of branch offices in Peninsular Malaysia

Our Group operates primarily in Selangor, where our headquarter is located. We have also established branch offices in Penang and Johor. In order to strengthen our market presence in the other regions of Peninsular Malaysia, our Group intends to establish branch offices in Melaka, Kuantan and Ipoh. This will allow us to respond more promptly to business opportunities as well as requests from customers in these new localities and surrounding regions.

Our Group intends to allocate RM14.00 million of the gross proceeds from our Public Issue for the establishment of our New Branch Offices. We intend to rent ready built commercial offices to support our expansion in these localities.

The estimated costs for the establishment of our New Branch Offices are as set out below:

Description	RM'000
Rental and renovation works(1)	1,116
Recruitment costs and staff salaries(2)	6,365
Marketing and administrative cost(3)	2,837
Working capital requirements for our New Branch Offices(4)	5,460
Total	**15,778**

Notes:

(1) Comprising 24 months of estimated rental based on property listings of comparable ready built commercial offices from online property platforms and the renovation works to be carried out based on the quotations received from the contractors for our New Branch Offices.

As at the LPD, we are in the midst of identifying suitable premises with built-up areas of 1,500 sq ft to 2,000 sq ft in commercial areas in Melaka, Kuantan and Ipoh.

(2) We intend to recruit up to 42 personnels for our New Branch Offices as set out in the table below:

Personnel	***No. of hirees***	***Estimated cost for 24 months (RM'000)***
Branch Manager	*3*	*1,123*
Sales Consultant	*18*	*2,419*
Customer Experience Executive	*6*	*807*
Operations and Project Executive	*12*	*1,613*
Administration Executive	*3*	*403*
Total	***42***	***6,365***

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our New Branch Offices.

(3) Includes digital marketing expenses for branding, advertising and promotions on the internet, search engine optimisation, and, printing of promotional material and creative productions.

(4) Mainly for the payment to suppliers for purchase of materials which includes purchase of solar panels, mounting structures and inverters for our New Branch Offices.

As at the LPD, our Group has yet to enter into any tenancy agreements for the rental of offices in Melaka, Kuantan and Ipoh for our New Branch Offices. Our Group will make the necessary submission to the relevant authorities for the business premise licenses prior to setting up the said premises.

We expect to finalise the tenancy agreement for our first New Branch Office in Melaka by fourth quarter of 2025. We intend to set up the remaining New Branch Offices in Ipoh and subsequently Kuantan progressively to ensure smooth and effective implementation to facilitate and enhance our ongoing business operations. Our Group has determined to first expand into Ipoh, where we have existing customers in the state of Perak that are currently being served by our branch office in Penang. By establishing a New Branch Office in Ipoh, we will be able to serve these customers more promptly as compared to the time required to despatch a team from Penang. Further, we also see the potential of further expanding our customer base in Perak taking into consideration the state's economic growth as well as established commercial and industrial activities.

We intend to utilise RM14.00 million for the establishment of our New Branch Offices. The remaining balance will be funded via bank borrowings and/or internally generated funds. In the event the actual cost for the establishment of our New Branch Offices is lower than the amount earmarked, the excess will be utilised for our working capital requirements for our Group. In the event of any material variation to the intended utilisation of proceeds subsequent to our Listing, our Group will ensure compliance with Rule 8.24 of the Listing Requirements.

(ii) Expansion through strategic investments, merger and acquisition opportunities

Aside from expanding our business through organic growth, we are also exploring for investment as well as merger and acquisition opportunities which align with our Group's business to improve our Group's operational efficiencies and expand our Group's core services. Our Group intends to allocate RM10.00 million of the gross proceeds from our Public Issue for investment and/or merger and acquisition opportunities.

Our intention is to invest in or acquire companies which can strengthen our Group's business reputation, broaden our service offerings, and expand our customer base, while also providing opportunities to enter into new sectors. In evaluating potential acquisition targets, we will assess their value propositions, customer base strength, and any relevant certifications or qualifications that complement our Group's business operations.

We intend to focus our acquisition targets on companies within Malaysia having, amongst others, existing business operations in the EPCC of solar PV systems for commercial and industrial buildings as well as EPCC of large scale solar projects. The technical skills required for the installation of solar PV systems for commercial and industrial buildings as well as large scale solar projects are similar to that required for the EPCC of solar PV systems for residential buildings. However, the scale and contract value of EPCC projects for commercial and industrial buildings as well as large scale solar projects are larger than the EPCC of solar PV systems for residential buildings. We plan to retain the employees of the target company as this will enable us to acquire the required resources and expertise to manage such expansion, while operating our existing business and the new business with minimal business disruption.

As at the LPD, our Group has not identified any prospective acquisition target nor have we entered into any binding agreements for any acquisition. Notwithstanding this, based on our industry knowledge built upon our experience in this industry over the years and networking with other industry players, we believe that the allocation of RM10.00 million is the minimum cost of investment required to invest in or acquire a stake in a suitable target company, to make it a subsidiary of our Group. In the event the allocated proceeds are insufficient for investments in and/or acquisition of target companies, such shortfall will be funded through internally generated funds and/or bank borrowings.

Any excess funds not used for this purpose will be utilised to meet the working capital of our Group. In the event of any material variation to the intended utilisation of proceeds subsequent to our Listing, our Group will ensure compliance with Rule 8.24 of the Listing Requirements.

For the avoidance of doubt, such strategic investments, mergers and acquisitions shall be distinguished from our future plan in relation to business expansion in Malaysia as set out in Section 4.9(a)(i) above, which is organic in nature.

(b) Enhancement of digital infrastructure

Our Group intends to allocate RM3.80 million of the gross proceeds from our Public Issue for the enhancement of our digital infrastructure and the estimated costs are as set out below:

Description	RM'000
Implementation of ERP system[(1)]	1,405
Enhancement of Verdant Home mobile application[(2)]	1,620
Implementation of CRM system	783
Total	**3,808**

Notes:

(1) Average cost of implementation based on quotations sourced from third party ERP service providers.

(2) Cost of enhancement based on quotation sourced from a third party mobile software developer that previously developed our Verdant Home mobile application.

Our Group intends to implement an ERP system to manage our day-to-day operational activities such as accounting, procurement, supply chain and assembly. We intend to engage an ERP system provider to develop a centralised system which will be able to record and store data, and connect to various functions of our Group from procurement to supply chain management and finance. The cost for the implementation of the ERP system is estimated to be approximately RM1.41 million. As at the LPD, we have yet to engage any service provider as we are still in the midst of consulting a few service providers.

In addition, our Group intends to enhance our existing Verdant Home mobile application to provide our customers who are the main users of our Verdant Home mobile application with a more seamless experience. We intend to also upgrade the functionality and versatility of Verdant Home mobile application to enable our subcontractors to access and use the said mobile application to report progress of their installation works from initial assessment to testing and commissioning as well as to submit their progress claims for work done. The estimated cost for the enhancement of our Verdant Home mobile application is approximately RM1.62 million. As at the LPD, the total downloads for Verdant Home mobile application were 1,283 and the total active users (customers who have logged into or accessed their account at least once in the past 3 months) for Verdant Home mobile application was 551 users. We aim to increase the number of active users for Verdant Home mobile application to approximately 2,000 users through the enhancement of our Verdant Home mobile application. This allocation for the enhancement of our Verdant Home mobile application is higher than the initial development expenses as we intend to ramp up development and programming works in order to roll out the enhanced Verdant Home mobile application which will enable more users to use Verdant Home simultaneously and increase the features functionalities of Verdant Home mobile application while maintaining seamless functionality for users.

We also intend to implement a CRM system to provide our sales team with improved analytical and reporting tools that track leads and manage sales pipelines to manage our customers' data and interactions more efficiently which could help to improve our customer service and drive our sales growth. The cost of the implementation is estimated to be approximately RM0.78 million. As at the LPD, we are currently in discussion with a few service providers.

We intend to utilise RM3.80 million for the enhancement of our digital infrastructure. The remaining balance will be funded via bank borrowings and/or internally generated funds. In the event the actual cost is lower than the amount earmarked, the excess will be utilised for our working capital requirements for our Group.

(c) Working capital

Our working capital requirements are expected to increase in line with our business expansion, our Group intends to allocate RM11.72 million of our gross proceeds from our Public Issue for our working capital. It shall be allocated to the payment to suppliers for purchase of materials. This includes purchase of solar panels, mounting structures and inverters.

Purchase of materials was the main component of our cost of sales, representing 64.85%, 66.34%, 60.53% and 55.44% of our total cost of sales for the Financial Years Under Review, respectively.

(d) Estimated listing expenses

Our Group intends to allocate RM4.50 million of our gross proceeds from our Public Issue to meet the estimated expenses for our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Description	RM'000
Professional fees[(1)]	2,545
Underwriting, placement and brokerage fees	1,207
Regulatory fees	66
Printing and advertising fees and contingencies[(2)]	682
Total	**4,500**

Notes:

(1) Includes professional and advisory fee for, amongst others, Principal Adviser, Solicitors, External Auditors and Reporting Accountants, IMR, internal control consultant, company secretary, translator, Share Registrar and Issuing House.

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

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

While pending utilisation of the IPO proceeds raised, the funds will be placed in interest-bearing accounts with licensed financial institutions or short-term money market instruments. The interest derived from placement of IPO proceeds in the interest-bearing accounts with licensed financial institutions and/or gains from short-term money market instruments will be used as additional working capital for our Group.

4.10 UNDERWRITING, COMMISSION, PLACEMENT AND BROKERAGE FEE

4.10.1 Underwriting commission

Our Sole Underwriter will underwrite 65,881,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We are obliged to pay our Sole Underwriter an underwriting commission of 2.50% of the total value of the underwritten Shares at our IPO Price.

4.10.2 Placement fee

The balance of 76,119,000 Issue Shares made available to selected investors and 73,586,000 Offer Shares to selected investors will not be underwritten and shall be placed out by our Sole Placement Agent.

We are obliged to pay our Sole Placement Agent a placement fee of up to 3.00% of the value of those Issue Shares to be placed out to selected investors by our Sole Placement Agent at our IPO Price.

The placement fee of up to 3.00% of the value of those Offer Shares to be placed out to selected investors by our Sole Placement Agent will be paid by the Selling Shareholders.

4.10.3 Brokerage fee

Brokerage fee is payable in respect of the IPO Shares at the rate up to 1.00% of our IPO Price in respect of successful applicants which bear the stamp of member companies of Bursa Securities, member of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association in Malaysia or Issuing House.

Mercury Securities, being our Sole Placement Agent is entitled to charge brokerage commission to successful applicants for the IPO Shares made available to selected investors by way of private placement. For the avoidance of doubt, such brokerage commission under the abovementioned successful applications will not be payable by us.

4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

On 8 September 2025, we have entered into the Underwriting Agreement with Mercury Securities, to underwrite 65,881,000 Issue Shares ("**Underwritten Shares**").

Subject to clawback and re-allocation terms in Section 4.3.3 of this Prospectus, any remaining Issue Shares that are not subscribed for will be subscribed by our Sole Underwriter based on the terms of the Underwriting Agreement.

The following are the salient terms contained in the Underwriting Agreement. The capitalised terms used in this section shall have the respective meanings as ascribed thereto in the Underwriting Agreement:

4.11.1 Obligations of our Sole Underwriter

The obligation of our Sole Underwriter to underwrite the Underwritten Shares under the Underwriting Agreement is conditional on the performance of our Company of our obligations under the Underwriting Agreement as at the date of the Underwriting Agreement, date of opening of Applications, date of closing of Applications and/or prior to the date of our Listing, as the case may be and conditional on the following:

(a) our Sole Underwriter receiving the certificate in the form or substantially in the form contained in the Underwriting Agreement, one dated the date of registration of the Prospectus and the other dated on the date of closing of Applications, both of which are to be signed by at least one Director of our Company (on behalf of our Board) stating that, to the best of knowledge and belief, after having made all reasonable enquiries with our Directors and management of our Company, there has been no such change, development or occurrence as set out in the Underwriting Agreement and being provided with the reports or confirmation and being satisfied at the date of registration of the Prospectus and the closing date of the Applications respectively that, among others:

(i) there is no occurrence of any change or any development likely to result in a prospective change in the financial position, business operations, cash flows or conditions (financial, operational or otherwise) of our Group taken as a whole and from that set out in the Prospectus which would have or is likely to have a material adverse effect, amongst others, the conditions (financial, operational or otherwise), contractual commitments, general affairs, Board, management, business, assets, liquidity, liabilities, prospects, earnings, shareholders' equity, business undertakings, properties or results or cash flows of operations of our Company and/or our Group; or the ability of our Company to perform in any respect our obligations under or with respect to, or to consummate the transactions contemplated by the Prospectus or the Underwriting Agreement; or the ability of our Company and/or our Group to conduct our businesses and to own or lease our assets and properties as described in the Prospectus; or our IPO including but not limited to the success of our IPO or the distribution or the sale of our IPO Shares pursuant to our IPO ("**Material Adverse Effect**");

(ii) there is no occurrence of any event or the discovery of any facts or circumstances which would render any representations, warranties or undertakings as set out in the Underwriting Agreement to be untrue or inaccurate, misleading or incorrect, not complied with, failure to be performed in any respect or result in a breach of the Underwriting Agreement by our Company;

(iii) there is no occurrence of any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political, social or fiscal or economic and other conditions or exchange control or currency exchange rates which in the opinion of our Sole Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in securities including our Shares in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:

(aa) on or after the date of the Underwriting Agreement; and

(ab) prior to the closing date of the Applications.

lower than 90% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;

(iv) there is no breach by our Company of any of our obligations under the approvals granted for our IPO, Listing and the Underwriting Agreement;

(v) all undertakings, representations, warranties and covenants of our Company under the Underwriting Agreement has been complied with and not breached; and

(vi) our Sole Underwriter being satisfied that our Company has satisfied all the conditions as set out in the Underwriting Agreement on our part to be performed.

(b) the Underwriting Agreement being signed by the relevant authorised signatories (as approved by our Board to sign on behalf of our Company) to the Underwriting Agreement and stamped within the statutory time frame;

(c) the Prospectus being in the form and substance satisfactory to our Sole Underwriter;

(d) the issue of the Prospectus not later than 2 months from the date of the Underwriting Agreement or such later date as our Sole Underwriter and our Company may mutually agree in writing;

(e) the registration of the Prospectus and such other documents as may be required in accordance with the CMSA, the Act and the Listing Requirements in relation to our IPO with Bursa Securities and the lodgement of the same with the Registrar of Companies of Malaysia ("**ROC**") by the date of opening of Applications;

(f) all necessary approvals including, but not limited to, the approvals referred to in the Underwriting Agreement remaining in full force and effect up to and including the date of our Listing and that all conditions to the approvals (except for any which can only be complied with after our Listing has been completed) have been complied with;

(g) the approval of Bursa Securities for our IPO, Listing and the admission of our Company to the Official List being obtained on terms acceptable to our Sole Underwriter and the approval of Bursa Securities and all such other approvals remaining in full force and effect and that all conditions (except for any which can only be complied with after our Listing has been completed) have been complied with to our Sole Underwriter's reasonable satisfaction;

(h) our Sole Underwriter being satisfied that our Company will, after the date of opening of Applications and following completion of the closing date of the Applications, be admitted to the Official List and our entire enlarged issued share capital listed and quoted on the ACE Market no later than 2 months from the date of the Underwriting Agreement unless mutually agreed to in writing by our Company and our Sole Underwriter;

(i) our Sole Underwriter receiving a copy duly certified by at least one Director or company secretary of our Company to be a true and accurate copy and in full force and effect, of a resolution of our Directors;

  (i) approving the Prospectus and the Application Forms (including a confirmation that our Directors, collectively and individually, accept full responsibility for the accuracy of all information stated in the Prospectus), the Underwriting Agreement and the transactions contemplated by it;

  (ii) authorising the issuance of the Prospectus and the Application Forms including the date of opening of Applications and the closing date of the Applications;

  (iii) authorising at least one Director to sign and deliver the Underwriting Agreement on behalf of our Company;

  (iv) approving our IPO and Listing and the transactions contemplated by each of the same; and

  (v) approving the allotment and issuance of our Issue Shares and/or transfer of the Offer Shares to successful investors/applicants under our IPO.

(j) all the resolutions referred to in subsection (i) above remaining in full force and effect up to and including the date of our Listing and none having been rescinded or revoked or varied;

(k) our IPO and/or our Listing not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with our IPO and/or our Listing have been obtained and are in force up to and including the date of our Listing;

(l) our Company and/or our subsidiaries does not have any actual or contingent liability under applicable laws or regulations or generally accepted accounting standards including but not limited to issues concerning human health and safety, pollution or protection of the environment or in relation to any interest in land and other assets which would have a material adverse effect on our Group's conditions (financial, operational or otherwise) including our IPO and/or our Listing. The contingent liability that may arise from warranty claims under the Group's product warranty policy is not expected to have a material adverse effect on the Group's financial conditions and results;

(m) our Sole Underwriter being satisfied that our Company has complied with and that our IPO and our Listing are in compliance with the policies, guidelines and requirements of Bursa Securities, the SC, the ROC and all other applicable securities laws and regulations, including all revisions, amendments and/or supplements to it;

(n) there being no occurrence of any specified event (i.e. an event which occurs after the date of the Underwriting Agreement up to the date of our Listing, which if it had occurred before the date of the Underwriting Agreement would have rendered any of the representations, warranties and undertakings in the Underwriting Agreement to be untrue, inaccurate, misleading or incorrect) up to and including the date of our Listing;

(o) there not having occurred on or prior to the date of our Listing any breach of and/or failure to perform any of the undertakings by our Company contained in the Underwriting Agreement;

(p) there not being any investigation, directions or actions or orders by any judicial, governmental or relevant authorities in relation to our Listing and/or in connection with compliance with any statute, ordinance, law, rule, regulation, judgment, order, decree, ruling, policy, guideline, practice notes, guidance notes, notices, circulars or directive issued or promulgated by any public, regulatory or governmental agency, body or authority or any court of competent jurisdiction by our Group, Directors, Selling Shareholders and/or our Promoter which is still subsisting or unresolved to the satisfaction of our Sole Underwriter up to and including the date of our Listing;

(q) there having been, as at the closing date of the Applications, no registration or lodgment of any amendment, supplement, or replacement to the Prospectus with Bursa Securities or the ROC without the prior written approval of our Sole Underwriter;

(r) the obligations of our Sole Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares not being prohibited by any statute, order, external rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority in Malaysia at any time on or before the date of our Listing; and

(s) our Sole Underwriter being satisfied with the arrangements of our Company to pay the expenses as set out in the Underwriting Agreement.

4.11.2 Termination of the Underwriting Agreement

Notwithstanding anything contained in the Underwriting Agreement, our Sole Underwriter may at its sole and absolute discretion terminate the Underwriting Agreement and withdraw its underwriting commitment upon the occurrence of any of the following:

(a) there is any breach by our Company of any of the representations, warranties or undertakings as set out in the Underwriting Agreement or which is contained in any certificate, statement or notice under or in connection with the Underwriting Agreement; or

(b) there is failure on the part of our Company or our Selling Shareholders to perform any obligations contained in the Underwriting Agreement; or

(c) there is withholding of information from our Sole Underwriter which is required to be disclosed pursuant to the Underwriting Agreement which, in the opinion of our Sole Underwriter, would have or can reasonably be expected to have, a Material Adverse Effect on the financial performance, cash flows and financial condition, business or operations or prospects of our Group, the success of our IPO, or the distribution or sale of our IPO Shares; or

(d) there shall have occurred, or happened any material and adverse change in the business or financial condition or operations or prospects of our Group and/or occurrence of event(s) expected to have a Material Adverse Effect; or

(e) the closing date of the Applications and subscription of our IPO Shares does not occur within 1 month from the date of opening of Applications, subject to the extension of the closing date of the Applications which is approved by our Sole Underwriter in consultation with Bursa Securities and/or the SC; or

(f) the occurrence of any force majeure event or any event or series of events beyond the reasonable control of our Sole Underwriter including (without limitation) acts of government, acts of God (including, without limitation, the occurrence of a tsunami and/or earthquakes), pandemic, epidemic, acts of terrorism, strikes, national disorder, declaration of a state of emergency, lockouts, fire, explosion, flooding, landslide, civil commotion, sabotage, acts of war, diseases or accidents which would have or can reasonably be expected to have a Material Adverse Effect or which has or is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to our IPO by the closing date of the Applications or pursuant to the underwriting of the Underwritten Shares; or

(g) there shall have occurred any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political, social or fiscal or economic conditions or exchange control or currency exchange rates or trade and tariff policies of the major Malaysian trading partners which in the opinion of our Sole Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in securities including the Shares in the secondary market). For the avoidance of doubt, if the Index is, at the close of normal trading on Bursa Securities, on any Market Day:

    (i) on or after the date of the Underwriting Agreement; and

    (ii) prior to the closing date of the Applications,

    lower than 90% of the level of Index at the last close of normal trading on Bursa Securities on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition; or

(h) any new law or change in law, regulation, directive, policy or ruling in any jurisdiction, interpretation or application by the court/authorities which has/likely to have a Material Adverse Effect on our Group and/or materially prejudice the financial performance and financial condition, business or prospects or operations of our Group, the success of our IPO, or our Listing or market conditions generally or which has or is likely to have the effect of making the Underwriting Agreement incapable of performance in accordance with its terms; or

(i) any imposition of moratorium, suspension or material restriction on trading of securities on Bursa Securities; or

(j) any government requisition or occurrence of any other nature which would have or is likely to have a Material Adverse Effect on the business, operations and/or financial performance and financial condition or business or prospects or operations of our Group or the sale and distribution of the IPO Shares, the success of our IPO or our Listing; or

(k) our IPO is stopped or delayed by our Company or Bursa Securities or the SC or any other relevant authorities for any reason whatsoever (unless such delay has been approved by our Sole Underwriter); or

(l) any commencement of legal proceedings or action by relevant authorities and creditors against any member of our Group or any of our Directors, Selling Shareholders and Promoter which in the opinion of our Sole Underwriter, would have or is likely to have a Material Adverse Effect or make it impracticable to market our IPO or to enforce contracts to allot, issue and/or transfer our IPO Shares; or

(m) any one of the Prospectus and Application Forms (i) having been terminated or rescinded in accordance with its terms; (ii) ceased to have any effect whatsoever, or (iii) varied or supplemented upon terms and such variation or supplementation would have or likely to have a Material Adverse Effect; or

(n) any of the resolutions or approvals referred to in Section 4.11.1 of this Prospectus is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have or is likely to have a Material Adverse Effect; or

(o) if Bursa Securities, the SC (if applicable) or any other relevant authorities issues an order pursuant to any Malaysian law such as to make it impracticable to market our IPO or to issue and allot and/or transfer the IPO Shares and/or the application and subscription of the IPO Shares by the Malaysian Public, Eligible Persons, and selected investors; or

(p) any other event in which a Material Adverse Effect has occurred or which in the opinion of our Sole Underwriter is likely to occur; or

(q) if the obligations of our Sole Underwriter to subscribe for and/or procure subscriptions for the Underwritten Shares is or becomes prohibited by any statute, order, rule, directive or regulation amended, supplemented or introduced after the date of the Underwriting Agreement by any legislative, executive or regulatory body or authority of any jurisdiction; or

(r) in the event that our Listing is withdrawn or not procured or procured but subject to conditions not acceptable to our Sole Underwriter or does not take place within 2 months from the date of the Underwriting Agreement or such other extended date as may be agreed in writing by our Sole Underwriter in consultation with Bursa Securities and/or the SC (if applicable).

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

5.1 PROMOTER AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoter's and substantial shareholders' shareholdings

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

		After the Acquisition and before IPO				After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Promoter and substantial shareholder									
Lim Tzer Haur	Malaysian	486,445,163	72.00	-	-	433,463,263	53.02	-	-
Substantial shareholders									
Ng Kel Mynn	Malaysian	121,611,266	18.00	-	-	108,365,766	13.25	-	-
Ong Hsiao Loong	Malaysian	67,561,814	10.00	-	-	60,203,214	7.36	-	-

Notes:

(1) Based on our issued share capital of 675,618,243 Shares after the Acquisition and before our IPO.

(2) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

Our Promoter and substantial shareholders do not have different voting rights from the other shareholders of our Company as all our Shares before and after our IPO are of the same class.

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5.1.2 Profiles of our Promoter and substantial shareholders

The profiles of our Promoter and substantial shareholders are set out below:

(a) Lim Tzer Haur
Promoter, substantial shareholder and Managing Director

Lim Tzer Haur, a Malaysian, aged 40, is our Group's Promoter, substantial shareholder and Managing Director. He was appointed to our Board on 28 November 2024. He is responsible for charting the business direction of our Group, setting growth strategies, overseeing business development and financial matters.

He graduated with a Bachelor of Engineering (Honours) Electronics from Multimedia University in 2008. In 2023, he was appointed as a committee member of Malaysian Photovoltaic Industry Association for the term 2023 to 2025.

Upon graduation, he began his career at Vitrox Corporation Berhad, which is listed on the Main Market of Bursa Securities, as Application Engineer where he was responsible for developing and customising the software of the company's automated vision inspection equipment. He resigned in 2009.

In 2010, he joined Public Bank Berhad as Sales and Marketing Executive, Mortgage, where he was responsible for promoting the bank's mortgage products to existing and new customers. He resigned in 2011.

In the same year, he joined Malayan Banking Berhad as Mortgage Consultant where he continued with similar responsibilities as in Public Bank Berhad in promoting the bank's mortgage products to existing and new customers. He resigned in 2013.

After conducting his own research on the solar PV industry and recognising its potential, he established Verdant Enterprise in 2013 as a sole proprietorship, specialising in the sales and marketing of solar PV systems. He managed daily business operations, business development and project planning. As the business expanded, he incorporated VSSB in 2015 to assume its operations. Consequently, Verdant Enterprise was dissolved in 2016 following the incorporation of VSSB.

In 2015, he was appointed as the Chief Executive Officer of VSSB where he assumed his current responsibilities and continues to hold his position to-date.

Further details of his directorships in other companies are as set out in Section 5.2.3 of this Prospectus.

(b) Ng Kel Mynn
Non-Independent Executive Director, substantial shareholder, and People and Culture Manager

Ng Kel Mynn, a Malaysian, aged 38, is our Non-Independent Executive Director, substantial shareholder, and People and Culture Manager. She was appointed to our Board on 28 November 2024. She is responsible for overseeing human resources as well as shaping and advancing organisational culture across our Group.

She graduated with a Bachelor of Engineering (Honours) Electronics from Multimedia University in 2010.

She began her career as Quality Assurance Executive at Telekom Malaysia Berhad in 2010 and was tasked with managing the deployment of change management system in the network operation centre. In 2013, she was promoted to Strategic Transformation Consultant. In this capacity, she led critical transformation projects aimed at improving service culture and operational efficiency. She played a key role in deploying change management systems and spearheading initiatives that optimised business operations and customer experience.

She was later seconded to Lyfe Medini Sdn Bhd as Project Management & Solution Consultant in 2016 where she reports directly to the chief executive officer. Her responsibilities include spearheading the smart city development projects and implementing various smart solutions such as implementation of Wi-Fi infrastructure.

In 2018, she returned to Telekom Malaysia Berhad as Customer Insight & Retention Consultant where she was involved in the project management of Unifi Digital portfolios. In 2019, she left the company.

In the same year, she joined PLUS Malaysia Berhad as Strategic Narratives Lead - Change Management, Change Management Office. During her tenure here, she oversaw high-impact initiatives that enhanced workforce productivity, refined operational processes, and spearheaded multiple digital transformation initiatives. Her strategies fostered a culture of continuous improvement and excellence within the organisation. She left PLUS Malaysia Berhad in 2021.

In 2015, she was appointed as Director of VSSB and supported with the recruitment process and social media works during her personal time while she remained employed in her full-time job with the respective companies mentioned above. She resigned as Director of VSSB in 2020 as VSSB decided to streamline its board composition at the time. In 2021, after leaving her full-time role in PLUS Malaysia Berhad, she rejoined VSSB as the People and Culture Manager where she assumed her current responsibilities to fully focus on supporting VSSB's growth, particularly in expanding and strengthening the team and continues to hold her position to-date.

Further details of her directorships in other companies are as set out in Section 5.2.3 of this Prospectus.

(c) Ong Hsiao Loong
Substantial shareholder

Ong Hsiao Loong, a Malaysian, aged 43, is our Group's substantial shareholder.

He graduated with a Bachelor of Arts (Marketing) from University of Hertfordshire, United Kingdom in 2003.

Upon graduation, he began his career as Marketing and Communication Executive at Mutiara Hotel Kuala Lumpur in 2003, where he was involved in marketing, promotions, public relations and event planning.

In 2004, he left the company and joined Tunku Abdul Rahman College as Marketing and Communication Executive/Graphic Designer, where he was involved in the college's rebranding and the designing of marketing materials.

In 2006, he left Tunku Abdul Rahman College and joined Brilliant Intelligent Sdn Bhd as Director. He was responsible for marketing and establishing the hair academy before leaving in 2009.

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

In 2007, he joined Maquillage Academy Sdn Bhd as Director, where he was responsible for the marketing, graphic designing and managing the academy's course administration. He resigned from his position in the same year.

He founded The Beauty Hub as a sole proprietor in 2008, where he managed the overall operations and business strategy. In 2011, the sole proprietorship was voluntarily dissolved to focus on his other business ventures.

In 2009, he founded SMEC Services as a sole proprietorship, where he provided graphic designing and advertising services as well as event and exhibition organiser. The sole proprietorship was voluntarily dissolved in 2013.

In 2011, he founded KLPJ Events Sdn Bhd as Director to take over the business of SMEC Services, where he was responsible for the overall management and business direction of the company. KLPJ Event Sdn Bhd is principally involved in organising wedding fairs in Peninsular Malaysia. In 2021, he founded Bridepay Sdn Bhd, an online marketplace for wedding gowns, suits and related products, to complement his business in the wedding industry.

In 2020, he became a substantial shareholder in VSSB. He does not have other involvement in VSSB and is merely a passive investor.

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5.1.3 Changes in the Promoter's and substantial shareholders' shareholdings for the past 3 years

Save as disclosed below, there has been no change in our Promoter and substantial shareholders' respective shareholdings in our Company since the date of incorporation and up to the LPD are as follows:

	As at incorporation				After the Acquisition and before IPO				After IPO [(1)]			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Shares	%	No. of Shares	%	No. of Shares	%[(2)]	No. of Shares	%[(2)]	No. of Shares	%[(3)]	No. of Shares	%[(3)]
Lim Tzer Haur	100	100.00	-	-	486,445,163	72.00	-	-	433,463,263	53.02	-	-
Ng Kel Mynn	-	-	-	-	121,611,266	18.00	-	-	108,365,766	13.25	-	-
Ong Hsiao Loong	-	-	-	-	67,561,814	10.00	-	-	60,203,214	7.36	-	-

Notes:

(1) Assuming all Offer Shares are fully placed out to selected investors.

(2) Based on our issued share capital of 675,618,243 Shares after the Acquisition and before our IPO.

(3) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

5.1.4 Persons exercising control over the corporation

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

5.1.5 Benefits paid or intended to be paid or given to our Promoter or substantial shareholders

Save for the following, there is no amount and benefit that has been or is intended to be paid or given to our Promoter and substantial shareholders within the 2 years preceding the date of this Prospectus:

(a) dividends paid or to be paid to our Promoter and substantial shareholders as detailed below:

Promoter and substantial shareholders	Dividends paid			
	FYE 2023	FYE 2024[(1)]	FYE 2025	1 July 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000
Lim Tzer Haur	144	370	2,952	3,600
Ng Kel Mynn	36	65	766	900
Ong Hsiao Loong	20	36	425	500
Total	**200**	**471**	**4,143**	**5,000**

Note:

(1) Comprising RM0.36 million (cash) and RM0.11 (dividend in specie for offsetting the amount owing by a Director (i.e., Lim Tzer Haur)).

(b) issuance of our Shares as consideration pursuant to the Acquisition as set out in Section 6.1.2 of this Prospectus; and

(c) aggregate remuneration and benefits paid and proposed to be paid for services rendered to our Group in all capacities as set out in Section 5.2.4 of this Prospectus.

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5.2 DIRECTORS

5.2.1 Directors' shareholdings

The shareholdings of our Directors in our Company before and after our IPO assuming that our Directors will fully subscribe for their respective entitlements under the Pink Form Allocations as set out in Section 4.3.1 of this Prospectus are set out below:

		After the Acquisition and before IPO				After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Designation / Nationality	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Chairman / Malaysian	-	-	-	-	300,000	0.04(3)	-	-
Lim Tzer Haur	Managing Director / Malaysian	486,445,163	72.00	-	-	433,463,263	53.02	-	-
Ng Kel Mynn	Non-Independent Executive Director / Malaysian	121,611,266	18.00	-	-	108,365,766	13.25	-	-
Kee Tze Hui	Non-Independent Executive Director, Chief Operating Officer / Malaysian	-	-	-	-	2,000,000	0.24(3)	-	-
Geetha Kandiah	Independent Non-Executive Director / Malaysian	-	-	-	-	200,000	0.02(3)	-	-
Po Yih Ming	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	0.04(3)	-	-
Fadli Riza Bin Ramli	Independent Non-Executive Director / Malaysian	-	-	-	-	300,000	0.04(3)	-	-

Notes:

(1) Based on our issued share capital of 675,618,243 Shares after the Acquisition and before our IPO.

(2) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

(3) Assuming all our Shares allocated to him/her under the Pink Form Allocations are fully subscribed.

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5.2.2 Profiles of Directors

Save for the profile of Lim Tzer Haur and Ng Kel Mynn, which have been disclosed in Section 5.1.2 of this Prospectus, the profiles of our Directors are as follows:

(a) Ong Wei Liam @ Jeremy Ong
Independent Non-Executive Chairman

Jeremy Ong, a Malaysian aged 47, is our Independent Non-Executive Chairman. He was appointed to our Board on 12 February 2025.

He graduated with a Bachelor of Commerce from the University of Queensland, Australia in 2002.

He began his career by joining the Financial Management Programme ("**FMP**") of General Electric International, Inc. ("**GE**") in 2002. He was tasked with various aspects of financial management, including financial planning, operations analysis, accounting, auditing, forecasting and treasury management with the associated companies of GE operating in various business segments in Malaysia, the USA and China.

In 2004, he joined GE (China) Co. Ltd., an associated company of GE in Shanghai, China as Manager of Finance Analysis and Planning/Risk under the GE Transportation-Aircrafts Engines business segment, where he was responsible for leading the team tasked with compliance, financial planning risk and cash management.

In 2006, he joined GE's Corporate Finance, Malaysia as a member of GE's corporate audit staff ("**CAS**"). In this role, he performed governance and corporate audit duties for GE across various countries and industries in locations such as the USA, Canada, China, Japan, France, Hungary, India and Southeast Asia.

Since 2008, he led the finance teams in GE Oil & Gas, Singapore as a Supply Chain Finance Manager for Vetco Gray in the Asia Pacific region with manufacturing sites in Singapore, China and Indonesia. In 2010, he joined GE Global Business Services Asia Pacific, Singapore as Finance Manager, where he was responsible for leading the overall finance team in 13 countries in the Asia Pacific region.

In 2012, he left GE Global Business Services Asia Pacific and joined CCI (Asia Pacific) Pte. Ltd. based in Singapore, a company involved in the provision of design, manufacturing and servicing services for control and isolation valves, as Asia Chief Financial Officer. He was responsible for leading the overall financial and governance function for the financial matters of the company with manufacturing sites located in India, Japan and Korea.

In 2014, he returned to Malaysia and joined the Hextar Group of companies involved in specialty chemicals, fertilizers, energy solutions and consumer products, as its Group Chief Operating Officer, where he was responsible for the planning and implementation of business operations, establishing policies and overseeing operations of the company. He led the restructuring of shared service support for the company as well as the investment management, business development and diversification initiatives of the company. He left Hextar Group in 2016.

In 2015, he was appointed as Independent Non-Executive Director of Denko Industrial Corporation Berhad (now known as ATA IMS Berhad) (a company listed on the Main Market of Bursa Securities), which was then involved in the business of plastic injection moulding. He was also appointed as a member of the nominating committee, remuneration committee and audit committee of ATA IMS Berhad in 2015, where he was involved in overseeing board practices as well as corporate governance and compliance of the company. He subsequently resigned as Independent Non-Executive Director of the company in 2017.

He founded Trunnion Bridge Sdn Bhd and Treo Capital Sdn Bhd in 2016 and 2018 respectively to venture into the business of providing advisory and consultancy services as Chief Executive Officer where he leads the companies in providing management and strategic advisory services to clients in various respects. He was redesignated to non-executive director in Trunnion Bridge Sdn Bhd in 2024.

He currently sits on the Board of Vestland Berhad (a company listed on the ACE Market of Bursa Securities) as an Independent Non-Executive Director.

Further details of his directorships in other companies are as set out in Section 5.2.3 of this Prospectus.

(b) Kee Tze Hui
Non-Independent Executive Director and Chief Operating Officer

Kee Tze Hui, a Malaysian, aged 40, is our Non-Independent Executive Director and Chief Operating Officer. He was appointed to our Board on 12 February 2025. He is responsible for overseeing supply chain, digitalisation, customer service and operations functions.

He graduated with a Bachelor of Engineering in Chemical Engineering from University College London, United Kingdom in 2009. He is also a member of the Institute of Chartered Accountants in England and Wales ("**ICAEW**") since 2014.

He began his career as Audit Associate at PricewaterhouseCoopers LLP, United Kingdom in 2010, where he was tasked with assisting in audits engagements for clients of the firm. During his tenure at PricewaterhouseCoopers LLP, he was promoted to the position of Audit Senior Associate and subsequently to the position of Manager, where he led and managed the audit team on audit assignments. In 2016, he resigned from the firm.

In 2017, he was engaged on a contractual basis with the United Kingdom office of Rio Tinto PLC, a company listed on the London Stock Exchange, as Forensic Accountant, where he was involved in forensic investigation exercises. His contract came to an end in the same year.

In 2018, he joined ZPG PLC (now known as Zoopla Limited), United Kingdom, as a Group Reporting Manager. During his tenure at ZPG PLC, he oversaw the company's financial matters, reviewed financial statements, and reported findings to the Board. He left ZPG PLC in 2019.

In the same year, he returned to Malaysia and joined Supahands Dotcom Sdn Bhd ("**Supahands**") as Head of Finance where he was responsible for overseeing finance and operations. He was working alongside the technology and product teams. In addition, he was involved in the delivery department and oversaw the operations of the cross-functional delivery team, executed customer-centric projects, and managed service delivery standards. He left the company in 2023.

In the same year, he was appointed as the Chief Operating Officer of VSSB, where he assumed his current responsibilities and continues to hold his position to-date. While his foundational career began in finance, his role has progressively evolved to encompass operational leadership across various functions. He was also exposed to digitalisation initiatives and operational workflows from his tenure at Supahands and prior engagements.

Further details of his directorships in other companies are as set out in Section 5.2.3 of this Prospectus.

(c) Geetha Kandiah
Independent Non-Executive Director

Geetha Kandiah, a Malaysian, age 43, is our Independent Non-Executive Director. She was appointed to our Board on 12 February 2025. She is also the Chairperson of our Nomination Committee and a member of our Remuneration Committee and Audit and Risk Management Committee.

She graduated with a Bachelor of Laws from University of Bristol, United Kingdom in 2004. In 2005, she was called to the Bar of England and Wales as a Barrister-at-Law - Lincoln's Inn, United Kingdom and subsequently called to the Malaysian Bar in 2006. She is a registered Trademark agent since 2008, a registered Patent agent and a registered Industrial Design Agent since 2009 with MyIPO. She has also been a registered Franchise Consultant with the Ministry of Domestic Trade and Consumer Affairs (now known as Ministry of Domestic Trade and Cost of Living) since 2009. Since 2023, she is a Certified Patent Valuation Analyst by The Business Development Academy.

She has been a member of the International Trademark Association since 2007. Since 2017, she is a member of the Hong Kong – Malaysia Business Association. She has also been a steering committee member of the 30% Club Malaysia since 2023, a global business-led campaign to advocate for gender parity in boardrooms and senior leadership. She was the President of the Malaysian-German Chamber of Commerce and Industry from 2024 to 2025.

She commenced her pupillage at Shahrizat Rashid & Lee in 2005 where she assisted the legal associates in litigation, corporate and conveyancing matters. In 2006, she left the firm following the completion of her pupillage.

In the same year, she joined Kandiah & Associates Sdn Bhd (now known as KASS International Sdn Bhd) as a Trademark and Franchise Executive where she provided consultancy services to international and local clients on trademark and franchise law. Following an organisational restructuring, she was transferred to KASS International Sdn Bhd in 2008. She was promoted to Manager of the Trademark and Franchise Department in the same year, where she was responsible for overseeing the trademark department and providing consultancy on intellectual property matters, including trademarks, industrial design and copyright. In 2010, she was promoted to Director, where she assisted with the management and operations of the company. In 2023, she was promoted to Chief Executive Officer, a position she continues to hold to-date. As the Chief Executive Officer, she oversees the company's operations and leads the leadership team to devise strategies and services for clients by leveraging on her experience in handling international portfolios, domain name disputes and all aspects of trademarks, copyrights, designs, franchising and licensing in a variety of industries.

Further details of her directorships in other companies are as set out in Section 5.2.3 of this Prospectus.

(d) Po Yih Ming
Independent Non-Executive Director

Po Yih Ming, a Malaysian, age 66, is our Independent Non-Executive Director. She was appointed to our Board on 12 February 2025. She is also the Chairperson of our Audit and Risk Management Committee and a member of our Remuneration Committee and Nomination Committee.

She graduated with a Bachelor's Degree in Accounting from Universiti Malaya in 1983. She is a member of the Malaysian Institute of Accountants ("**MIA**") since 1988 and a Chartered Accountant since 2001. She has also been a member of the Chartered Tax Institute of Malaysia since 1993. Since 2020, she is a member of the Institute of Corporate Directors Malaysia. In 2007, she became a member of the International Fiscal Association and has been an executive committee member since 2010. She is also a steering committee of the 30% Club Malaysia since 2022, a global business-led campaign to advocate for gender parity in boardrooms and senior leadership.

She began her career as Tax Assistant at Price Waterhouse Tax Services Sdn Bhd (now known as PricewaterhouseCoopers Taxation Services Sdn Bhd) in 1983, where she prepared tax computations, submitted tax returns and performed external audit field work. She was subsequently promoted to Tax Senior, where she took on expanded responsibilities, including the preparation of tax computations and performing external audit work. She left the company in 1985.

In the same year, she joined Samanda Holdings Berhad (now known as WTK Holdings Berhad, a company listed on the Main Market of Bursa Securities) as Tax Executive. She was responsible for handling the tax compliance functions for the group of companies, preparing tax advice and working with external advisers and group internal finance teams on projects. She resigned from the company in 1991.

In 1991, she returned to Price Waterhouse Tax Services Sdn Bhd as Consultant where she was involved in tax compliance and advisory. She was subsequently promoted to a Senior Consultant, where she managed client portfolios and provided strategic tax planning. In 1994, she was promoted to Managing Consultant where she was responsible for supervising the team on delivering tax compliance and advisory. In 1998, she was promoted to Executive Director, and she was responsible for managing a team responsible for tax compliance and advisory work, ensuring the technical quality of deliverables and supporting external audit functions. In 2005, she was made Partner & Tax Leader of the Energy, Utilities, Multimedia & Info communications team. In 2012, she assumed the role as Partner & Tax Leader for International Tax Services / Mergers & Acquisitions, where she led the business unit and provided mergers and acquisitions advisory, identified tax planning opportunities and undertook corporate review and restructuring of companies. In 2019, she retired from the company.

She currently sits on the Board of Sentral REIT Management Sdn Bhd (management company of Sentral REIT, which is listed on the Main Market of Bursa Securities) as an Independent Non-Executive Director.

Further details of her directorships in other companies are as set out in Section 5.2.3 of this Prospectus.

(e) Fadli Riza Bin Ramli
Independent Non-Executive Director

Fadli Riza Bin Ramli, a Malaysian, age 48, is our Independent Non-Executive Director. He was appointed to our Board on 12 February 2025. He is also the Chairperson of our Remuneration Committee, and a member of our Audit and Risk Management Committee and Nomination Committee.

He obtained a Master of Engineering with First Class Honours in Electrical and Electronic Engineering from Imperial College of Science, Technology and Medicine, University of London, United Kingdom in 2000. In 2004, he was admitted to The Institute of Chartered Accountants in England and Wales.

Upon graduation, he embarked on his professional journey as an Auditor at Blick Rothenberg Chartered Accountants in London, United Kingdom. In this role, he assisted with preparing statutory financial statements, reviewing management accounts, and analyzing board minutes for small and medium-sized enterprises (SMEs) across the UK. His work focused on ensuring the accuracy and compliance of financial records, offering invaluable insights to clients. He left the company in 2004.

In the same year, he joined Amersham PLC in London as Internal Auditor. Pursuant to the acquisition of Amersham Plc by General Electric (GE) in 2004, he was selected to join GE's Career Acceleration Program with the CAS. In this role, he was responsible for conducting comprehensive risk and control-based financial audits, establishing sustainable process improvements, and leading regulatory compliance audits across multiple industries and countries spanning three continents.

He was subsequently promoted to Audit Manager within the CAS in 2006, where his responsibilities include overseeing teams of auditors and spearheaded financial audits, with a specific focus on the financial services sector across Europe and Asia. His work was heavily concentrated on ensuring regulatory compliance and ensuring that the global operations of GE is maintained at the highest standards.

In 2007, he transitioned to GE Oil & Gas in Singapore as the Operational Finance Controller for the Asia Pacific and Middle East regions. In this role, he led finance teams across multiple countries, managed both statutory and United States Generally Accepted Accounting Principles (US GAAP) reporting, and ensured rigorous controllership and compliance. Additionally, he was responsible in overseeing the integration activities of newly acquired businesses, ensuring smooth transitions and operational efficiency.

He was subsequently promoted in 2010 to Senior Finance Controller for GE Energy, based in Singapore, in which he took on broader finance responsibilities, including overseeing GE Oil & Gas, GE Power & Water, and Energy Management operations across multiple countries and legal entities.

In 2013, he was transferred to GE Mining as the Global Finance Operations Leader covering both the financial controllership as well as financial planning and analysis functions based in Brisbane, Australia. In this role, he was responsible for the integration of the newly acquired businesses, formulate policies for harmonization of businesses, process simplification, business restructuring and headcount rationalization during a period of high commodity market volatility.

In 2015, he was later appointed as the Chief Financial Officer for GE Power Services, overseeing operations across the Gulf countries, with his base in Saudi Arabia. In 2018, his responsibilities expanded to include the South Asian region, covering India, Pakistan, and Bangladesh. In this role, he provided critical finance leadership, driving business growth across 10 countries where he played a pivotal role in the process integration of the newly acquired Alstom business, ensuring seamless operations and alignment with GE's strategic objectives.

In 2021, he joined Worley, a global engineering consulting company, as Vice President of Portfolio Management, overseeing operations in Saudi Arabia, Bahrain, and Egypt. In this role, he is responsible for leading key project support functions, including cost control, planning, procurement, and contracting. Additionally, he spearheads the quarterly budgeting and forecasting cycles, working closely with the chief executive officer to develop business growth strategies. In April 2025, he was redesignated as Vice President of Project Services, while retaining the same responsibilities. He continues to hold this position to date.

Further details of his directorships in other companies are as set out in Section 5.2.3 of this Prospectus.

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5.2.3 Involvement of our Directors in other principal business activities outside our Group

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

(a) Ong Wei Liam @ Jeremy Ong

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Present involvement						
Treo Capital Sdn Bhd	Provision of advisory and consultancy services in business management system	Director / Shareholder	18 December 2018	-	100.00	-
Trunnion Bridge Sdn Bhd	Provision of advisory and consultancy services in business management system	Director / Indirect Shareholder	18 December 2018	-	-	40.00[(1)]
Missterio Marketing Sdn Bhd	Trading of cosmetics, health products and pharmaceutical	Director / Shareholder	5 April 2019	-	50.00	-
Dbundlejungle Sdn Bhd	Provision of manicure and pedicure, health-care treatment, wellness and beauty services and distribution of skin and beauty products	Director / Indirect Shareholder	10 October 2019	-	-	51.00[(1)]
Treo Ventures Sdn Bhd	Dormant with intended future activity in investment holding of companies	Director / Indirect Shareholder	30 August 2021	-	-	100.00[(1)]
Innotreo Sdn Bhd	Manufacture of premix mortar, concretes and glazer	Indirect Shareholder	-	-	-	50.00[(1)]

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Studio Twenty Pte. Ltd(2)	Management consultancy services, development of software and applications	Director / Shareholder	9 December 2017	-	50.00	-
Vestland Berhad (Listed on the ACE Market of Bursa Securities)	Investment holding with subsidiary principally engaged as builders and contractor for construction work	Independent Non-Executive Director	21 April 2022	-	-	-
Jac & Ivy Pte Ltd(2)	Provision of manicure and pedicure services	Director / Shareholder	6 March 2024	-	50.00	-
Siestaz Sdn Bhd	Provision of information technology services	Shareholder	-	-	8.29	-
Civil Tech Resources Sdn Bhd	• Dormant and in the process of winding up • Previously involved in civil engineering and ground engineering	Shareholder	-	-	8.00	-
Treo Intelligence Sdn Bhd	Dormant with intended future activity in management consultancy services for financial analytics	Shareholder	-	-	100.00	-
InnoCSR Co. Ltd(3)	Manufacture, wholesale, retail trade and consulting	Shareholder	-	-	1.48	-
MJ Cap Sdn Bhd	Business management consultancy services; investment holding of companies	Indirect Shareholder	-	-	-	50.00(1)

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Ativo Venture Sdn Bhd	Hairdressing and other beauty treatment	Indirect Shareholder	-	-	-	30.00[(4)]
MJ Corporate Services Sdn Bhd	Business management consultancy services	Indirect Shareholder	-	-	-	90.00[(4)]
Past Involvement						
JMJ Capital Sdn Bhd	Investment holding of companies	Director	19 March 2021	21 March 2022	33.01[(5)]	-
Innotreo Sdn Bhd	Manufacture and deal in premix mortar, concretes, glazer tiles/tiles of all descriptions	Director	17 September 2021	11 January 2022	-	-

Notes:

(1) Deemed interested by virtue of his shareholding in Treo Capital Sdn Bhd pursuant to Section 8(4) of the Act.

(2) An entity incorporated in Singapore.

(3) An entity incorporated in South Korea.

(4) Deemed interested by virtue of his indirect interest in MJ Cap Sdn Bhd through Treo Capital Sdn Bhd pursuant to Section 8(4) of the Act.

(5) On 14 April 2022, he disposed of all his shares in JMJ Capital Sdn Bhd to non-related parties.

(b) Lim Tzer Haur

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Present involvement						
Nil						
Past Involvement						
Doffles Lab	Sale and supply of food and beverages	Partner	22 July 2015	Dissolved on 24 June 2021	-	-

(c) Ng Kel Mynn

As at the LPD, Ng Kel Mynn does not have any principal directorships and principal business activities performed outside of our Group.

(d) Kee Tze Hui

As at the LPD, Kee Tze Hui does not have any principal directorships and principal business activities performed outside of our Group.

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

(e) Geetha Kandiah

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Present involvement						
Kass International Sdn Bhd	Registration services of trademarks, patents, design and advice on copyright	Director / Shareholder	10 April 2008	-	50.00	-
Kandiah & Associates Sdn Bhd	Acquire, hold, lease or rental of premises, providing maintenance services and contract of cleaning	Director	10 April 2008	-	-	-
Spice International Group Berhad (Unlisted public company)	Dealers, importers and exporters, distributers, wholesalers and retail dealers, suppliers, agents in all types of food and beverage products and services; franchise activities and opening franchise agents and dealing with all types of food and beverage products and services.	Shareholder	-	-	5.00	-
PT KASS Indonesia IP Services[(1)]	Intellectual property services	Director / Indirect Shareholder	5 April 2010	-	-	100.00[(2)]
KASS Myanmar IP Services Co Ltd[(3)]	Intellectual property services	Director / Shareholder	24 November 2017	-	50.00	-
KASS IP Services (Thailand) Co., Ltd[(4)]	Intellectual property services	Director / Shareholder	20 October 2019	-	20.00	-
KASS Regional IP Services Pte Ltd[(5)]	Intellectual property services	Director / Shareholder	21 September 2021	-	100.00	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
KASS Philippines IP Services Inc(6)	Intellectual property services	President / Shareholder	12 March 2024	-	1.00	98.00(2)
Dynamic Trailblazers PLT	Business and other management consultancy services	Partner	20 January 2020	-	-	-
AMS Advanced Material Berhad (Unlisted public company)	Investment holding of companies with subsidiaries principally involved in manufacturing and processing of metal products	Independent Non-Executive Director	2 May 2025	-	-	-
Past Involvement						
Austin International Coffee Sdn Bhd	Dormant (struck off on 13 November 2020)	Shareholder	-	-	<0.01	-

Notes:

(1) An entity incorporated in Indonesia.

(2) Deemed interested by virtue of her shareholding in Kass International Sdn Bhd and KASS Regional IP Services Pte Ltd pursuant to Section 8(4) of the Act.

(3) An entity incorporated in Myanmar.

(4) An entity incorporated in Thailand.

(5) An entity incorporated in Singapore.

(6) An entity incorporated in the Philippines.

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

(f) Po Yih Ming

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Present involvement						
Sentral REIT Management Sdn Bhd	Management company of Sentral REIT	Independent Non-Executive Director	17 July 2020	-	-	-
Frontier Digital Ventures Limited[(1)] (Listed on the Australian Securities Exchange)	Operating online classified marketplace in emerging and developing countries and regions	Shareholder	-	-	0.02	-
Sentral REIT (Listed on the Main Market of Bursa Securities)	Real estate investment trust	Unitholder[(2)]	-	-	<0.01	-
QBE Insurance (Malaysia) Berhad (Unlisted public company)	Underwriting of all classes of general insurance business	Independent Non-Executive Director	13 April 2025	-	-	-
Past Involvement						
Frontier Digital Ventures Limited[(1)] (Listed on the Australian Securities Exchange)	Operating online classified marketplace in emerging and developing countries and regions	Independent Non-Executive Director	8 November 2021	1 September 2025	-	-

Notes:

(1) An entity incorporated in Australia.

(2) *As at the LPD, Po Yih Ming holds 100,000 units (<0.01%) in Sentral REIT while serving as the Independent Non-Executive Director of Sentral REIT Management Sdn Bhd, management company of Sentral REIT.*

(g) Fadli Riza Bin Ramli

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Present involvement						
FRR Properties Holdings Sdn Bhd	Property investment holding company	Director / Shareholder	20 October 2011	-	99.50	-
Dua Sentral Signature Facility Berhad (Unlisted public company)	Provision of facility management services	Shareholder	-	-	0.56	-
Past Involvement						
Nil						

The involvement of our Independent Non-Executive Directors in other businesses or corporations outside our Group will not affect their contribution to our Group as they are not involved in the day-to-day operations of our Group.

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5.2.4 Directors' remuneration and benefits

The aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2025 and 2026 are as follows:

FYE 2025 (Actual)	Directors' fees RM'000	Salaries RM'000	Bonuses RM'000	Benefits-in-kind and allowance RM'000	Statutory contributions(1) RM'000	Total RM'000
Ong Wei Liam @ Jeremy Ong	-	-	-	-	-	-
Lim Tzer Haur	36	390	512	21	110	1,069
Kee Tze Hui	-	302	427	22	89	840
Ng Kel Mynn	-	182	210	10	49	451
Geetha Kandiah	-	-	-	-	-	-
Po Yih Ming	-	-	-	-	-	-
Fadli Riza Bin Ramli	-	-	-	-	-	-

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

FYE 2026 (Proposed)	Directors' fees RM'000	Salaries RM'000	Bonuses[(1)] RM'000	Benefits-in-kind and allowance RM'000	Statutory contributions[(2)] RM'000	Total RM'000
Ong Wei Liam @ Jeremy Ong	63[(3)]	-	-	4	-	67
Lim Tzer Haur	45	429	-	21	52	547
Kee Tze Hui	36	370	-	22	45	473
Ng Kel Mynn	36	203	-	4	25	268
Geetha Kandiah	36[(3)]	-	-	2	-	38
Po Yih Ming	36[(3)]	-	-	2	-	38
Fadli Riza Bin Ramli	36[(3)]	-	-	2	-	38

Notes:

(1) *Bonuses for the FYE 2026 will only be determined later depending on the performance of our Group, subject to the recommendation by our Remuneration Committee and approval of our Board. The Executive Directors shall abstain from the deliberation and voting on the board resolution in relation to bonuses payable to them, if any.*

(2) *Statutory contributions consist of EPF, SOCSO and Employment Insurance System.*

(3) *The Directors' fees and meeting allowances to our Independent Non-Executive Directors will only be payable upon our Listing.*

The remuneration which includes our Directors' salaries, bonuses, fees and allowances as well as other benefits, must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board, subject to the provisions of our Constitution. Our Directors' fees and/or benefits must be further approved by our shareholders at a general meeting.

5.3 BOARD PRACTICE

5.3.1 Board

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

(a) Overseeing and evaluating the conduct and sustainability of the businesses of our Group;

(b) Reviewing and adopting the overall strategic direction, business plans, and annual budgets of our Group, including major capital commitments;

(c) Ensuring that the strategic plan of our Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;

(d) Establishing key performance indicators and succession plans;

(e) Reviewing and approving new ventures, major acquisitions and disposal of undertakings and properties;

(f) Reviewing, challenging and deciding on management's proposals for our Company and monitoring their implementation by management;

(g) Supervising and assessing management performance to determine whether the business is being properly managed;

(h) Identifying and understanding the principal risks of our Company's business and ensuring the implementation of appropriate internal control systems and mitigation measures to manage these risks;

(i) Reviewing the adequacy and integrity of our Group's internal control systems, risk management and management information systems;

(j) Setting the risk appetite within which our Board expects management to operate and ensuring that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

(k) Ensuring that key senior management has the necessary skills and experience and there are measures in place to provide for the orderly succession of our Board and key senior management;

(l) Ensuring that our Company has in place procedures to enable effective communication with stakeholders;

(m) Supervising the creation and execution of the investor relations program or shareholders' communication policy for our Company to facilitate productive communication;

(n) Ensuring our Group's core values, vision and mission and shareholders' interests are met;

(o) Ensuring all significant systems and procedures are in place for our Group to run effectively, efficiently, and meet all legal and contractual requirements;

(p) Collaborating with key senior management to establish and maintain effective corporate governance practices, which include ethical, prudent, and professional conduct standards, and fostering a corporate responsibility culture throughout our Group; and

(q) Ensuring the integrity of the Company's financial and non-financial reporting.

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

Name	**Designation**	**Age**	**Date of appointment as Director**	**Date of expiration of the current term in office in AGM**	**Approximate no. of years in office as at the LPD**
Ong Wei Liam @ Jeremy Ong	Independent Non-Executive Chairman	47	12 February 2025	At our first AGM	Less than 1 year
Lim Tzer Haur	Managing Director	40	28 November 2024	At our first AGM	Less than 1 year
Ng Kel Mynn	Non-Independent Executive Director	38	28 November 2024	At our first AGM	Less than 1 year
Kee Tze Hui	Non-Independent Executive Director	40	12 February 2025	At our first AGM	Less than 1 year
Geetha Kandiah	Independent Non-Executive Director	43	12 February 2025	At our first AGM	Less than 1 year
Po Yih Ming	Independent Non-Executive Director	66	12 February 2025	At our first AGM	Less than 1 year
Fadli Riza Bin Ramli	Independent Non-Executive Director	48	12 February 2025	At our first AGM	Less than 1 year

According to our Constitution, all Directors shall retire from office at the first AGM and an election of Directors shall take place every year. At every subsequent AGM, one-third (1/3) of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election, provided always that all Directors shall retire from office at least once every 3 years. A retiring Director shall be eligible for re-election. A Director retiring at a meeting shall retain office until the close of the meeting at which he retires. The members of our Board are set out in Sections 1 and 5.2 of this Prospectus.

Our Board acknowledges and is aware of the Malaysia Code on Corporate Governance ("**MCCG**") which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture. In order to promote business prosperity and corporate accountability with the ultimate objective of realising long term shareholder value while taking into account the interest of our stakeholders, we have adopted all relevant recommendations under the MCCG.

Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively. Our Board composition complies with the following recommendations under the MCCG:

(a) at least half of our Board comprises Independent Non-Executive Directors;

(b) the chairman of our Board is not a member of the Audit and Risk Management Committee, Nomination Committee or Remuneration Committee; and

(c) at least 30% of the Directors on our Board are women.

For information, our Company had on 9 September 2025 held its annual general meeting and the audited financial statements of Verdant for the FYE 2025 had been tabled to the shareholders of Verdant. Hence, our Company will not be issuing an annual report in the format as prescribed under Appendix 9C of the Listing Requirements for the FYE 2025. From the FYE 2026 onwards, our Company will circulate an annual report containing the relevant information as prescribed in the Listing Requirements to our shareholders within 4 months from the close of each financial year.

5.3.2 Audit and Risk Management Committee

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

Name	Designation	Directorship
Po Yih Ming	Chairperson	Independent Non-Executive Director
Geetha Kandiah	Member	Independent Non-Executive Director
Fadli Riza Bin Ramli	Member	Independent Non-Executive Director

The main function of our Audit and Risk Management Committee as stated in its terms of reference includes, amongst others, the following:

(a) To consider any matters concerning the appointment and re-appointment, the audit and non-audit fees and any questions of resignation or dismissal of external auditors, and further ensure the sustainability, objectivity and independence of external auditors;

(b) To review with the external auditors:

(i) their audit plan, scope and nature of the audit of our Group;

(ii) their evaluation and findings of the system of risk management and internal controls;

(iii) their audit reports on financial statements;

(iv) the management letter and management's response with regard to problems and reservations arising from their audits;

(v) the coordination of audits where more than one audit firm is involved; and

(vi) any other matters that the external auditors may wish to discuss (in the absence of management where necessary).

(c) To ensure coordination between the external auditors and the internal auditors;

(d) To review and assess the adequacy of the scope, functions, competency, experience and resources of the internal audit functions of which the internal auditors should report directly to the Audit and Risk Management Committee and to ensure the internal auditors are independent and objective, and have the relevant qualifications and be responsible for assuring the Audit and Risk Management Committee that the internal controls are operating effectively;

(e) To review the internal audit plan, processes, the results of internal audit assessments or investigations undertaken and whether or not appropriate action is taken on the recommendations made;

(f) To review the adequacy and effectiveness of our Group's internal control systems, anti-bribery and corruption and whistle-blowing as evaluated, identified and reported by the management, internal or external auditors as well as to review whether actions taken to ratify the same are appropriate or timely;

(g) To review the quarterly results and year-end financial statements of our Group before the approval by our Board;

(h) To ensure that Audit and Risk Management Committee Report is prepared at the end of each financial year for inclusion in the annual report of our Company;

(i) To ensure that our Board establishes a comprehensive framework/policy to identify, evaluate, approve and report related party transactions;

(j) To assess all the disclosed conflicts by our Directors and key senior management, to evaluate their nature, significance and potential impact on our Group;

(k) To assist our Board to effectively discharge its risk oversight responsibilities by monitoring and overseeing our Group's risk management and processes in identifying, evaluating, monitoring and managing significant risks within our Group;

(l) To review our Group's risk management policy and implementation of the risk management framework;

(m) To report promptly to Bursa Securities on any matter which has not been satisfactorily resolved resulting in a breach of the Listing Requirements;

(n) To verify the allocation of options under a share issuance scheme or the allocation of shares according to any incentive plan for employees of our Group, if any;

(o) To review and conduct an annual performance evaluation of the internal and external auditors in respect of each financial year under review; and

(p) To carry out such other functions or assignments as may be delegated by our Board from time to time.

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

5.3.3 Remuneration Committee

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

Name	Designation	Directorship
Fadli Riza Bin Ramli	Chairperson	Independent Non-Executive Director
Geetha Kandiah	Member	Independent Non-Executive Director
Po Yih Ming	Member	Independent Non-Executive Director

The main function of our Remuneration Committee as stated in its terms of reference includes, amongst others, the following:

(a) To review and recommend to our Board the appropriate remuneration packages for all Directors, with or without professional advice;

(b) To review and recommend fees and benefits payable to the Directors;

(c) To assist our Board in formulating policies and guidelines for the composition of various components of remuneration such as basic salary, bonus, and other benefits for Directors and key senior management;

(d) To ensure that remuneration packages and benefits for Directors align with our Company's business strategies, long-term objectives, and remuneration policy, as well as comply with all laws, rules, regulations, and guidelines set by relevant authorities and our Board;

(e) To develop and administer a fair and transparent procedure for setting policy on the remuneration of Directors and key senior management, which considers the demands, complexities, and performance of our Company, as well as the skills and experience required;

(f) To implement our Board's remuneration policy and procedures in a transparent process, including reviewing and recommending matters related to the remuneration of the Board and key senior management;

(g) To ensure that the level of remuneration packages is fair and appropriate according to the industry, general market sentiments, or conditions, and our Company's operating results, as well as the Director's merit, qualification, competence, and individual performance;

(h) To ensure that appropriate rewards, benefits, compensation, and remuneration are offered to retain Directors, and structuring remuneration packages to link rewards to individual performance; and

(i) To carry out any other functions delegated by the Board that would benefit our Company and ensure the effective discharge of the Remuneration Committee's duties and responsibilities.

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

5.3.4 Nomination Committee

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

Name	Designation	Directorship
Geetha Kandiah	Chairperson	Independent Non-Executive Director
Po Yih Ming	Member	Independent Non-Executive Director
Fadli Riza Bin Ramli	Member	Independent Non-Executive Director

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

(a) To review, assess and recommend suitable candidates for appointment as Directors of our Company, as well as retiring Directors seeking re-election at the AGM. When making recommendations to our Board regarding directorship or re-appointment, the Nomination Committee must consider the "Fit and Proper Criteria" outlined in our Company's Directors' Fit and Proper Policy.

(b) To ensure there is a gender-diverse Board and the committee may seek out independent sources to identify qualified candidates for our Board;

(c) To evaluate the necessary mix of skills, experience, qualifications, directorship, core competencies, and diversity (including age, personal background, and gender) of our Board and our Board Committees. The Nomination Committee will assess the contribution and performance of each Director to ensure our Board and our Board Committees operate effectively and efficiently;

(d) To review the size, structure, balance, and composition of our Board and our Board Committees to ensure optimal performance;

(e) To identify and review the core competence, skills and other qualities including but not limited to the qualifications, skills, knowledge, experience, qualifications and diversity required by each of our Independent Non-Executive Directors, that are essential to contribute towards the effectiveness and balance of the Board;

(f) To review and evaluate the contributions made by each member of the Board, including the Independent Non-Executive Directors and the Chairman of the Board, as well as the Managing Director;

(g) To assess each Director's ability to contribute to our Board's decision-making process and ensure that the Board operates actively, efficiently, and effectively in all its decision-making;

(h) To conduct an annual review of the term of office and performance of the Audit and Risk Management Committee and each of its members. The review will assess whether the Audit and Risk Management Committee and its members have fulfilled their duties in accordance with their terms of reference;

(i) To evaluate annually the effectiveness of our Board and our Board Committees as a whole for assessing the contribution to the effectiveness of the decision-making process of our Board;

(j) To review and assess annually the independence of our Independent Non-Executive Directors;

(k) To review, consider and make recommendations regarding the continuation in office of Independent Non-Executive Directors who have served for more than 9 years. The assessment will take into account their performance and ability to contribute to the Board, in light of the necessary knowledge, skills, and experience;

(l) To oversee the development of succession planning of our Board and key senior management of our Company;

(m) To assess and recommend the re-election of Directors who are due to retire in accordance with our Constitution;

(n) To remain up-to-date and fully informed about strategic issues and commercial changes that impact our Company and the market in which it operates; and

(o) To carry out such other functions or assignments as may be delegated by our Board from time to time.

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

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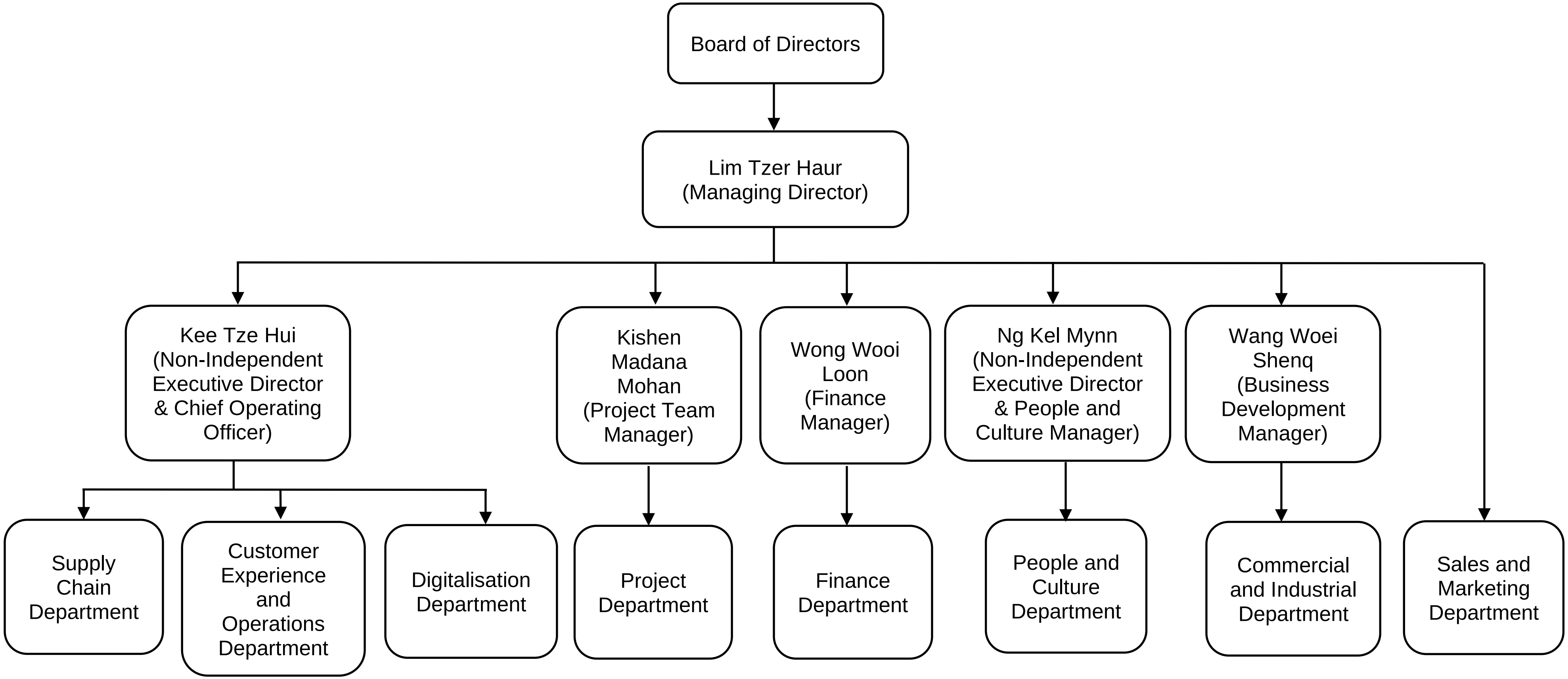
5.4 KEY SENIOR MANAGEMENT

5.4.1 Management structure



5.4.2 Key senior management's shareholdings

Save for the shareholdings of Lim Tzer Haur, Kee Tze Hui and Ng Kel Mynn (whom are also our key senior management) which are set out in Section 5.2.1 of this Prospectus, the shareholdings of our key senior management in our Company before and after our IPO are as set out below:

		After the Acquisition and before IPO				After IPO			
		Direct		Indirect		Direct		Indirect	
Name	Designation	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Wong Wooi Loon	Finance Manager	-	-	-	-	500,000	0.06(3)	-	-
Kishen Madana Mohan	Project Team Manager	-	-	-	-	1,000,000	0.12(3)	-	-
Wang Woei Shenq	Business Development Manager	-	-	-	-	1,500,000	0.18(3)	-	-

Notes:

(1) Based on our issued share capital of 675,618,243 Shares after the Acquisition and before our IPO.

(2) Based on our enlarged issued share capital of 817,618,243 Shares after our IPO.

(3) Assuming all our Shares allocated to them under the Pink Form Allocations are fully subscribed.

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5.4.3 Profiles of key senior management

Save for the profiles of Lim Tzer Haur, Kee Tze Hui and Ng Kel Mynn (whom are also our key senior management) which are set out in Sections 5.1.2 and 5.2.2 of this Prospectus, the profiles of our key senior management are as follows:

(a) Wong Wooi Loon
Finance Manager

Wong Wooi Loon, a Malaysian, aged 35, is our Finance Manager. He is responsible for supervising the accounting and finance functions, reporting financial matters and cash management of our Group.

He graduated with an Executive Diploma in Accounting from SEGI College in 2015 and subsequently obtained with a Bachelor of Arts (Honours) in Accounting and Finance from University of Greenwich, United Kingdom in 2018. He is an Associate of the Chartered Institute of Management Accountants ("**CIMA**") since 2019, holding the designations of Chartered Management Accountant and Chartered Global Management Accountant. He is also a member and a Chartered Accountant of the MIA since 2020.

In 2009, he joined NEP Diamond Marketing Sdn Bhd (now known as Arissto (Malaysia) Sdn Bhd), as an Assistant - Customer Service (Call Centre) where he assisted with customer service including handling customer refunds, processing orders, and attending to customer enquiries. He was later redesignated to Service and Sales Assistant in 2012 and was tasked with seeking out new sales opportunities and closing sales deals before leaving the company in 2013.

In the same year, he joined Adventis Corporate Services Sdn Bhd, as Accounts Assistant. During his tenure, he assisted with data entry and the preparation of financial statements for clients. In 2014, he left Adventis Corporate Services Sdn Bhd.

In 2014, he joined MK Dyna Tax Services Sdn Bhd as Tax/Accounts Assistant where he carried out tax computations and filing for clients of the company. He left the company in 2014.

In the same year, he joined WY Business Consultancy Sdn Bhd as Accounts and Audit Executive where he was involved in audit and advisory activities including liaising with clients on compliance and financial matters.

In 2015, he joined Lesmond & Associates as Audit Executive and was involved in planning and executing audit engagements. He was subsequently promoted to Audit Senior Executive in 2016 where he was tasked with the planning and execution of financial and operational audits to ensure compliance with company policies and regulations.

In 2018, he left Lesmond & Associates to join NHT as Audit Assistant Manager and began assisting in the management of audit teams before leaving the company in the same year to return to Lesmond & Associates as Audit Manager. During his tenure at Lesmond & Associates, he was responsible for overseeing audit teams in carrying out audit engagements on clients of the firm.

In 2021, he left Lesmond & Associates and joined Empire Sushi Sdn Bhd as an Accounts Manager, where he was responsible for overseeing the company's accounting and finance matters. He left Empire Sushi Sdn Bhd in 2023.

In the same year, he joined VSSB as a Finance Manager, a position he continues to hold to-date.

(b) Kishen Madana Mohan
Project Team Manager

Kishen Madana Mohan, a Malaysian, aged 36, is our Project Team Manager. He is responsible for managing and executing projects.

He graduated with a Bachelor of Engineering (Honours) Electronic and Electrical Engineering from the University of Sunderland, United Kingdom in 2016.

He began his career as Associate at Measat Broadcast Network Systems Sdn Bhd in 2015 where he assisted with maintenance work and the delivery of feeds. He left the company in 2016.

In the same year, he joined Pekat Solar Sdn Bhd, a wholly-owned subsidiary of Pekat Group Berhad which is listed on the ACE Market of Bursa Securities, as Sales Engineer. He was tasked with negotiating and closing sales and commercial contracts for the company. During his tenure at the company, he was redesignated to Maintenance Engineer in 2017 where he provided maintenance services in relation to solar PV systems and subsequently to Project Engineer in 2018 where he assisted in the delivery of projects. In 2021, he was promoted to the position of Senior Project Engineer and was responsible for overseeing and managing the delivery of projects as well as training junior engineers. He resigned from the company in the same year.

In 2021, he joined VSSB as a Project Team Manager, a position he continues to hold to-date.

(c) Wang Woei Shenq
Business Development Manager

Wang Woei Shenq, a Malaysian, aged 35, is our Business Development Manager. He is responsible for implementing business development and marketing strategies to further grow our commercial and industrial business unit.

He graduated with a Bachelor of Applied Science (Honours) (Agrobiology) from Universiti Sains Malaysia in 2013.

He began his career as a research assistant at Universiti Sains Malaysia in 2014 where he conducted research and assisted PhD students with relevant research works. He left the university in the same year.

In 2014, he joined Texchem Food Sdn Bhd, as Research and Development Executive where he conducted research on farming and food products. In 2015, he left the company.

In the same year, he joined Taipan Farm Sdn Bhd as Assistant Farm Manager, where he was responsible for managing the day-to-day operations of the farm and left in 2016.

In 2017, he joined Stone Master Corporation Berhad ("**Stone Master**") as Personal Assistant to the Managing Director and assisted in the drafting of reports and supporting the Managing Director in the daily operations of the company.

Subsequently in the same year, he was transferred to Koh & Associates (Advocates & Solicitors). He continued his role as a Personal Assistant to the Managing Director Partner who also serves as the Managing Director of Stone Master, where he assisted in the drafting of reports and reviewing the day-to-day works presented to the Managing Partner.

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

In 2019, he left Koh & Associates (Advocates & Solicitors) to join Industrial System Supply & Engineering Services Sdn Bhd as Key Account Manager. He was responsible for managing and developing key accounts. He left the company in the same year.

In 2019, he joined VESB as Sales Consultant, where he was responsible for meeting clients and negotiating and closing leads. In 2020, he was promoted to Assistant Business Development Manager and was transferred to VSSB where he led a team of sales consultants. Subsequently, he was promoted again in 2021 to Business Development Manager, a position he continues to hold to-date.

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5.4.4 Principal business performed outside our Group

Save for disclosed below and in Section 5.2.3 of this Prospectus (in respect of Lim Tzer Haur, Kee Tze Hui and Ng Kel Mynn) and below, none of our key senior management have any other principal directorship and/or principal business activities performed outside our Group in the past 5 years up to the LPD.

(a) Kishen Madana Mohan

Company	Principal activities	Position held	Date of appointment	Date of resignation	% of shareholding held	
					Direct	Indirect
Present involvement						
Phaze Ground PLT	Dormant, previously involved in operation of sports complex	Partner	23 May 2019	-	-	-
Past Involvement						
Nil						

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5.4.5 Key senior management's remuneration and benefits

Save for the remuneration and benefits of Lim Tzer Haur, Kee Tze Hui and Ng Kel Mynn which are set out in Section 5.2.4 of this Prospectus, the aggregate remuneration and material benefits-in-kind (including any contingent or deferred remuneration) paid and proposed to be paid to our key senior management for services rendered in all capacities to our Group for FYE 2025 and 2026 are as follows:

	Remuneration band (RM)(1)	
Name	**FYE 2025 RM'000**	**FYE 2026 (Proposed)(2) RM'000**
Wong Wooi Loon	300 – 350	150 - 200
Kishen Madana Mohan	350 – 400	150 - 200
Wang Woei Shenq	300 – 350	150 - 200

Notes:

(1) Comprising salaries, bonuses and allowances.

(2) The bonuses for FYE 2026 are not included. Bonuses, if any, will be determined later depending on the performance of our Group, subject to the recommendation of our Remuneration Committee and approval by our Board.

5.5 RELATIONSHIPS AND/OR ASSOCIATIONS

Save as disclosed below, there are no family relationships or association between or amongst our Promoter, substantial shareholders, Directors and key senior management:

(a) Lim Tzer Haur, who is our Promoter, substantial shareholder and Managing Director is the spouse of Ng Kel Mynn; and

(b) Ng Kel Mynn, who is our substantial shareholder and Non-Independent Executive Director is the spouse of Lim Tzer Haur.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements (contracts for services) entered or to be entered into between the companies within our Group, with our Directors or key senior management personnel.

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5.7 DECLARATION FROM OUR PROMOTER, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoter, 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 such person 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;

(e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;

(f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;

(g) in the last 10 years has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body, or government agency; or

(h) has any unsatisfied judgment against such person.

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

6.1.1 History and Background

Our Company was incorporated in Malaysia on 28 November 2024 under the Act as a private limited company under the name of Verdant Solar Holdings Sdn Bhd. Subsequently, our Company was converted to a public limited company on 7 February 2025 and assumed our present name as Verdant Solar Holdings Berhad.

Our Company is an investment holding company. Through our subsidiaries, we are principally involved in the provision of EPCC services for solar PV systems, O&M services for solar PV systems and trading of solar products.

6.1.2 Acquisition

To facilitate our Listing, we undertook the Acquisition. Our Company had on 3 February 2025 entered into the SSA with the vendors to acquire the entire equity interest in VSSB comprising 500,000 ordinary shares for a total purchase consideration of RM4,729,327 to be fully satisfied by issuance and allotment of 675,618,143 new Shares to the vendors at an issue price of RM0.007 each.

Vendors	Shareholdings in VSSB		Purchase consideration (RM)	No. of new Shares
	No. of shares	% of share capital		
Lim Tzer Haur	360,000	72.00	3,405,115	486,445,063
Ng Kel Mynn	90,000	18.00	851,279	121,611,266
Ong Hsiao Loong	50,000	10.00	472,933	67,561,814
Total	**500,000**	**100.00**	**4,729,327**	**675,618,143**

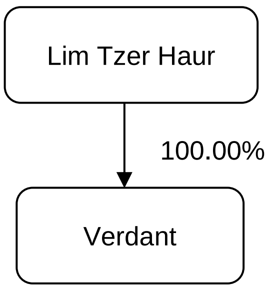
The purchase consideration for the Acquisition of RM4,729,327 was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the audited consolidated net assets of VSSB as at 30 June 2024 of RM8,829,327 less dividend declared and paid after 30 June 2024 of RM4,100,000.

The Acquisition was completed on 20 August 2025. Thereafter, VSSB became our wholly-owned subsidiary and VESB became our indirect wholly-owned subsidiary.

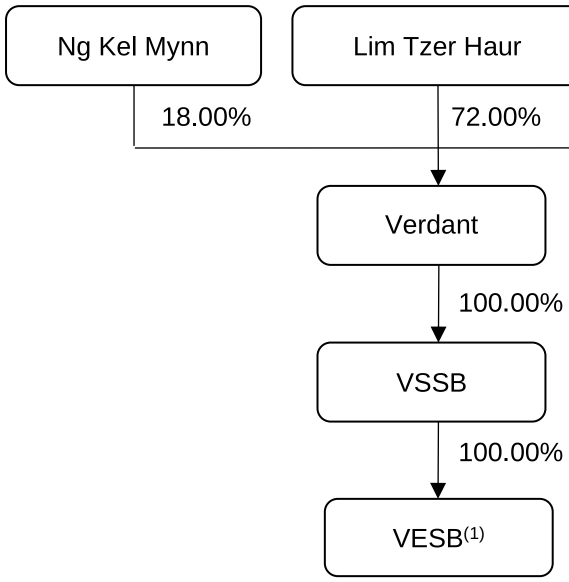
6.2 OUR SHAREHOLDERS AND GROUP STRUCTURE

Our shareholders and Group structure before the Acquisition, after the Acquisition and before our IPO and after our IPO are as follows:

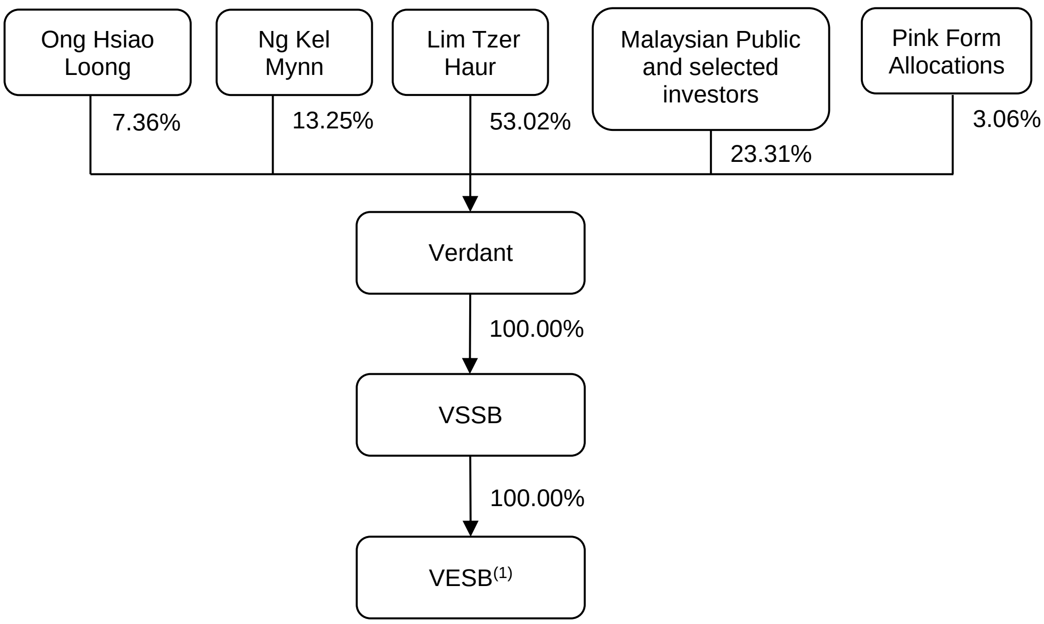
Before the Acquisition



After Acquisition and before our IPO



After our IPO



Note:

(1) As at the LPD, VESB is dormant and has no business activities. Our Group has submitted the striking off application for VESB to the CCM on 25 June 2025. As at the LPD, VESB is in the midst of being struck off. The striking off process is expected to be completed by December 2025.

6.3 SHARE CAPITAL

As at the LPD, our issued share capital is RM4,729,337 comprising 675,618,243 Shares. The movements in our issued share capital since the date of our incorporation are set out below:

Date of allotment / subdivision	No. of Shares allotted	Consideration/ Nature of transaction	Cumulative issued share capital	
			No. of Shares	RM
28 November 2024	100	Cash/ Allotment of Shares	100	10
20 August 2025	675,618,143	Otherwise than cash/ Allotment of Shares pursuant to the Acquisition	675,618,243	4,729,337

As at the LPD, we do not have any outstanding warrants, options, convertible securities and uncalled capital. In addition, there are 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 issued share capital will increase to RM48,749,337 comprising 817,618,243 Shares.

6.4 INFORMATION ON OUR SUBSIDIARIES

As at the LPD, we have 2 subsidiaries, namely VSSB and VESB.

As at the LPD, we do not have any associated companies.

Details of our subsidiaries are summarised below:

Subsidiary of our Company

Company name	Principal activities	Date and place of incorporation	Principal place of business	Issued share capital (RM)	Effective equity interest
VSSB	Sale and installation service of solar photovoltaic system in residential, and commercial and industrial industries, trading of other related products and provision of operations and maintenance services	15 May 2015 Malaysia	Malaysia	500,000	100%

Subsidiary of VSSB

Company name	Principal activities	Date and place of incorporation	Principal place of business	Issued share capital (RM)	Effective equity interest
VESB	Engaged in the business of power generation using renewable energy technology and further development[(1)]	28 December 2018 Malaysia	Malaysia	100	100%

Note:

(1) *As at the LPD, VESB is dormant and has no business activities. Our Group has submitted the striking off application for VESB to the CCM on 25 June 2025. As at the LPD, VESB is in the midst of being struck off. The striking off process is expected to be completed by December 2025.*

6.4.1 VSSB

(a) Background, history and principal activities

VSSB was incorporated on 15 May 2015 in Malaysia under the Companies Act 1965 as a private limited company under its present name and is deemed incorporated under the Act.

VSSB is principally involved in the sale and installation service of solar photovoltaic system in residential, and commercial and industrial industries, trading of other related products, and provision of operations and maintenance services.

As at the LPD, VSSB does not have any outstanding warrants, options, convertible securities and uncalled capital.

(b) Share capital

As at the LPD, the issued share capital of VSSB is RM500,000.00 comprising 500,000 ordinary shares. There have been no changes in VSSB's issued share capital during the Financial Years Under Review and up to the LPD.

(c) Shareholders and directors

VSSB is our wholly-owned subsidiary.

As at the LPD, the director of VSSB is Lim Tzer Haur.

(d) Subsidiary, associate company and joint venture

VSSB has a wholly-owned subsidiary named VESB. For information purposes, as at the LPD, VESB is dormant and has no business activities. Our Group has submitted the striking off application of VESB to the CCM on 25 June 2025. VESB is in the midst of being struck off as at the LPD. The striking off process is expected to be completed by December 2025.

Saved as disclosed above, VSSB does not have any subsidiary, associate company or joint venture.

6.4.2 VESB

(a) Background, history and principal activities

VESB was incorporated on 28 December 2018 in Malaysia under the Act as a private limited company under its present name.

VESB was principally involved in the business of power generation using renewable energy technology and further development. As at the LPD, VESB is dormant and has no business activities. Our Group has submitted the striking off application of VESB to the CCM on 25 June 2025. VESB is in the midst of being struck off as at the LPD.

The striking off process is expected to be completed by December 2025.

As at the LPD, VESB does not have any outstanding warrants, options, convertible securities and uncalled capital.

(b) Share capital

As at the LPD, the issued share capital of VESB is RM100.00 comprising 100 ordinary shares. There have been no changes in VESB's issued share capital during the Financial Years Under Review and up to the LPD.

(c) Shareholders and directors

VESB is a wholly-owned subsidiary of VSSB, which is also our wholly-owned subsidiary.

As at the LPD, the director of VESB is Lim Tzer Haur.

(d) Subsidiary, associate company and joint venture

VESB does not have any subsidiary, associate company or joint venture.

6.5 PUBLIC TAKE-OVERS

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

(a) public take-over offers by third parties in respect of our Shares; and

(b) public take-over offers by our Company in respect of other companies' shares.

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7. BUSINESS OVERVIEW

7.1 HISTORY

Our Company was incorporated in Malaysia on 28 November 2024 under the Act as a private limited company under the name of Verdant Solar Holdings Sdn Bhd. Subsequently, our Company was converted to a public limited company on 7 February 2025 and assumed our present name as Verdant Solar Holdings Berhad.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the provision of EPCC services for solar PV systems, O&M services for solar PV systems and trading of solar products.

Prior to the incorporation of VSSB, Lim Tzer Haur founded Verdant Enterprise in 2013, a sole proprietorship that focused on the sales and marketing of solar PV systems to residential customers under the FiT programme. Through this venture, Lim Tzer Haur acquired and gained his experience in the solar PV systems industry and in EPCC works on solar PV systems, which laid the foundation for his future endeavours in the solar industry.

Building on the success and knowledge gained from Verdant Enterprise, Lim Tzer Haur, along with Ng Kel Mynn, incorporated VSSB on 15 May 2015 which commenced operations upon its incorporation. At the time of incorporation, Lim Tzer Haur held 80.00% equity interest, while Ng Kel Mynn held the remaining 20.00% equity interest in VSSB. They were concurrently appointed as the directors of VSSB. VSSB was incorporated to take over the business of Verdant Enterprise where it continued promoting solar PV systems to residential customers under the FiT programme. VSSB also commenced the trading of solar ventilation systems in the same year. Upon the incorporation of VSSB, Verdant Enterprise ceased its business activities and was subsequently dissolved on 1 July 2016.

In 2019, under Lim Tzer Haur's leadership, VSSB ventured into the EPCC services for solar PV systems, focusing on residential properties. On August 2019, VSSB secured our first EPCC services project for a residential property in Puchong, Selangor.

In January 2020, as our business operations and number of employees grew, we relocated our office from Kota Kemuning to Ara Damansara to accommodate our expanding operations and workforce.

In June 2020, Lim Tzer Haur invited Ong Hsiao Loong to join VSSB as a shareholder and passive investor. Ong Hsiao Loong acquired 10.00% equity interest in VSSB by way of a share transfer from Lim Tzer Haur and Ng Kel Mynn at a total consideration sum of RM10,001, resulting in Lim Tzer Haur, Ng Kel Mynn and Ong Hsiao Loong holding equity interests of 72.00%, 18.00% and 10.00%, respectively in VSSB.

In December 2021, we successfully secured our first EPCC services project for an industrial property in Seri Kembangan, Selangor.

In March 2022, we established a branch office in Penang to better serve customers in the northern region. We also expanded our presence to the southern region in November 2022 by setting up a branch office in Johor, enhancing our support and service for our customers in that region.

Subsequently in 2023, we expanded our business activities to include O&M services for solar PV systems.

In May 2025, we relocated our headquarter from Ara Damansara to Menara Dana 13 to support our continued growth.

The table below sets out our key milestones since the commencement of our business:

Year	Key milestones
2015	• Incorporation of VSSB • Commenced our trading of solar ventilation systems
2018	• Registered as grade G3 CIDB contractor
2019	• Ventured into EPCC services for solar PV systems • Secured our first EPCC services project for a residential property in Puchong, Selangor with a contract value of RM29,280
2020	• Relocated our office from Kota Kemuning to Ara Damansara
2021	• Received the Star Outstanding Business Awards (SOBA) Award for Best Employer 2021 • Secured our first EPCC services project for an industrial property in Seri Kembangan, Selangor with a contract value of RM41,560
2022	• Recognised in The Malaysia Book of Records for the Most Solar PV System Home Installations in a Year in 2022 • Established a branch office in Penang • Established a branch office in Johor
2023	• Recognised in The Malaysia Book of Records for the Most Solar PV System Home Installations in a Year in 2023 • Expanded our business activities to include O&M services for solar PV systems
2024	• Registered as a Class A contractor under Energy Commission Malaysia • CIDB contractor registration upgraded to G5 CIDB contractor • Became a member of the Malaysian Photovoltaic Industry Association, a non-profit organisation dedicated to the promotion of solar energy • Recognised in The Malaysia Book of Records for the Most Solar PV System Home Installations in a Year in 2024
2025	• Relocated our headquarter to Menara Dana 13

7.2 PRINCIPAL BUSINESS ACTIVITIES AND PRODUCTS

Our Group is a solar PV firm and we are principally involved in:

(a) EPCC services for solar PV systems;
(b) O&M services for solar PV systems; and
(c) trading of solar products.

Over the years, we have built our track record as an EPCC contractor of solar PV systems for residential buildings. Our EPCC services for solar PV systems involve the provision of design, planning, engineering, procurement, installation, testing and commissioning services. We provide these services as a comprehensive suite of solution to our customers whereby we act as the main contractor and are fully responsible for the entire project.

Our O&M services for solar PV systems involve the provision of preventive and corrective maintenance. We provide these services to assist our customers in the operation and maintenance of their solar PV systems.

7. BUSINESS OVERVIEW *(Cont'd)*

We also trade solar ventilation systems, where this involves the sales of ventilation systems to our appointed dealers. We carry our own brand of solar ventilation systems namely Verdant Star, which are manufactured by our manufacturer based in China. From time to time, we also trade other solar products such as solar panels and inverters.

In implementing our projects, we leverage on our internal capabilities by deploying our in-house team and resources to carry out the following responsibilities:

(a) marketing our solar PV solutions;
(b) conducting feasibility studies and site assessments;
(c) engineering designs and specifications;
(d) securing regulatory permits and approvals;
(e) procuring materials and services;
(f) implementing quality control and assurance procedures;
(g) implementing safety and health programmes;
(h) testing and commissioning; and
(i) providing overall project management and supervision.

We engage subcontractors to handle other works, such as civil and structural as well as M&E engineering works to assemble the various materials and components as well as to install the solar PV system at the customer's site. While we focus primarily on the marketing, engineering design and procurement of materials and components, our subcontractors are engaged for labour-intensive works. All subcontracted activities are managed and supervised internally by our team.

Our business model is as follows:

VERDANT™ SOLAR

	EPCC services for solar PV systems	O&M services for solar PV equipment and systems	Trading of solar products
Type of system	Rooftop solar PV systems		Rooftop solar ventilation systems, solar panels and inverters
Customers	• Residential • Commercial • Industrial		Commercial
Principal market	Peninsular Malaysia		
Revenue contribution in FYE 2025	RM110.34 million, 99.02%	RM0.45 million, 0.40%	RM0.64 million, 0.58%

7.2.1 EPCC services for solar PV systems

Solar energy is a type of renewable energy that is converted to electricity using PV modules that harness solar radiation through the photovoltaic effect. The electricity generated is mainly used for self-consumption and any surplus can be exported to the power grid.

A rooftop solar power system, or rooftop PV system is a PV system that has its electricity generating solar panels installed on the rooftop of a residential, commercial or industrial building. Generally, a rooftop solar PV system comprises several types of components, such as PV modules, mounting systems, wiring and cabling, inverters, electricity meters, BESS and other electrical accessories.

As an EPCC contractor, we provide design, planning, engineering, procurement, installation, testing and commissioning services of solar PV systems for rooftop installations on residential, commercial and industrial buildings.

Generally, solar PV systems in Malaysia are implemented under the following programmes initiated by the Government:

(a) NEM Programme

The NEM programme was launched in 2016 to encourage Malaysia's renewable energy uptake. Under this programme, energy generated from the solar PV systems are firstly used for self-consumption, and the surplus energy will be exported to the power grid and sold to the Distribution Licensees to offset electricity costs. The NEM programme is currently only applicable to TNB's customers in Peninsular Malaysia and Sarawak Energy Berhad's customers in Sarawak.

The NEM programme has been rolled out in three phases. The first phase, NEM 1.0, started in 2016 with a 500 MW quota allocation. NEM 2.0 followed in 2019 with 500 MW quota allocation and subsequently in 2020, the NEM 3.0 was introduced with 500 MW quota allocation. Since its introduction, NEM 3.0 has received an additional 1,450 MW quota allocation resulting in total quota of 1,950 MW. The NEM 3.0 quota offer period ran until 30 June 2025. On 12 September 2025, the Ministry of Energy Transition and Water Transformation announced a new renewable energy programme, Solar Accelerated Transition Action Programme ("**Solar ATAP**") to replace the NEM programme. Please refer to Section 7.2.1(e) of this Prospectus for further information.

The categories under NEM 3.0 are as follows:

(i) NEM Rakyat Programme

Residential property owners who have an installed solar PV system on their rooftops will first consume the electricity produced by their solar PV system, before exporting excess electricity generated to the power grid. Credits received for excess electricity that is exported to the power grid will be used to offset part of their electricity bills on a "one-on-one" offset basis for a period of 10 years of operations.

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For the Financial Years Under Review and up to the LPD, our Group's projects under the NEM Rakyat programme are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 July 2025 up to the LPD	Total
Category of programme	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**
NEM Rakyat[(1)]	440	836	1,849	3,981	698[(2)]	**7,804**

Notes:

(1) Includes the number of projects under the SolaRIS programme as set out in Section 7.2.1(c) of this Prospectus as the SolaRIS programme is an incentive programme provided to residential customers under the NEM Rakyat Programme.

(2) Comprise applications submitted prior to the end of the NEM 3.0 on 30 June 2025, but the installation of the solar PV system was completed after that date.

(ii) NOVA Programme

The NOVA Programme is only applicable to commercial and industrial users. Electricity produced from the solar PV system installed on commercial and industrial premises shall primarily be for self-consumption.

Surplus electricity which is not consumed at the premises where the solar PV system is installed may be exported through the power grid under either one of the following categories:

(aa) Category A

Surplus electricity generated in any given month that is not consumed by a NOVA consumer is exported to TNB via the power grid. The value such exported electricity will be credited to the consumer's account and used to offset the electricity bill payment for the subsequent billing period.

The unit price (RM/kWh) of electricity exported during a billing period is based on the average system marginal price, which is defined as the price of the most expensive marginal generator scheduled / dispatched to meet demand in a half hour period. The average system marginal price is calculated on a monthly basis for a 12-hour period between 7:00 am to 7:00 pm in the preceding calendar month.

(bb) Category B

Surplus electricity generated in any given month that is not consumed by a NOVA consumer is exported via the power grid to up to 3 designated premises comprising premises used or operated by the NOVA consumer's wholly-owned subsidiary. The value of such exported electricity will be credited to the NOVA consumer's account and used to offset the electricity bill payment for the subsequent billing period. The unit price (RM/kWh) for exported electricity during a billing period to the power grid will be based on the average system marginal price.

For the Financial Years Under Review and up to the LPD, our Group's projects under the NEM NOVA programme are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 July 2025 up to the LPD	Total
Category of programme	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**
NEM NOVA	6	6	8	55	10[(1)]	**85**

Note:

(1) Comprise applications submitted prior to the end of the NEM 3.0 on 30 June 2025, but the installation of the solar PV system was completed after that date.

(iii) NEM GoMEn Programme (Government Ministries and Entities)

The NEM GoMEn Programme is applicable to Government's entities and ministries. Electricity produced from the solar PV systems installed at Government's premises will be consumed first, and any excess will be exported to the power grid. The credit received for such excess energy will be used to offset part of the electricity bill on a "one-on-one" offset basis for a period of 10 years of operations.

(b) SELCO Programme

The SELCO programme, launched by SEDA in 2017, is a Government initiative aimed at promoting the adoption of green renewable energy. Currently, this programme is applicable to consumers in Peninsular Malaysia and Sabah. The SELCO programme allows consumers to install solar PV systems to generate electricity solely for self-consumption in residential, commercial and industrial buildings. Any excess generation of electricity from the solar PV systems will not be allowed to be exported or sold to the power grid. The programme is aimed at enabling consumers to install solar PV systems to curb the rising costs of electricity as well as to promote a greener and cleaner environment through the use of green renewable energy.

For the Financial Years Under Review and up to the LPD, our Group's projects under the SELCO programme are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 July 2025 up to the LPD	Total
Category of programme	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**
SELCO	2	1	1	2	-	**6**

(c) SolaRIS Programme

SolaRIS is a Government incentive programme aimed at attracting new installations of solar PV systems in residential premises. This programme supports the Government's goal of increasing renewable energy capacity in the electricity supply system to 70.0% by 2050 and reducing carbon emissions.

Under the programme, residential customers who submit a NEM application to SEDA from 1 April 2024 onwards and successfully completes their solar PV system installation with TNB will be eligible for a cash rebate of up to RM4,000. The rebate allocation is available from 1 April 2024 and residential customers must successfully commission their solar PV systems by 30 April 2025, or until all SolaRIS rebate quotas are fully distributed, whichever comes first.

For the Financial Years Under Review and up to the LPD, our Group's projects that are under the SolaRIS programme of the NEM programme are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 July 2025 up to the LPD	Total
Category of programme	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**
SolaRIS	-[(1)]	-[(1)]	135	3,446	-	**3,581**

Note:

(1) Nil as the Government only launched the SolaRIS programme on 1 April 2024.

(d) Community Renewable Energy Aggregation Mechanism ("CREAM")

In March 2025, the Energy Commission released the guidelines for its latest solar programme, which allows energy companies to lease rooftop space from homeowners to install solar panels and sell the generated electricity to customers through third-party access to the distribution network.

According to the guidelines for the CREAM, this mechanism allows energy companies to source electricity from rooftop solar panels and sell it to both commercial and domestic consumers within a 5km radius. Energy companies are required to develop solar PV generation systems on aggregated residential premises' rooftops, and also manage the rooftop leasing agreements with homeowners on their own.

(e) Solar ATAP

On 12 September 2025, the Ministry of Energy Transition and Water Transformation announced a new renewable energy programme, Solar ATAP to replace the NEM programme.

According to the Ministry of Energy Transition and Water Transformation, Solar ATAP retains the concept of the NEM programme, which allows excess energy to be sold to the power grid as an offset, while also incorporating adjustments to make it more attractive than the SELCO programme. The energy offset rate will be based on the market electricity price, or system marginal price, similar to the NOVA programme, to ensure long-term sustainability.

Programme guidelines and the registration system for Solar ATAP will be available from 1 December 2025 and can be accessed via the Energy Commission and SEDA websites.

Our Group currently offers EPCC services for solar PV systems under the NEM, SELCO (with BESS) and SolaRIS programmes. As at the LPD, our Group has yet to secure any EPCC services for solar PV systems under the CREAM programme. Nonetheless, we are exploring opportunities with energy companies participating in CREAM that do not have EPCC capabilities. Our Group intends to begin offering EPCC services for Solar ATAP upon commencement of this programme in December 2025, after ensuring full compliance with all the relevant guidelines to be issued by the relevant authorities.

We provide our EPCC services for solar PV systems where we act as the main contractor. Our scope of work typically includes the following:

(a) design, engineering and planning from project initiation to detailed system design, including designing the solar PV array, balance of system and interconnection to the power grid;

(b) securing regulatory permits and approvals to local authorities including TNB, SEDA, Energy Commission Malaysia and the Malaysian Green Technology and Climate Change Corporation, where applicable;

(c) procurement, supply and subcontractor coordination for all materials and equipment required for setting up the solar PV system;

(d) structural works, M&E works, installation and integration of equipment and systems, and interconnection to the power grid; and

(e) testing and commissioning of both individual equipment and the entire solar PV system once all material and equipment has been installed, and before interconnection to the power grid.

Once a customer has engaged our EPCC services for solar PV systems and placed the initial deposit with our Group, we will begin to assist the customer in submitting the necessary applications to, among others, SEDA for quota allocation under the NEM Programme. We generally commence installation works upon receiving approvals from the relevant authorities, including SEDA for quota approvals. In the event a customers' NEM quota allocation is not approved by SEDA, the customer can still proceed with the installation of a solar PV system under the SELCO programme whereby electricity generated will be solely for self-consumption. Solar PV systems installed under the SELCO programme will still be energised and interconnected to the grid. However, any excess electricity generated from solar PV systems installed under the SELCO programme will not be exported or sold to the power grid.

As part of our sales process, we ensure that customers are informed that quota allocations under the NEM programme are subject to SEDA's approval and they will still be able to realise energy savings by installing solar PV systems under the SELCO programme in the event their application for quota allocation under the NEM programme is not approved by SEDA.

We constantly update our customers on the progress and developments of submitting the application for quota allocation under the NEM Programme to SEDA and up to the point of receiving SEDA's decision on the application. Upon receiving approval from SEDA and upfront installation payment from the customer, we will proceed with installation works. This upfront installation payment generally comprises 70.00% of the total project cost. Our practice of collecting installation payment of 70.00% upfront is in line with standard industry practice.

In the event SEDA approval is not obtained for quota allocation under the NEM programme and the customer does not intend to proceed with installation works, our Group will refund the customer's payment excluding non-refundable fees, such as bank charges and NEM quota application fees.

In some instances, our customers may opt to proceed with the installation of the solar PV system prior to obtaining SEDA's decision on their application for quota allocation under the NEM programme as they may want to expediate the installation process. In such instances, we ensure that our customers are fully informed that, in the event SEDA's approval is not obtained for quota allocation under the NEM programme, the installed solar PV system will then fall under the SELCO programme. For these customers that select to expediate installation works, they will be required to make 70.00% payment of the total project cost to our Group before the necessary approvals are obtained from SEDA for quota under the NEM Programme in order for us to commence installation works.

As at the LPD, our Group has not experienced any rejection from SEDA for the applications submitted on behalf of our customers for quota under the NEM Programme.

An EPCC project for residential buildings typically takes 4 to 12 weeks to complete. Comparatively, an EPCC project for commercial and industrial buildings can range from 3 to 12 months to complete.

If requested by our customers, we will continue to provide O&M services to assist them in operating and maintaining their solar PV systems after completing our EPCC services.

The EPCC services for solar PV system projects that we have undertaken encompass:

(a) residential buildings for homeowners;

(b) commercial buildings such as office buildings, retail buildings and petrol stations; and

(c) industrial buildings such as manufacturing facilities and storage facilities.

Some of past EPCC services projects include:

Residential buildings

Commercial and industrial buildings

EPCC services for solar PV systems accounted for 97.10%, 99.06%, 98.54% and 99.02% of our total revenue for the Financial Years Under Review, respectively

7.2.2 O&M services for solar PV systems

We provide O&M services to our residential, and commercial and industrial customers for solar PV systems that we installed, primarily to assist our customers in operating and maintaining their solar PV systems. Our O&M services help to maintain consistent operations of solar PV equipment and systems for a specific contractual duration.

O&M services are essential for ensuring that solar PV systems operate continuously at its optimal efficiency levels. Our O&M services include all repairs of defects covered under the defects liability period as well as repairs arising from wear and tear over time.

Our scope under O&M services for solar PV systems mainly comprises the following:

(a) Operations of solar PV systems

We use an integrated monitoring system where the inverter's data monitoring software is linked to our Verdant Home mobile application for real-time system status, revenue metering, alarms and diagnostics. Our O&M team will compare the monitoring results against benchmarks to ensure system performance meets expectations. Our customers will also receive real-time notifications and access to the performance monitoring dashboard. Any performance shortfalls are promptly addressed with corrective maintenance.

(b) Preventive maintenance

Preventive maintenance includes scheduled inspections of the inverters, combiner boxes, electrical wirings and other solar PV system components, as well as checking for any damages and dirt to the solar PV modules that could impact performance. We will also perform surface cleaning of solar PV modules, inverter fans and air filters, combiner boxes as well as testing of insulation and voltages. The inspection, cleaning and testing of the equipment and system are performed in line with the manufacturer's recommendations and warranty guidelines. However, we also perform preventive maintenance upon the request of our customers.

(c) Corrective maintenance

Corrective maintenance services involve timely repair services and parts replacement to minimise downtime and optimise performance. We will repair any issues or defects that arise, such as the repair or replacement of faulty electrical components, solar PV modules, mounting structures, cables and balance of system components. We are also responsible for the processing of defective equipment and components, including filing warranty claims with respective manufacturers or suppliers to facilitate prompt replacement.

O&M services for solar PV systems accounted for nil, 0.02%, 0.25% and 0.40% of our total revenue for the Financial Years Under Review, respectively.

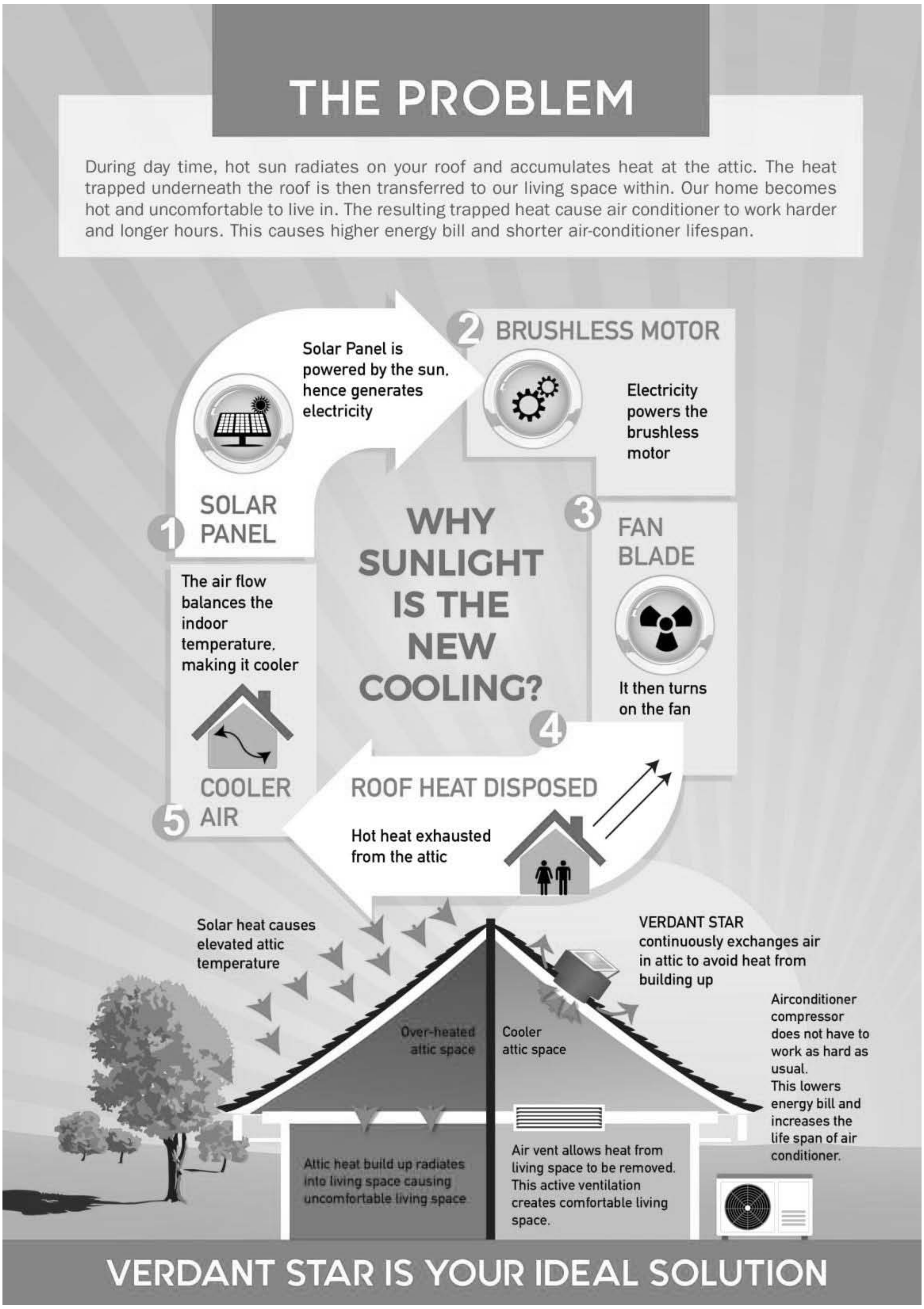
7.2.3 Trading of solar products

We trade our own brand of solar ventilation systems which we market under Verdant Star and supply to our appointed dealers for subsequent sales to their customers. We source the solar ventilation systems from our manufacturer on a purchase order basis. From time to time, we also trade solar products such as solar panels and inverters when we received such request from solar companies providing EPCC services for solar PV systems, provided that we have excess of such inventories. Our Group does not actively target or promote the sale of solar panels and inverters.

Solar ventilation systems are devices that use solar energy to improve airflow in a space, such as living spaces or other enclosed areas. Solar panels harness sunlight to generate solar energy which is then used to power ventilation fans to expel hot, stale air from and draw in fresh air into living spaces or other enclosed areas.

By enhancing ventilation, the Verdant Star solar ventilation system aims to improve indoor air circulation, reduce moisture and the growth of harmful mildew, extend roof lifespan and optimise the efficiency of air conditioning and HVAC systems.

The application of our solar ventilation systems can be illustrated as follows:



Note:

In the above diagram, "our" and "your" refers to the buildings' owner.

7.2.4 Cumulative installed capacity

The cumulative installed capacities that we have completed and handed over to our customers since the commencement of our business and up to the LPD are as follows:

Type of projects	FYE 2020 kWp	FYE 2021 kWp	FYE 2022 kWp	FYE 2023 kWp	FYE 2024 kWp	FYE 2025 kWp	1 July 2025 up to the LPD kWp	Total kWp
Residential	224.58	1,480.25	3,636.95	7,262.96	17,824.06	37,462.02	6,735.25	74,626.07
Commercial and industrial	108.00	-	150.30	133.44	155.02	1,658.75	1,861.89	4,067.40
Total	**332.58**	**1,480.25**	**3,787.25**	**7,396.40**	**17,979.08**	**39,120.77**	**8,597.14**	**78,693.47**
Cumulative[(1)]	**332.58**	**1,812.83**	**5,600.08**	**12,996.48**	**30,975.56**	**70,096.33**	**78,693.47**	

Region	FYE 2020 kWp	FYE 2021 kWp	FYE 2022 kWp	FYE 2023 kWp	FYE 2024 kWp	FYE 2025 kWp	1 July 2025 up to the LPD kWp	Total kWp
Central[(2)]	190.15	1,097.49	2,685.52	4,890.29	12,668.30	24,320.64	5,983.20	51,835.59
Northern[(3)]	-	64.12	472.66	1,117.12	2,710.05	7,220.24	1,472.66	13,056.85
Southern[(4)]	119.33	295.32	581.98	1,330.34	2,329.52	7,050.75	1,059.44	12,766.68
East Coast[(5)]	23.10	23.32	47.09	58.65	271.21	529.14	81.84	1,034.35
Total	**332.58**	**1,480.25**	**3,787.25**	**7,396.40**	**17,979.08**	**39,120.77**	**8,597.14**	**78,693.47**
Cumulative[(1)]	**332.58**	**1,812.83**	**5,600.08**	**12,996.48**	**30,975.56**	**70,096.33**	**78,693.47**	

Notes:

(1) The cumulative installed capacities for each year are calculated by adding the total installed capacities in a particular year to the cumulative installed capacities from the preceding year.

(2) Comprises Selangor, Kuala Lumpur, Putrajaya and Negeri Sembilan.

(3) Comprises Penang, Kedah, Perlis and Perak.

(4) Comprises Johor and Melaka.

(5) Comprises Pahang, Terengganu and Kelantan.

7.2.5 Products warranties and defects liabilities

Upon final acceptance of our works, the following warranties are applicable:

(a) Product warranty of solar ventilation system

Our products for solar ventilation system include a 5 year warranty from the manufacturer.

During the Financial Years Under Review and up to the LPD, our Group has not encountered any warranty claims for our solar ventilation system.

(b) Product warranty of solar PV modules and balance of systems

Our products include product warranties from the manufacturers against manufacturing defects for:

(i) solar panels ranging from 12 to 15 years;
(ii) inverters ranging from 10 to 12 years; and
(iii) mounting structures for 10 years.

During the Financial Years Under Review and up to the LPD, we have processed a total of 94 warranty claims on behalf of our customers against the relevant product manufacturers, which is approximately 1.06% of total products obtained from the manufacturers.

(c) 30 days installation guarantee

Under our 30 days installation guarantee programme, we undertake to install and commission solar PV systems on residential buildings for our customers within 30 days, commencing upon the receipt of installation deposit from our customers.

During the Financial Years Under Review and up to the LPD, we incurred payments of nil, RM10,020, RM112,049, RM145,563 and RM19,688, respectively, to affected customers under the 30 days installation guarantee. These payments were computed based on our Group's estimated electricity savings proposal provided to the customers.

(d) Defects liability period

The defects liability period in our EPCC contract with our customers is 24 months from the date of acceptance of handover of the solar PV system by our customers. During the defects liability period, we are responsible for addressing any defects in our works and that of our subcontractors, in line with the terms of the contract, and making good any defects or faults that may occur. Some of the solar PV components are covered against manufacturing defects from product warranties by the component manufacturers or respective suppliers. As a result, the component manufacturers or suppliers are responsible for providing suitable replacements for the defective parts. However, we are responsible for the upfront costs of replacing the affected component, which typically includes the cost of labour, transportation and consumables.

We provide warranties on a back-to-back basis with our suppliers. While our Group incurs the cost of labour and transportation, defective products are replaced by the manufacturers under this agreement. We leverage on our internal staff strength to replace such defective products.

Further, we also maintain service agreements with our subcontractors, under which they are responsible for addressing any defects or issues related to their work in accordance with the agreed terms.

Premised on the above, during the Financial Years Under Review and up to the LPD, the defects liability claims that we received from our customers was negligible.

7.2.6 Project implementation and use of subcontractors

In implementing our projects, we leverage on our internal capabilities and deploy our in-house team and resources to carry out the following responsibilities:

(a) marketing our solar PV solutions;
(b) conducting feasibility studies and site assessments;
(c) engineering designs and specifications;
(d) securing regulatory permits and approvals;
(e) procuring materials and services;
(f) implementing quality control and assurance procedures;
(g) implementing safety and health programmes;
(h) testing and commissioning; and
(i) providing overall project management and supervision.

In addition to the above tasks, we engage subcontractors to handle other works, such as civil and structural as well as M&E engineering works to assemble the various materials and components as well as to install the solar PV system at the customer's site. We focus primarily on the marketing, design, engineering and procurement of materials and components while we engage subcontractors for labour-intensive works. All subcontracted activities are managed and supervised by us.

During the Financial Years Under Review and up to the LPD, our Group has engaged the following number of subcontractors:

Number of subcontractors				
FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 July 2025 up to the LPD
6	11	22	27	28

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7.2.7 Our ongoing and completed projects

Our customers are primarily homeowners under the EPCC services for solar PV systems segment for residential buildings which contributed to 93.95%, 97.39%, 97.76% and 95.45% of our total revenue for the Financial Years Under Review, respectively. The contract values for majority of our projects ranges from RM20,000.00 to RM45,000.00 per project.

The number of projects completed by our Group during the Financial Years Under Review and up to the LPD are as follows:

	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**	**1 July 2025 up to the LPD**
Type of building	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**	**Number of projects**
Residential	442	837	1,850	3,983	698
Commercial and industrial	6	6	8	55	10
Total	**448**	**843**	**1,858**	**4,038**	**708**

(a) Ongoing projects

The following table sets forth our ongoing projects with contract values of RM100,000.00 and above during the Financial Years Under Review and up to the LPD:

Project details/ scope and location[(1)]	**Customer**	**Type of building**	**Type of solar programme**	**Built Capacity (kWp)**	**Commencement and expected completion period[(1)(2)]**	**Contract value[(1)]/ Balance contract value as at the LPD[(3)] (RM'000)**	**Stage of completion (% as at the LPD)**	**FYE of balance contract value to be fully recognised**
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Shah Alam, Selangor	G-Mart Motor Sdn Bhd	Industrial	NEM NOVA	268.40	December 2024 to December 2025	366/329	10%	2026

7. BUSINESS OVERVIEW *(Cont'd)*

Project details/ scope and location[(1)]	Customer	Type of building	Type of solar programme	Built Capacity (kWp)	Commencement and expected completion period[(1)(2)]	Contract value[(1)]/ Balance contract value as at the LPD[(3)] (RM'000)	Stage of completion (% as at the LPD)	FYE of balance contract value to be fully recognised
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Shah Alam, Selangor	G-Mart Motor Sdn Bhd	Industrial	NEM NOVA	73.80	December 2024 to December 2025	137/123	10%	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Perai, Penang	Industri Pesawat Jaya Sdn Bhd	Industrial	NEM NOVA	448.88	April 2025 to September 2025	791/40	95%	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Cheras, Selangor	Menang Nusantara Sdn Bhd	Industrial	NEM NOVA	98.58	May 2025 to September 2025	207/186	10%[(4)]	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Seri Kembangan, Selangor	Menang Nusantara Sdn Bhd	Industrial	NEM NOVA	129.58	May 2025 to September 2025	263/237	10%[(4)]	2026

7. BUSINESS OVERVIEW *(Cont'd)*

Project details/ scope and location[(1)]	Customer	Type of building	Type of solar programme	Built Capacity (kWp)	Commencement and expected completion period[(1)(2)]	Contract value[(1)]/ Balance contract value as at the LPD[(3)] (RM'000)	Stage of completion (% as at the LPD)	FYE of balance contract value to be fully recognised
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Rawang, Selangor	Sin Seng Yap Sdn Bhd	Industrial	NEM NOVA	70.68	May 2025 to September 2025	139/125	10%[(4)]	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Seri Kembangan, Selangor	Sf Soon Fong Auto Parts Trading Sdn Bhd	Industrial	NEM NOVA	54.56	June 2025 to September 2025	111/100	10%[(4)]	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Seri Kembangan, Selangor (Project 1)	Anta Industrial Parts Sdn Bhd	Industrial	NEM NOVA	55.80	June 2025 to September 2025	115/46	60%	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Seri Kembangan, Selangor (Project 2)	Anta Industrial Parts Sdn Bhd	Industrial	NEM NOVA	55.80	June 2025 to September 2025	115/46	60%	2026

7. BUSINESS OVERVIEW *(Cont'd)*

Project details/ scope and location(1)	Customer	Type of building	Type of solar programme	Built Capacity (kWp)	Commencement and expected completion period(1)(2)	Contract value(1)/ Balance contract value as at the LPD(3) (RM'000)	Stage of completion (% as at the LPD)	FYE of balance contract value to be fully recognised
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Puchong, Selangor	Kamal Engineering Sdn Bhd	Industrial	NEM NOVA	97.96	June 2025 to September 2025	182/73	60%	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at a commercial property in Taman Kota Laksamana Jaya, Melaka	Bigtree Healthcare & Nursing Home Sdn Bhd	Commercial	NEM NOVA	150.04	June 2025 to October 2025	270/243	10%	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at a school in Taman Krubong Jaya, Melaka	S.J.K.(C) Pay Fong	Commercial	NEM NOVA	99.00	June 2025 to October 2025	181/163	10%	2026

Notes:

(1) *Project details, commencement period and contract value are based on the respective letters of award.*

(2) *Expected completion period of each project is based on management's estimation.*

(3) *Balance contract value as at the LPD refers to the unbilled contract amount as at the LPD.*

(4) As at the LPD, the stage of completion does not align with the expected completion period due to various factors, including site readiness, completeness of documentation submitted to local authorities for permit approvals, availability of financing and the technical complexity of the project. Arising from this, our Group is pending instructions from the respective customers to commence installation works. For information purposes, our installation works typically take 3 to 12 months to complete for commercial and industrial projects. Our commercial and industrial team is constantly monitoring the progress of these projects and we will revise the expected completion period of these projects accordingly, if necessary.

(b) Completed projects

The following table sets forth our completed projects with contract values of RM100,000.00 and above during the Financial Years Under Review and up to the LPD:

Project details/ scope and location(1)	Customer	Type of building	Type of solar programme	Built Capacity (kWp)	Commencement and completion period(1)(2)	Contract value (RM'000)(1)
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Bandar Sri Damansara, Kuala Lumpur	Sri Ribuan Industries Sdn Bhd	Industrial	NEM NOVA	54.74	September 2023 to June 2025	160
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Klang, Selangor	Kitasama Food Sdn Bhd	Industrial	NEM NOVA	68.88	October 2023 to August 2024	160
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Semenyih, Selangor	CAF Food Products Sdn Bhd	Industrial	NEM NOVA	191.75	November 2023 to September 2024	398

Project details/ scope and location[(1)]	Customer	Type of building	Type of solar programme	Built Capacity (kWp)	Commencement and completion period[(1)(2)]	Contract value (RM'000)[(1)]
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Muar, Johor	Yong Heng Engineering Works Sdn Bhd	Industrial	NEM NOVA	93.22	November 2023 to September 2024	213
Design, supply, installation, engineering, testing and commissioning of solar PV system at a commercial property in Kajang, Selangor	Carhome Auto Acc Supply Sdn Bhd	Commercial	NEM NOVA	38.94	May 2024 to September 2024	103
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Pelabuhan Klang, Selangor	Polymer Link Sdn Bhd	Industrial	NEM NOVA	947.10	August 2024 to July 2025	1,777
Design, supply, installation, engineering, testing and commissioning of solar PV system at a commercial property in Kota Tinggi, Johor	Kota Tinggi Expressway Sdn Bhd	Commercial	NEM NOVA	69.54	September 2024 to December 2024	153
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Shah Alam, Selangor	TXM Service Sdn Bhd	Industrial	NEM NOVA	82.96	September 2024 to December 2024	178

7. BUSINESS OVERVIEW *(Cont'd)*

Project details/ scope and location[(1)]	Customer	Type of building	Type of solar programme	Built Capacity (kWp)	Commencement and completion period[(1)(2)]	Contract value (RM'000)[(1)]
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Telok Panglima Garang, Selangor	Store & Send Logistics Sdn Bhd	Industrial	NEM NOVA	198.03	November 2024 to July 2025	350
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Kluang, Johor	Mr2 Uniform Sdn Bhd	Industrial	NEM NOVA	99.63	January 2025 to June 2025	180
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Seremban, Negeri Sembilan	KBV Industries Sdn Bhd	Industrial	NEM NOVA	356.09	January 2025 to July 2025	779
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Shah Alam, Selangor	Winterhalter (M) Sdn Bhd	Industrial	NEM NOVA	71.92	February 2025 to August 2025	145
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Bukit Mertajam, Penang	Quintmas Sdn Bhd	Industrial	NEM NOVA	97.17	April 2025 to August 2025	180

Project details/ scope and location(1)	**Customer**	**Type of building**	**Type of solar programme**	**Built Capacity (kWp)**	**Commencement and completion period(1)(2)**	**Contract value (RM'000)(1)**
Design, supply, installation, engineering, testing and commissioning of solar PV system at a commercial property in Tanjung Bunga, Penang	Badan Pengurusan Bersama Permai Gardens	Commercial	NEM NOVA	94.24	May 2025 to August 2025	175

Notes:

(1) Project details, commencement period and contract value are based on the respective letters of award.

(2) Completion period of each project is based on the date of project completion report which signifies the handover of the solar PV system to our customer.

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7.2.8 Our operating locations

Our business operations are based in Malaysia at the following locations:

Location	Function
Level 9, Menara Dana 13, Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor	Headquarter
Sunway Wellesley @ Precint 1, No. 1, 1st Floor, Jalan Muthu Palaniapan, 14000 Bukit Mertajam, Pulau Pinang	Penang branch office
10-14, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor	Existing Johor branch office
No. 2-01, Jalan Molek 1/43, Taman Molek, 81100 Johor Bahru	New Johor branch office(1)

Note:

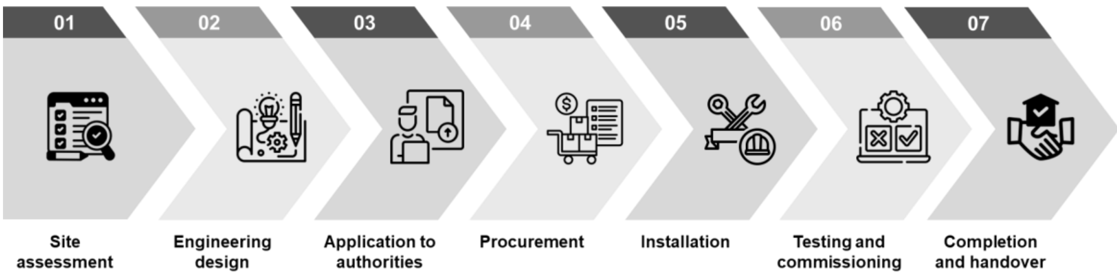
(1) *Our Group's existing Johor branch office is located at 10-14, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor. We intend to relocate our new Johor branch office to No. 2-01, Jalan Molek 1/43, Taman Molek, 81100 Johor Bahru tentatively by December 2025.*

Please refer to Section 7.20.2 for further information.

7.3 BUSINESS PROCESSES

7.3.1 EPCC services for solar PV systems

We adopt the following process flow in our provision of EPCC services for solar PV systems:



(a) Site assessment

Our project typically begins with conducting a comprehensive site assessment by our team to evaluate the feasibility of installing solar PV modules, balance of system components and relevant electrical equipment at the project site. We carefully consider factors such as space availability, site condition and solar PV module orientation to maximise solar irradiation.

For commercial and industrial projects, we also assess the interconnection requirements for power grid connection. Based on the information gathered from the site assessment, we will form a project team to estimate costs and prepare proposals tailored to the needs of the customer. The project team will submit the finalised proposals either through a tender bidding process or direct negotiations with customers.

(b) Engineering design

Our design engineers will prepare and propose a customised design to meet specific customers' requirements.

Our engineering design process includes the following steps:

(i) Developing schematic drawings and specifications for the solar PV system, which includes determining the number of solar PV modules needed to meet capacity requirements, as well as orientation for optimising the generation of electricity; and

(ii) Identifying components that are essential for the solar PV system's operations, known as the balance of system. These requirements depend on factors such as installed capacity and whether the system is designed for self-consumption or exporting surplus electricity to the power grid.

(c) Application to authorities for approvals on behalf of customers

We assist our customers with the necessary applications to the authorities to seek their approval, where applicable, in projects involving one or more of the following:

(i) submission of structural and electrical drawings and supporting documents to the relevant local authorities;

(ii) submission of a connection assessment study or power system study to TNB and SEDA;

(iii) submission of an application to the Energy Commission Malaysia for public generation licence or private generation licence; and

(iv) submission of an application for Green Investment Tax Allowance (GITA) to Malaysian Investment Development Authority (MIDA) and the Malaysian Green Technology and Climate Change Corporation (MGTC).

(d) Procurement

Our procurement process covers all aspects of planning, order placement, tracking, inspection, transportation and inventory management. We source and evaluate quotations from our list of approved suppliers, and selecting suppliers based on pricing, timelines of delivery and product certifications.

For commercial and industrial projects, we ensure that purchases of among others, solar panels and inverters, align with our technical specifications, cost and quality standards. Upon order placement, our procurement team manages delivery logistics, coordinating with our suppliers to ensure timely delivery according to the project schedule for installation.

For residential projects, we procure the necessary solar products such as solar panels and inverters in advance and store them in a third party warehouse. On the installation day, we will arrange transportation of these solar products to the project site. We will perform visual inspection of these solar products onsite prior to installation works.

Our major purchases of solar panels, inverters and mounting structures are sourced from foreign manufacturers. However, we are also able to source solar panels, inverters and mounting structures from local traders or distributors of foreign manufacturers. As at the LPD, we have a total of 35 approved suppliers. Our selection of suppliers is based on stringent criteria such as quality, pricing, product technical specifications, payment terms, product warranty period and timeliness of delivery.

We also appoint subcontractors to carry out installation works. These subcontractors are selected based on their experience, service quality, qualifications, technical expertise and resource availability.

Please refer to Section 7.13 of this Prospectus for further details on our quality control on incoming materials and/or subcontractor services.

(e) Installation

We typically undertake the following works via our subcontractors:

(i) erection of mounting frames and installation of solar PV modules;

(ii) installation of cables, wires and balance of system; and

(iii) installation of interconnection facilities to link the solar PV system to the power distribution boards.

Our subcontractors carry out the installation works, while we oversee the process to ensure quality and adherence to specifications.

During the installation phase, we may propose variation orders if additional work is needed for the efficient functioning of the solar PV systems. We will communicate the extra cost and required timeline for the proposed variations to our customers for their approval before undertaking the additional works.

(f) Testing and commissioning

Upon completion of installation works, we conduct system checking and inspections based on the as-built documents. The system checking steps include:

(i) validation of solar PV modules and balance of system installations in accordance with the engineering drawings, manufacturers' specifications and recommendations;

(ii) verification of the system's safe integration with the building's power system; and

(iii) identification and rectification of any defective equipment, if any.

For residential projects, we will then proceed to test and commission the solar PV system, which involves testing interconnections to the power distribution boards. In the event any non-conformance is identified, we will undertake rectification works.

For commercial and industrial projects, the testing and commissioning procedures conducted at the project site include:

(i) Performance ratio test

We conduct performance ratio test to ensure that the solar PV system's electricity generating capacity achieves the performance expected in the technical specifications and the distribution substation output. This test measures the system's reliability and efficiency in relation to its installed capacity.

(ii) Acceptance test

Our acceptance test involves data collection and evaluation of the solar PV system to verify compliance with design and engineering standards, equipment labelling and visual inspection requirements. The results of the acceptance test are compiled into a detailed report, ensuring that our solar PV system project adheres to technical and safety standards.

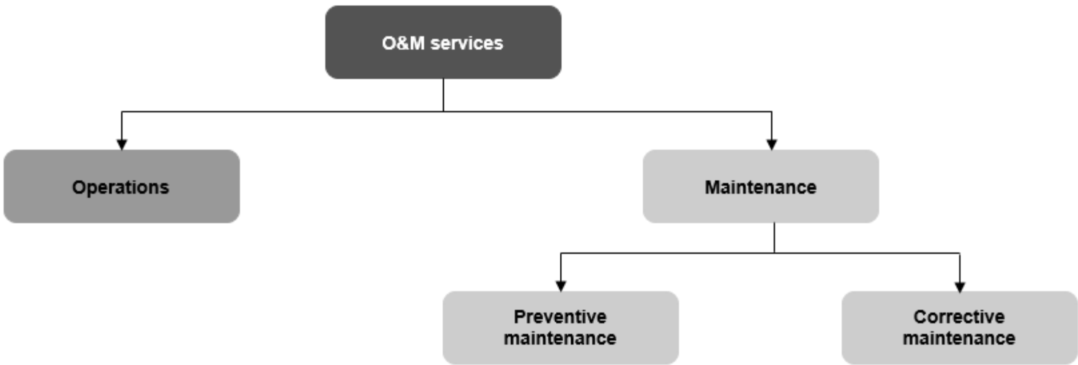
(g) Completion and handover

After testing and commissioning, the solar PV system is then handed over to the customer. This handover includes the relevant regulatory certifications and registrations, engineering design data and final as-built drawings, warranties and spare parts information. We also submit a project completion report to customers for our commercial and industrial projects.

We also provide our customer with explanation on basic operating procedures during the handover process.

7.3.2 O&M services for solar PV systems

Our O&M services are carried out by our subcontractors. We adopt the following process flow in our provision of O&M services for solar PV systems:



(a) Operations

Each solar PV system comes with an energy and solar monitoring system, enabling our O&M personnel to track real-time energy generation and performance and remotely through our Verdant Home mobile application. This enables our O&M personnel to monitor real-time efficiency of the solar PV system and compare with its theoretical efficiency to assess if the system is operating optimally. Our O&M personnel will then establish the general condition of the system and schedule repair or maintenance activities. In the event of equipment failure causing downtime, our O&M team will strive to resolve the issue in a timely manner to minimise operational disruptions.

(b) Maintenance

Our maintenance services are categorised into preventive maintenance and corrective maintenance.

(i) Preventive maintenance

Preventive maintenance includes servicing, cleaning and inspections to ensure the proper functioning and performance of the solar PV system. The scheduled preventive maintenance is typically conducted in predetermined intervals based on the system or equipment requirements and the recommendations of the solar PV equipment manufacturers. We carry out on-site inspections of the following equipment and components:

Solar PV modules

- Visual inspection on solar PV modules for visible cracks, damages and defects
- Cleaning of solar PV modules to remove dirt
- Checking electrical connections

Inverters

- Visual inspection and checking on components
- Ensure the functioning of the inverter

Mounting structures

- Visual inspection for corrosion due to oxidation
- Checking of locking mechanism to ensure structural integrity

Cables and wiring systems

- Checking for cable degradation due to exposure to sunlight
- Inspection for cracks, defects, loose connections and grounding faults

(ii) Corrective maintenance

Our corrective maintenance service addresses identified issues and defects in electrical equipment and components of the solar PV system. We will repair all systems issues, defects of the electrical equipment and components which were identified during the inspection and checks by our team. We arrange for timely repair services and parts replacement to minimise downtime.

In addition, we also handle tasks such as managing defective equipment and warranty claims. We assist our customers in filing and processing warranty claims with the respective suppliers for replacement of defective equipment and components during the applicable warranty periods.

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7.4 REVENUE SEGMENTATION AND PRINCIPAL MARKETS

Our principal market is Malaysia and all our revenue is generated from Malaysia. The table below set out the breakdown and analysis of our revenue by business segment for the Financial Years Under Review:

Business segment	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
EPCC services for solar PV systems								
- Residential	13,812	93.95	25,949	97.39	55,018	97.76	106,353	95.45
- Commercial and industrial	463	3.15	444	1.67	438	0.78	3,986	3.57
O&M services for solar PV systems	-	-	5	0.02	142	0.25	445	0.40
Trading of solar products	426	2.90	246	0.92	678	1.21	642	0.58
Total	**14,701**	**100.00**	**26,644**	**100.00**	**56,276**	**100.00**	**111,426**	**100.00**

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7.5 BUSINESS DEVELOPMENT AND MARKETING STRATEGIES

Our Group's sales and marketing department and commercial and industrial department are primarily responsible for planning and executing business development activities, serving our existing customers as well as acquiring new customers. We acquire new customers through the following methods:

(a) Referrals and recommendations from existing customers

We acquire new customers through referrals and recommendations from our existing customers. Our referral programme is made available on our Verdant Home mobile application and our corporate website. Existing customers may also provide referrals for potential customers directly to our sales team.

(b) Digital marketing

We leverage digital marketing tools to directly communicate and engage with potential customers as well as to promote and enhance brand recognition. Our corporate website, https://verdantsolar.my/, along with advertisements on social media platforms such as Facebook, Instagram, TikTok, YouTube, RedNote and LinkedIn, have supported the expansion of our market presence and promote our services and brand.

Our corporate website provides comprehensive information about our Group and the services we offer. It facilitates direct communication with business owners and homeowners interested in adopting solar PV systems. Through interactive features such as comments, messages and reviews combined with regular social media updates, we actively engage with our audience, sharing industry insights, ongoing promotions and corporate initiatives.

(c) Events, exhibitions and marketing campaigns

We participate in events and exhibitions and also organise marketing campaigns to engage directly with potential customers and showcase our expertise in solar PV system projects and enhance our brand visibility. During the Financial Years Under Review and up to the LPD, our Group has participated in the following events and exhibitions:

Year	Exhibition / Organiser	Location
2022	HomeDec KL	Kuala Lumpur
2022	HomeDec Penang	Penang
2023	Home Living Johor	Johor
2023	HomeDec KL	Kuala Lumpur
2023	HomeDec Penang	Penang
2023	Solar Truck Roadshow Desa ParkCity	Kuala Lumpur
2024	Home Living Johor	Johor
2024	HomeDec KL	Kuala Lumpur
2024	HomeDec Penang	Penang
2024	Megahome Penang	Penang
2024	Roadshow OneUtama	Selangor
2024	International Sustainable Energy Summit	Kuala Lumpur
2025	HomeDec KL	Kuala Lumpur
2025	HomeDec Penang	Penang
2025	Home Living Johor	Johor
2025	Megahome Johor	Johor

Our participation in these events and exhibitions enable us to capture new customer and allow us to introduce our Group to a wider audience and showcase our capabilities in the solar PV industry. We leverage these opportunities to educate potential customers about renewable energy and solar PV systems, emphasising their benefits and sustainability.

In addition, we also carry out awareness and marketing roadshows at local communities should we receive such requests.

The majority of our Group's customers are residential property owners. We obtain our sales leads for residential customers via:

Channel	FYE 2024 (%)	FYE 2025 (%)	1 July 2025 up to the LPD (%)
Referrals and recommendations	46.23	59.00	62.46
Digital marketing	46.07	35.88	33.67
Events, exhibitions and marketing campaigns	7.70	5.12	3.87
Total	**100.00**	**100.00**	**100.00**

7.6 TYPES, SOURCES AND AVAILABILITY OF INPUTS

The main inputs for our business are as follows:

(a) solar panels, inverters and mounting structures;

(b) equipment and materials for the balance of systems; and

(c) subcontractors' services.

The breakdown of the inputs purchased/sourced by our Group for the Financial Years Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Equipment and materials[(1)]								
Solar panels	4,704	52.20	8,585	53.12	13,614	45.31	19,185	37.70
Inverters	1,625	18.03	3,576	22.13	6,962	23.17	12,660	24.88
Mounting structures	882	9.79	1,339	8.29	3,460	11.52	4,760	9.36
Others[(2)]	694	7.71	581	3.59	1,390	4.62	4,174	8.20
Subcontractors' services	1,106	12.27	2,080	12.87	4,621	15.38	10,103	19.86
Total	**9,011**	**100.00**	**16,161**	**100.00**	**30,047**	**100.00**	**50,882**	**100.00**

Notes:

(1) Our Group's local and foreign purchases of equipment and materials are as follows:

	FYE 2022		*FYE 2023*		*FYE 2024*		*FYE 2025*	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
Purchases denominated in:								
RM	*585*	*7.40*	*610*	*4.33*	*1,659*	*6.52*	*3,908*	*9.58*
USD	*7,320*	*92.60*	*13,471*	*95.67*	*18,982*	*74.66*	*28,112*	*68.94*
RMB	*-*	*-*	*-*	*-*	*4,785*	*18.82*	*8,759*	*21.48*
Total actual purchases	***7,905***	***100.00***	***14,081***	***100.00***	***25,426***	***100.00***	***40,779***	***100.00***

(2) Comprises balance of systems, ventilators and energy meters.

The majority of our input materials, particularly solar panels, inverters and mounting structures are purchased and settled in foreign currencies, namely USD and RMB. A depreciation of the RM against these foreign currencies will lead to higher costs of purchases for our Group. In the event that we are unable to pass the increase in cost to our customers in a timely manner, our financial performance may be adversely affected from higher cost of materials and equipment. In order to mitigate the risk, we will continuously monitor the movement and fluctuation in the foreign currencies which we are required to settle for our purchases from foreign suppliers.

We manage the purchases of solar panels based on our project requirements, whereby we only make orders for new inventories of solar panels on a periodic basis and in volumes sufficient to support our projects. This enables us to manage our costs in light of current solar panel prices which are presently on a downward trend.

7.7 MAJOR CUSTOMER

For the Financial Years Under Review, our Group's revenue contribution from EPCC services for solar PV systems segment accounted for 97.10%, 99.06%, 98.54% and 99.02% of total revenue, respectively.

We provide EPCC services for solar PV systems for 2 customer sub-segments, namely residential, and commercial and industrial. Our customers under the residential sub-segment are mainly homeowners. As such, there are no major customers in the residential sub-segment that contributed to 10.00% or more of our revenue in any 1 of the financial years during the Financial Years Under Review. Our revenue from this residential sub-segment accounted for 93.95%, 97.39%, 97.76% and 95.45% of our total revenue for the Financial Years Under Review, respectively.

Our customers from commercial and industrial sub-segment are mainly owners of factory buildings and commercial shop lots. However, for the Financial Years Under Review, customers of this sub-segment only contributed 3.15%, 1.67%, 0.78% and 3.57% of our total revenue for the Financial Years Under Review, respectively. As such, there are no major customers in this sub-segment that contributed to 10.00% or more of our revenue in any 1 of the financial years during the Financial Years Under Review.

Our customers from the O&M services for solar PV systems segment and trading of solar products segment in aggregate, accounted for 2.90%, 0.94%, 1.46% and 0.98% of our total revenues in the Financial Years Under Review, respectively and there are no major customers in these 2 segments of our business that contributed to 10.00% or more of our revenue in any 1 of the financial years during the Financial Years Under Review.

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7.8 MAJOR SUPPLIERS

Our top 5 major suppliers for the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 are as follows:

FYE 2022

No.	Major suppliers	Country	Materials procured	Purchases contribution		Length of relationship as at the FYE
				RM'000	%[1]	(years)
1.	Canadian Solar South East Asia Pte. Ltd.	China	Solar panels	2,949	37.31	2
2.	Trina Solar Energy Development Pte Ltd[2]	China	Solar panels	1,754	22.19	*
3.	Xiamen Stanwic Optoelectronics Co., Ltd	China	Mounting structures	808	10.22	2
4.	Ginlong Technologies Co., Ltd.	China	Inverters	729	9.22	*
5.	Solarhive Pte Ltd	Singapore	Inverters	687	8.69	1
			Total	**6,927**	**87.63**	

FYE 2023

No.	Major suppliers	Country	Materials procured	Purchases contribution		Length of relationship as at the FYE
				RM'000	%[1]	(years)
1.	JA Solar International Limited	China	Solar panels	5,986	42.51	1
2.	Ginlong Technologies Co., Ltd.	China	Inverters	2,676	19.00	1
3.	Trina Solar Energy Development Pte Ltd[2]	China	Solar panels	1,760	12.50	1
4.	Xiamen Stanwic Optoelectronics Co., Ltd	China	Mounting structures	1,344	9.54	3
5.	Canadian Solar South East Asia Pte. Ltd.	China	Solar panels	815	5.79	3
			Total	**12,581**	**89.34**	

FYE 2024

No.	Major suppliers	Country	Materials procured	Purchases contribution		Length of relationship as at the FYE
				RM'000	%[1]	(years)
1.	JA Solar International Limited	China	Solar panels	8,760	34.45	2
2.	Ginlong Technologies Co., Ltd.	China	Inverters	5,758	22.65	2
3.	Xiamen Stanwic Optoelectronics Co., Ltd	China	Mounting structures	3,427	13.48	4
4.	Trina Solar Energy Development Pte Ltd[2]	China	Solar panels	2,174	8.55	2
5.	Longi Solar Technology Co., Ltd	China	Solar panels	1,459	5.74	1
			Total	**21,578**	**84.87**	

FYE 2025

No.	Major suppliers	Country	Materials procured	Purchases contribution		Length of relationship as at the FYE
				RM'000	%[(1)]	(years)
1.	JA Solar International Limited	China	Solar panels	13,435	32.95	3
2.	Ginlong Technologies Co., Ltd.	China	Inverters	8,759	21.48	3
3.	Trina Solar Energy Development Pte Ltd[(2)]	China	Solar panels	4,353	10.67	3
4.	Xiamen Stanwic Optoelectronics Co., Ltd	China	Mounting structures	3,746	9.19	5
5.	Hoymiles Power Electronics Inc.	China	Inverters	2,345	5.75	1
			Total	**32,638**	**80.04**	

Notes:

* *Less than 1 year.*

(1) As a percentage of our Group's actual purchases of materials (excluding inventories movement).

(2) Trina Solar Energy Development Pte Ltd is a subsidiary of Trina Solar Co., Ltd., a company listed on the Shanghai Stock Exchange.

Our top 5 major suppliers collectively contributed 87.63%, 89.34%, 84.87% and 80.04% of our Group's actual purchases of materials (excluding inventories movement) in the FYE 2022, FYE 2023, FYE 2024 and FYE 2025 respectively.

The following major suppliers which contributed more than 10.00% to our total purchases of materials for more than 1 financial year during the Financial Years Under Review are as follows:

(a) Trina Solar Energy Development Pte Ltd for the purchases of solar panels which accounted for 22.19%, 12.50% and 10.67% of our actual purchases of materials (excluding inventories movement) in the FYE 2022, FYE 2023 and FYE 2025, respectively. For information, Trina Solar Energy Development Pte Ltd supplied 21.79% of the total solar panels purchased by our Group in the Financial Years Under Review;

(b) Xiamen Stanwic Optoelectronics Co., Ltd for the purchases of mounting structures which accounted for 10.22% and 13.48% of our actual purchases of materials (excluding inventories movement) in the FYE 2022 and FYE 2024, respectively. For information, Xiamen Stanwic Optoelectronics Co., Ltd supplied 89.31% of the total mounting structures purchased by our Group in the Financial Years Under Review;

(c) JA Solar International Limited for the purchases of solar panels which accounted for 42.51%, 34.45% and 32.95% of our actual purchases of materials (excluding inventories movement) in the FYE 2023, FYE 2024 and FYE 2025, respectively. For information, JA Solar International Limited supplied 61.15% of the total solar panels purchased by our Group in the Financial Years Under Review; and

(d) Ginlong Technologies Co., Ltd. for the purchases of inverters which accounted for 19.00%, 22.65% and 21.48% of our actual purchases of materials (excluding inventories movement) in the FYE 2023, FYE 2024 and FYE 2025, respectively. For information, Ginlong Technologies Co., Ltd. supplied 72.20% of the total inverters purchased by our Group in the Financial Years Under Review.

While there is concentration of purchases of solar panels, mounting structures and inverters from the abovementioned suppliers, we are not dependent on any single one of these major suppliers. Our higher purchases from these 4 major suppliers were mainly due to, amongst others, our established business relationship with them, their ability to provide the materials reliably and on time, competitive pricing and reasonable credit terms. In addition, we prefer to source the materials from the same supplier to maintain consistency in quality as these suppliers have demonstrated to be reliable.

In addition to the abovementioned major suppliers, our Group also purchased solar panels from 2 other suppliers, inverters from 3 other suppliers and mounting structures from 1 other supplier during the Financial Years Under Review and up to the LPD.

Nevertheless, the materials required by our Group are readily available from various other suppliers. We select our suppliers based on factors such as material availability, quality, pricing, delivery lead times and industry track record. While certain suppliers may be selected at the request of customers for specific branded products, we are generally able to source materials from any suppliers in the market.

In addition, our Group does not have any long-term agreements or arrangements with any of the major suppliers. This provides us flexibility to source for quality materials at competitive prices from alternative suppliers if required.

During the Financial Years Under Review, our Group was not dependent on any of our subcontractors.

For information purposes, our Group is exposed to foreign exchange risk as most of our materials are purchased from foreign suppliers denominated in foreign currencies, namely USD and RMB. Please refer to Section 9.1.7 of this Prospectus for further information.

7.9 TECHNOLOGY USED AND TO BE USED

In February 2024, we launched our Verdant Home mobile application which is designed to help homeowners to track and optimise their solar energy usage. Our Verdant Home mobile application can be downloaded from the App Store and Google Play Store. We engaged third party programmers to develop and maintain our Verdant Home mobile application and we own all rights relating to our Verdant Home mobile application.

We encourage all of our customers to download Verdant Home mobile application to access the following features:

(a) obtain solar PV system recommendation based on current electricity consumption and estimate potential savings;

(b) obtain customised solar PV system proposal;

(c) monitor progress of solar PV system installation works from initial assessment to testing and commissioning before handover;

(d) monitor energy generation and consumption on a daily basis and in real-time;

(e) connect with our customer support team for system troubleshooting, maintenance or general enquiries; and

(f) refer potential customers to our Group and track referrals status.

Further, we also use various software tools in the design and analysis of solar PV systems to enhance precision and improve efficiency for our projects. Some of the software and systems that we use include:

(a) PVsyst

PVsyst is a specialised software to model the power generation potential of a proposed solar PV system over a period of time. The software accounts for parameters such as weather conditions, shade at the prospective location and size of the solar PV system. PVsyst's tools aid in optimising solar PV system performance and predict solar energy production. The software is purchased and, based on the terms and conditions, is subject to annual license renewal.

(b) Inverter monitoring system

Inverters are preinstalled with monitoring software by manufacturers who make them available to EPCC industry players as well as customers. Inverter monitoring system is a crucial part of our solar PV solutions. It enables real-time tracking of inverter performance and energy production. This system provides detailed data analytics, which allows for monitoring system efficiency, detecting faults and optimising performance. By offering data such as voltage, current and energy output, the inverter monitoring system helps us proactively manage maintenance and ensure optimal energy generation for our customers. This allows us to identify and address issues which will help with the overall performance, reliability and lifespan of the solar PV systems. The system is provided to us by our supplier at no cost.

(c) Monday.com

Monday.com is a cloud-based work operating system designed to help teams and businesses streamline their workflows, collaborate effectively, and manage various aspects of their work on a central platform. We use this system to manage our projects, including planning, tracking and organising projects and tasks visually. The system operates on a subscription basis, subject to annual license renewal.

As at the LPD, our Group plan to use the following software and system in our operations:

(a) ERP system

A centralised system designed to record, store and manage data across various functions within our Group. This system will enhance integration and communication between key operational functions, including procurement, supply chain management and finance, enabling efficient management of day-to-day activities such as accounting, procurement and inventory management.

(b) CRM system

A system to centralise customer data, streamline interactions and enhance service efficiency. This system will facilitate better tracking of customer communications, improve data management and support sales and marketing activities through automated processes. This implementation aims to strengthen customer relationships, improve retention and enhance overall business performance.

7.10 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Our Group did not experience any interruptions to our operations which had a significant effect on our business and operations during the past 12 months preceding the LPD.

7.11 SEASONALITY

We generally experience lower sales during festival periods, especially Chinese New Year. Save for during festive periods, we did not experience any material seasonality or cyclicality in our business during the Financial Years Under Review and up to the LPD.

7.12 OPERATING CAPACITIES AND OUTPUT

We are principally involved in the provision of EPCC services, O&M services for solar PV systems and trading of solar products which are service based. Thus, measures of production capacity, output and utilisation rates are not applicable to our business operations.

7.13 QUALITY CONTROL AND QUALITY ASSURANCE PROCEDURES

We adopt stringent quality control and assurance practices to maintain our reputation and market standing as a reliable solar PV provider. As such, we have established quality controls at each stage to closely monitor the quality of our works and/or subcontractors' works to ensure that our works meet all our internal benchmarks and customers' expectations and specifications.

(a) Quality control on projects

We place emphasis in maintaining the quality control of our site works. For every project, we will assign a project engineer who will oversee and monitor project activities throughout the implementation process, ensuring strict adherence to our quality plan.

We conduct on-site inspections before and after the installation process to address any safety management and performance concerns. All status updates are documented in compliance with our quality control protocols.

Upon project completion, we carry out mandatory testing in accordance to contractual obligations, engineering drawings and local regulatory standards to validate the integrity and functionality of all completed works.

(b) Quality control on materials

To ensure quality of our services, suppliers are selected based on stringent criteria, including, among others, quality, pricing, product and performance warranties, timeliness of delivery and ability to comply with our requirements and specifications.

Our Group assumes responsibility for all equipment and components supplied, with recourse against suppliers for any defective supplies. We perform inspections on the condition and specification of solar equipment and components to ensure that they are in accordance with the predetermined specifications.

(c) Selection and control over subcontractors

For subcontractor services, we typically select our subcontractors based on their experience in relation to the particular project, quality of services, qualifications, skills, delivery time and availability of resources to accommodate our requests. As at the LPD, all our subcontractors are accredited and certified by CIDB.

Our project team will perform inspections on their performance onsite and closely supervise them throughout the project's duration before handover to our customers. The subcontractors are also required to collect customer's feedback upon completion of the installation works. We remain accountable to our customers for the performance and quality of works rendered by our subcontractors.

7.14 RESEARCH AND DEVELOPMENT

During the Financial Years Under Review and up to the LPD, our Group did not carry out any research and development activities.

7.15 COMPETITIVE STRENGTHS

7.15.1 We have track record built upon our experience in delivering solar PV system projects for residential properties which has contributed to our growth

We have been operating in the solar PV industry since 2015. We initially focused on the marketing of solar PV systems for residential properties and trading of solar ventilators during our initial period of operations. In 2019, we expanded our business to include EPCC services for solar PV systems and subsequently to include O&M services for solar PV systems in 2023.

We are committed to installing the solar PV systems and having them fully operational within 30 days for installation on residential properties, commencing upon the receipt of installation deposit from our customers.

As at the LPD, we have successfully completed 78.69 MWp solar PV system projects, thereby demonstrating our capabilities in providing quality and timely completion of our solar PV system projects. From this, we have undertaken solar PV system projects with a cumulative installation capacity of 74.63 MWp across residential properties. Please refer to Section 7.2.4 of this Prospectus for our cumulative installed capacity since the commencement of our business.

Our track record is reinforced by our registrations with the relevant authorities, allowing us to execute solar PV system projects of various scales. As at the LPD, we are registered as a:

(a) solar PV service provider under SEDA and are eligible to participate in NEM programme or any other programme under the Renewable Energy Act 2011 administered by SEDA;

(b) Grade 5 contractor registered with CIDB; and

(c) Class A registration with Energy Commission Malaysia.

In addition, we are also well versed in the application processes for NEM, SolaRIS and SELCO programmes. This expertise in local solar PV regulations allows us to offer valuable knowledge and advice to our customers to reap the benefits provided under such programmes.

As a testament to our accomplishments in the solar PV industry, we have been awarded the Malaysia Book of Records for the Most Solar PV Home Installations in 2022, 2023 and 2024, further solidifying our reputation in the industry.

7.15.2 We are committed to ensuring a seamless experience for our customers

We have developed our very own Verdant Home mobile application to provide and ensure a seamless experience for our customers. With the mobile application's user-friendly interface, customers can easily navigate the mobile application, access relevant data and make informed decisions. The mobile application allows customers to monitor the performance of their solar PV systems in real-time, track energy generation and consumption, and receive alerts for any system issues. We stay in contact with our customers through the mobile application, sending out reminders for scheduled maintenance to ensure optimal system performance.

Our app provides transparency in our services, strengthening customers' confidence in our Group and fostering long-term trust by keeping them well-informed throughout their experience with the solar solutions installed and commissioned by us.

As at the LPD, the total downloads for Verdant Home mobile application were 1,283 and the total active users (customers who have logged into or accessed their account at least once in the past 3 months) for Verdant Home mobile application was 551 users.

7.15.3 We have experienced Managing Director, key senior management and technical team

Our Group is led by our Managing Director, Lim Tzer Haur who has 12 years of experience in the solar PV industry. Lim Tzer Haur is responsible for overseeing business development, financial stability and the overall strategic direction of our Group. His vision and strategic leadership have led to the growth of our Group's business over the years.

He is supported by our key senior management comprising:

Name	Designation	Years of relevant working experience
Ng Kel Mynn	People and Culture Manager	10
Kee Tze Hui	Chief Operating Officer	15
Wong Wooi Loon	Finance Manager	12
Kishen Madana Mohan	Project Team Manager	10
Wang Woei Shenq	Business Development Manager	6

Please refer to Sections 5.1.2, 5.2.2 and 5.4.3 of this Prospectus for the profiles of our Managing Director and key senior management.

In addition, we have an experienced and technically competent engineering team comprising 26 engineers as at the LPD in our project department. They are responsible for design, technical analysis, project management and quality assurance of the solar PV system projects that we undertake.

The collective experience, expertise and abilities of our Managing Director, key senior management and the engineering team will bode well for our Group's continued growth in the solar PV industry.

7.16 BUSINESS STRATEGIES AND FUTURE PLANS

7.16.1 We intend to strengthen our market presence in Peninsular Malaysia and expand to Melaka, Kuantan and Ipoh

Our Group operates primarily in Selangor, where our headquarter is located. This central location allows us to build brand presence and effectively market our services to customers in the central region of Peninsular Malaysia. In addition, we have established branch offices in Penang and Johor to further expand our reach to the northern and southern regions of Peninsular Malaysia.

While our customer base is mainly concentrated in the central region of Peninsular Malaysia, we have been actively pursuing opportunities to expand our presence in other regions within Malaysia. From 1 July 2025 and up to the LPD, we have secured a total of 936 projects.

In order to strengthen our market presence in the other regions of Peninsular Malaysia, our Group intends to establish branch offices in Melaka, Kuantan and Ipoh to expand our coverage to capture more customers located in surrounding these localities. This will allow us to respond more promptly to business opportunities as well as requests from customers in these new localities and surrounding regions. We intend to rent ready-built commercial properties in Melaka, Kuantan and Ipoh to support our expansion in these cities.

Our Group intends to allocate RM14.00 million of the gross proceeds from our Public Issue for the establishment of the New Branch Offices within the next 36 months upon Listing.

The estimated costs for the establishment of our New Branch Offices are as set out below:

Description	RM'000
Rental and renovation works(1)	1,116
Recruitment costs and staff salaries(2)	6,365
Marketing and administrative cost(3)	2,837
Working capital requirements for our New Branch Offices(4)	5,460
Total	**15,778**

Notes:

(1) Comprising 24 months of estimated rental based on property listings of comparable ready built commercial offices from online property platforms and the renovation works to be carried out based on the quotations received from the contractors for our New Branch Offices.

As at the LPD, we are in the midst of identifying suitable premises with built-up areas of 1,500 sq ft to 2,000 sq ft in commercial areas in Melaka, Kuantan and Ipoh.

(2) To support our regional expansion to the cities of Melaka, Kuantan and Ipoh, we have allocated RM6.37 million from our IPO Proceeds to be utilised for the recruitment up to 42 personnels for our New Branch Offices as set out in the table below:

Personnel	*No. of hirees*	*Estimated cost for 24 months (RM'000)*
Branch Manager	*3*	*1,123*
Sales Consultant	*18*	*2,419*
Customer Experience Executive	*6*	*807*
Operations and Project Executive	*12*	*1,613*
Administration Executive	*3*	*403*
Total	***42***	***6,365***

The recruitment of the abovementioned employees will be carried out in tandem with the growth of our New Branch Offices

(3) Includes digital marketing expenses for branding, advertising and promotions on the internet, search engine optimisation, and printing of promotional material and creative productions.

(4) Mainly for the payment to suppliers for purchase of materials which includes purchase of solar panels, mounting structures and inverters for our New Branch Offices.

As at the LPD, our Group has yet to enter into any tenancy agreements for the rental of offices in Melaka, Kuantan and Ipoh for our New Branch Offices. Our Group will make the necessary submission to the relevant authorities for the business premise licenses prior to setting up our New Branch Offices on the said premises.

We expect to finalise the tenancy agreement for our first New Branch Office in Melaka by fourth quarter of 2025. We intend to set up the remaining New Branch Offices in Ipoh and subsequently Kuantan progressively to ensure orderly and effective implementation to facilitate and enhance our ongoing business operations. Our Group has determined to first expand into Ipoh, where we have existing customers in the state of Perak that are currently being served by our branch office in Penang. By establishing a New Branch Office in Ipoh, we will be able to serve these customers more promptly as compared to the time required to despatch a team from Penang. Further, we also see the potential of further expanding our customer base in Perak taking into consideration the state's economic growth as well as established commercial and industrial activities.

We intend to utilise RM14.00 million from the gross proceeds of our Public Issue for the establishment of our New Branch Offices. The remaining balance will be funded via bank borrowings and/or internally generated funds. In the event the actual cost for the establishment of our New Branch Offices is lower than the amount earmarked, the excess will be reallocated and utilised for our working capital requirements for our Group.

7.16.2 We intend to expand our business through strategic investments, mergers and acquisitions opportunities

Aside from expanding our business through organic growth, we are also exploring for investment as well as merger and acquisition opportunities which align with our Group's business to improve our Group's operational efficiencies and expand our Group's core services. Our Group intends to allocate RM10.00 million of the gross proceed from our Public Issue to be utilised within 36 months from our Proposed Listing for investments, mergers and acquisitions opportunities that are aligned with and synergistic to our Group's principal business activities.

As at the LPD, our Group's commercial and industrial team consists of 8 personnel and we have in the past, faced challenges in the hiring and retaining sales personnel for the commercial and industrial segment as it is more difficult to secure sales due to competition as well as the longer period of securing sales for commercial and industrial projects compared to residential projects. However, we see opportunities in further growing our commercial and industrial customer segment to complement our present residential customer segment.

We are selective about company acquisitions, first assessing if the proposed target business presents a clear value proposition, customer base or is in possession of certifications which are able to complement our Group's business. Our intention is to invest in or acquire companies which can strengthen our Group's business reputation, expand our Group's range of services and customer base, provide value chain integration for our existing business segments and customers and facilitate our Group's entry into new verticals.

We intend to focus our acquisition targets on companies having, amongst others, existing business operations in the EPCC of solar PV systems for commercial and industrial properties as well as EPCC of large scale solar projects. The technical skills required for the installation of solar PV systems for commercial and industrial buildings as well as large scale solar projects are similar to that required for the EPCC of solar PV systems for residential buildings. However, the scale and contract value of EPCC projects for commercial and industrial buildings as well as large scale solar projects are larger than the EPCC of solar PV systems for residential buildings. We plan to retain the employees of the target company as this will enable us to acquire the required resources and expertise to manage such expansion, while operating our existing business and the new business with minimal business disruption.

Our Group is exploring investment and acquisition opportunities in companies within Malaysia which meet the abovementioned criteria. As at the LPD, our Group has not identified any prospective acquisition nor have we entered into any binding agreements for any acquisition.

Any excess funds not used for this purpose will be utilised to meet the working capital of our Group. However, in the event the allocated proceeds are insufficient for investments in and/or acquisition of target companies, such shortfall will be funded through internally generated funds and/or bank borrowings.

For the avoidance of doubt, such strategic investments, mergers and acquisitions shall be distinguished from our future plan in relation to business expansion in Malaysia as set out in Section 7.16.1 of this Prospectus, which is organic in nature.

7.16.3 We intend to enhance our Verdant Home mobile application and further digitalise our business

We are committed to optimising technology to enhance operational efficiency, drive long-term growth, automate internal processes and improve our customer service and experience. Our Group intends to allocate RM3.80 million of the gross proceeds from our Public Issue for the enhancement of our digital infrastructure over the next 36 months upon our Listing and the estimated costs are as set out below:

Description	RM'000
Implementation of ERP system	1,405
Enhancement of Verdant Home mobile application	1,620
Implementation of CRM system	783
Total	**3,808**

(a) Implementation of ERP system

Our Group intends to implement an ERP system to manage our day-to-day operational activities such as accounting, procurement, supply chain and assembly. We intend to engage an ERP system provider to develop a centralised system which will be able to record and store data, and connect to various functions of our Group from procurement to supply chain management and finance. The cost for the implementation of the ERP system is estimated to be approximately RM1.41 million. As at the LPD, we have yet to engage any service provider as we are still in the midst of consulting a few service providers.

By implementing an ERP system, we will be able to improve our reporting capabilities, provide real-time visibility into business operations and streamline processes across departments. The integration of the ERP system with various departments will also enable better tracking of data and analytics in real-time, thus allowing for more informed and accurate decision making to support our business activities. By having visibility on our operations, we stand to benefit from better productivity, operational and cost efficiencies.

(b) Enhancement of Verdant Home mobile application

Presently, the main users of our Verdant Home mobile application are our customers who use this mobile application to:

(i) obtain solar PV system recommendation based on current electricity consumption and estimate potential savings;
(ii) obtain customised solar PV system proposal;
(iii) monitor progress of solar PV system installation works from initial assessment to testing and commissioning;
(iv) monitor energy generation and consumption on a daily basis and in real-time;
(v) connect with our customer support team for system troubleshooting, maintenance or general enquiries; and
(vi) refer potential customers to our Group and track referrals status.

We intend to enhance the functionality and versatility of Verdant Home mobile application so as to enable our subcontractors to use this mobile application as well to:

(i) report progress of installation works from initial assessment to testing and commissioning; and
(ii) submit progress claims for work done.

This will enable our customers to be more informative to enable a more seamless experience with our solar PV solutions and automate certain manual processes for our subcontractors to improve monitoring of project implementation.

As at the LPD, the total downloads for Verdant Home mobile application were 1,283 and the total active users (customers who have logged into or accessed their account at least once in the past 3 months) for Verdant Home mobile application was 551 users. We aim to increase the number of active users for Verdant Home mobile application to approximately 2,000 users through the enhancement of our Verdant Home mobile application.

We have allocated RM1.62 million of the gross proceed from our Public Issue to fund Verdant Home mobile application. We intend to appoint a third-party software developer who had previously developed our Verdant Home mobile application for this purpose.

(c) Implementation of CRM system

We also intend to implement a CRM system to provide our sales team with improved analytical and reporting tools that track leads and manage sales pipelines to manage customers' data and interactions more efficiently which could help to improve our customer service and drive our sales growth. The cost of the implementation is estimated to be approximately RM0.78 million. As at the LPD, we are currently in discussion with a few service providers.

We intend to utilise RM3.80 million of the gross proceeds from our Public Issue for the enhancement of our digital infrastructure. The remaining balance will be funded via bank borrowings and/or internally generated funds. In the event the actual cost is lower than the amount earmarked, the excess will be utilised for our working capital requirements for our Group.

These digital transformation initiatives will position us to better serve our customers by ensuring more accurate, timely and transparent communication. These efforts underscore our commitment to building a resilient and technology-enabled foundation that will empower us to stay competitive in a rapidly evolving market.

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7.17 INTELLECTUAL PROPERTIES

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

7.17.1 Trademarks Registrations

Registration no. / Class	Issuing Authority	Trademark	Applicant	Description / Product name	Status / Validity Period
TM2024034411 / 9	MyIPO	VERDANT SOLAR	VSSB	Solar panels for the production of electricity; Inverters (electricity); Solar-powered rechargeable batteries; Photovoltaic apparatus for converting solar radiation to electrical energy; Electronic sensors for measuring solar radiation; Automatic solar tracking sensors; Electrical energy utilization metering devices; Electric control devices for energy management; Energy meters for tracking and monitoring energy usage; Ultracapacitors for energy storage.	Registered / 4 November 2024 to 4 November 2034
TM2024034411 / 35	MyIPO	VERDANT SOLAR	VSSB	Retail and wholesale services for solar-powered electricity generators; Business consultancy services; Advertising; Marketing; Business management and organization consultancy; Publicity; Online advertising on a computer network; Business information; Business consultancy services in relation to corporate identity.	Registered / 4 November 2024 to 4 November 2034
TM2024034411 / 37	MyIPO	VERDANT SOLAR	VSSB	Installation, maintenance and repair of boiler systems and solar energy systems; Installation, maintenance and repair of inverters, batteries and electrical connection apparatus for solar energy systems; Installation of solar heating systems.	Registered / 4 November 2024 to 4 November 2034

7.18 LICENCES AND PERMITS

Save as disclosed below, there are no other licences and permits which our Group is materially dependent on for our business or profitability as at the LPD.

No.	Licencee	Description of approval/ licence/ permit	Issuing authority	Licence/ Permit Reference No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
1.	VSSB	Business premise and signboard licence for office Licensed premise: Level 9, Menara Dana 13, Dana 1 Commercial Centre, Jln PJU 1A/46, 47301 Petaling Jaya	Petaling Jaya City Council	20251012060	6 February 2025/ 31 December 2025	(i) Licence holder shall ensure that there is no misuse of the licence issued to him other than the original purpose of the licence. (ii) Licence holder must comply with all laws implemented by the council. (iii) The premises are not allowed to be used as a residence for employees.	Complied Complied Complied
2.	VSSB	Business premise and signboard licence for office Licensed premise: 1, Jln Muthupalaniappan, Sunway Wellesley, 14000 Bukit Mertajam, Pulau Pinang	Seberang Perai City Council	PRI/01/20240714/1549	27 December 2024/ 31 December 2025	Nil	-

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licencee	Description of approval/ licence/ permit	Issuing authority	Licence/ Permit Reference No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
3.	VSSB	Business premise and signboard licence for storage Licensed premise: G-27, Pusat Perniagaan Perdana Jaya, Jalan Permatang Rawa, 14000 Bukit Mertajam, Pulau Pinang	Seberang Perai City Council	PRI/01/20250618/3520	18 June 2025/ 31 December 2025	Nil	-
4.	VSSB	Business premise and signboard licence for office Licensed premise: 10-14, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor	Johor Bahru City Council	L2024596250	18 November 2024/ 17 November 2025	(i) The licence cannot be transferred except with the approval of the mayor.	Noted
						(ii) Licence holders are required to notify the council in writing if this business is terminated.	Noted
						(iii) Trade, business and industrial licence must be renewed no later than 30 days before the licence expiration date. No application for licence renewal will be allowed after the licence's expiration date.	Complied
						(iv) These licences are subject to the by-laws presently in force.	Noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licencee	Description of approval/ licence/ permit	Issuing authority	Licence/ Permit Reference No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
						(v) Licence holder must always maintain and update employee register containing information such as full name, identity card/passport number, nationality, residential address, phone number, qualifications, photograph, and other relevant employee details. This list must be presented when required by the authorities.	Noted
5.	VSSB	Certificate of Registration of Contractor (G5) Licensed scope: Grade / Category / Specialisation G5 / B / B04 G5 / CE / CE21 G5 / ME / M15	CIDB	0120181112-SL019357	17 February 2025/ 4 March 2026	(i) The licensee shall comply with the CIDB Act and all regulations made pursuant to the CIDB Act, and all other terms and condition as may be imposed by CIDB at all times; (ii) The licensee shall not participate in any tenders or perform any construction works after the expiry of the certificate and until the renewal of the said certificate;	Complied Noted

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licencee	Description of approval/ licence/ permit	Issuing authority	Licence/ Permit Reference No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
						(iii) The licensee shall not enter into any agreements for any construction projects which exceed the value stipulated in the grade of the certificate and shall not perform any construction project outside its scope of specialisation;	Complied
						(iv) The licensee shall disclose any information as may be requested by CIDB at all times;	Noted
						(v) The licensee shall display the certificate of registration at its business premise;	Complied
						(vi) The licensee shall apply for the renewal of the certificate of registration within 60 days prior to its date of expiry;	Noted
						(vii) The licensee shall only appoint skilled workers and site supervisors that are accredited and certified by CIDB.	Complied
						(viii) All workers on the construction site must have a valid construction personnel card.	Complied

7. BUSINESS OVERVIEW *(Cont'd)*

No.	Licencee	Description of approval/ licence/ permit	Issuing authority	Licence/ Permit Reference No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
6.	VSSB	Electrical Contractor Registration Certificate (Class A)	Energy Commission Malaysia	2024/04071	10 December 2024 / 9 December 2029	(i) The certificate holder has its business registered under the Registration of Businesses Act 1956 or is a company registered or incorporated under the Act.	Complied
						(ii) The certificate holder employs on a full-time basis, at least three wiremen with three phase restriction, one wireman with three phase restriction authorised to test an installation and two wiremen with single phase restriction.	Complied
						(iii) The certificate holder maintains insurance coverage for its employees under the Employees' Social Security Act 1969.	Complied
						(iv) The certificate holder is in possession of suitable equipment, testing equipment and instrument related to its work determined by the Energy Commission Malaysia.	Complied

No.	Licencee	Description of approval/ licence/ permit	Issuing authority	Licence/ Permit Reference No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
7.	VSSB	Certificate of Registration as PV Service Provider	SEDA	SEDA-RPVSP-2025/151	10 January 2025 / 31 December 2025	(i) The holder shall apply for renewal 30 days prior to the expiry date specified in the certificate.	Complied
						(ii) The holder shall employ a permanent staff member who has completed the Grid-Connected PV (GCPV) Systems Design Course conducted by SEDA.	Complied
						(iii) The holder shall appoint any person who holds a Certificate of Electrical Wireman (at least PW2) and has completed the Grid-Connected PV (GCPV) Systems Wireman or Chargeman Course conducted by SEDA to be involved in solar PV installation project under any renewable energy mechanism and programme.	Complied
						(iv) The holder shall have a safety policy and safe work practices for any solar PV installation work, including ensuring that the environment is not adversely affected by the installation.	Complied

No.	Licencee	Description of approval/ licence/ permit	Issuing authority	Licence/ Permit Reference No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
						(v) The holder shall ensure that customer information is not disclosed to any third party without the consent of the customer.	Complied
						(vi) The holder shall meet the performance targets set by SEDA, if any, and contribute towards the development of the NEM programme or any other related renewable energy programme under SEDA.	Complied
						(vii) The holder must comply with the provisions of Renewable Energy Act 2011, and all subsidiary legislations, guidelines and related laws made thereunder.	Complied

7.19 MATERIAL DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS / AGREEMENTS / INTELLECTUAL PROPERTY RIGHTS / LICENCES OR PERMITS / BUSINESS PROCESSES

Save for our business process in Section 7.3 and licences and permits in Section 7.18 above of this Prospectus, the business and profitability of our Group are not materially dependent on any contracts, agreements, intellectual property rights, licences and permits, and business processes as at the LPD.

7.20 PROPERTY, PLANT AND EQUIPMENT

7.20.1 Properties owned by our Group

As at the LPD, our Group does not own any property.

7.20.2 Properties rented by our Group

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

Landlord	Tenant	Postal Address	Description / Existing Use	Built-up Area / Land Area (sq ft)	Tenure	Monthly Rental (RM)	Date of CF / CCC
Cheah Chyuan Yong	VSSB	Sunway Wellesley @ Precint 1, No. 1, 1st Floor, Jalan Muthu Palaniapan, 14000 Bukit Mertajam, Pulau Pinang	1st floor of a three-storey shop office / Penang branch office	**Built-up area** 2,099 **Land area** N/A	1 April 2024 to 31 March 2026	2,800	7 August 2015
New System Technology Sdn Bhd	VSSB	10-14, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor	Business suite in a 25-storey office building / Existing Johor branch office(1)	**Built-up area** 667 **Land area** N/A	1 November 2024 to 31 October 2025	1,500	23 May 2017
Pacific Trustee Berhad, as trustee for AmanahRaya Real Estate Investment Trust	VSSB	Level 9, Menara Dana 13, Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor	9th Floor of a 13-storey office building / Headquarter	**Built-up area** 21,173 **Land area** N/A	6 February 2025 to 5 February 2028	60,000	25 August 2009

Landlord	Tenant	Postal Address	Description / Existing Use	Built-up Area / Land Area (sq ft)	Tenure	Monthly Rental (RM)	Date of CF / CCC
Lim Geik Heok	VSSB	G-27, Pusat Perniagaan Perdana Jaya, Jalan Permatang Rawa, 14000 Bukit Mertajam, Pulau Pinang	Ground floor of a three-storey shop office / Storage	**Built-up area** 1,040 **Land area** N/A	1 May 2025 to 30 April 2027	2,000	21 June 2016
Har Boon Chin	VSSB	No. 2-01, Jalan Molek 1/43, Taman Molek, 81100 Johor Bahru, Johor	1st floor of a three-storey shop office / New Johor branch office(1)	**Built-up area** 2,686 **Land area** N/A	1 July 2025 to 30 June 2027	3,500	21 October 2024

Note:

(1) Our Group intends to relocate to the new Johor branch office tentatively by December 2025. As the tenancy of our existing Johor branch office will expire on 31 October 2025, our Group intends to extend the tenancy for up to 6 months.

The properties rented by our Group are not in breach of any land use or regulatory requirements as at the LPD.

7.20.3 Material machinery and equipment

As at the LPD, our Group does not own any material machinery and equipment.

7.21 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

We recognise the importance of ensuring environmentally responsible operations, providing a conducive workplace for our employees and adopting a high standard of corporate governance in shaping our Group's future growth. Our Group's sustainability efforts will be guided by our sustainability policy. We have implemented and are in the midst of implementing the following practices:

(a) Environmental

Our environmental practices are guided by a comprehensive recycling policy designed to promote environmental sustainability and responsible waste management. The primary objective of these practices is to ensure the safe and responsible handling of waste, enhance energy conservation efforts and minimise paper consumption. The measures that we have taken or plan to take including the following:

(i) Energy Efficiency and Sustainability Initiatives

At our workplace, we prioritise energy saving practices to reduce greenhouse gas emissions to promote sustainability of the environment. We actively encourage our employees to adopt responsible habits such as powering off all electrical and electronic devices, including laptops, computers, lights and air conditioners when they are not in use. We have placed energy-saving reminder signs near switches to serve as visual cues for everyone to be mindful of their energy usage. By working together, we create a more sustainable and energy-efficient workplace.

One of the initiatives we have undertaken to support our environmental sustainability goals is our Group has joined the Green Electricity Tariff ("**GET**") program offered by TNB. Through this initiative, the electricity consumed by our office is sourced from renewable energy sources, such as solar and hydro-electric power. During the reporting period from 1 August 2023 to 31 December 2023, our headquarter consumed a total of 5.00 megawatt hours (MWh) of electricity generated from renewable sources. This initiative successfully offset approximately 3.79 tonnes of carbon dioxide emissions, contributing to the global effort to combat climate change.

(ii) Waste management

As part of our commitment to sustainable practices, our Group diligently sort the waste according to waste-sorting labels (paper, plastic, aluminium, clothes and general waste). This careful segregation not only ensures effective waste management but also drives greater efficiency in the recycling process, contributing to a cleaner environment and supporting our long-term sustainability goals.

After collection of the recyclable material, our Group has donated them to the Lovely Disabled Home, a non-governmental and non-profit organisation that offers job opportunities to individuals aged 18 and above with physical and mental challenges. This donation supports their initiatives and helps generate funds for community support programs.

To further minimise waste, we actively encourage our employees to reduce paper consumption and recycle used paper. To support this, a "Reduce Paper Usage" reminder sign has been prominently displayed on the printers to remind staff of these practices. By promoting awareness and responsible behaviour, we aim to cultivate a culture of sustainability within our workplace.

(iii) Tree Planting Activities

As part of the long-term sustainability efforts, in 2024, we set a goal to plant 1,000 trees within 6 months. Through active participation and collaboration with several organisations namely Animal Projects & Environmental Education Sdn. Bhd., Tropical Rainforest Conservation & Research Center, and INTI College, we surpassed this goal, successfully planting 1,250 trees within the timeframe. This effort fosters a greener, more balanced environment and promote environmental awareness.

(b) Social

The safety and health of our employees are our priorities, specifically in mitigating any safety and health risks at our workplace to create a healthy and productive environment.

This objective is achieved throughout the exercises and goals in the following aspects:

(i) Occupational, safety and health

We have established a Safety and Health Committee led by People and Culture Manager to create a culture that prioritises on Safety and Health working environment. A safety officer is also appointed to monitor and manage all safety and health matters related to our personnel.

Additionally, personal protection equipment, such as safety helmet, safety harness are provided to our employees, when necessary. This measure is aimed to ensure personnel safety and prevent injuries at project site.

(ii) Diversity and equal opportunity

We practice gender equality and cultural diversity with equal opportunities irrespective of one's age, gender and ethnicity for employment, career development and advancement to attract and retain talent.

We promote team bonding among our employees by organising annual dinner, festival celebrations and company trips. These events provide a platform for cultural exchange, enabling our employees to appreciate and celebrate the various cultural heritages and traditions within our Group. Promoting cross-cultural understanding, cultivates a sense of unity, respect and appreciation among our workforce.

(iii) Corporate social responsibility

We are committed to making a positive impact on society. In the past years, we actively participated in several impactful campaigns and activities, demonstrating our dedication to creating a better future for all.

In July 2024, we partnered with PJUP TVET Program to provide solar energy training and practical experience to individuals from the B40 community. This initiative aimed to equip participants with the skills needed to thrive in the growing field of solar energy while fostering sustainable future.

In January 2024, by leveraging the power of social media, we successfully raised funds through a corporate social responsibility campaign with INTI University, Subang for 3 charitable organisations. This initiative aimed to provide much-needed resources and support to these organisations, enhancing their capacity to serve vulnerable groups. In additional, as part of our on-going commitment to communities support, we donated and sponsored a total of RM2,000 and RM20,000 respectively to non-governmental organisations in year 2023. These organisations include associations and universities.

In conjunction of World Ocean Day, we organised a beach cleanup event at Pantai Morib, Banting, in June 2023, demonstrating our dedication to environmental stewardship and social responsibility as part of our broader ESG commitments. The preservation of natural ecosystems reflecting our holistic approach to sustainability and responsible business practices.

In March 2023, flooding impacted several families in Kampung Parit Hj Me'an, Yong Peng. In response, our team successfully raised RM13,180 worth of goods and distributed the essential supplies including food and toiletries for the families affected by the disaster. This initiative highlights our unwavering commitment to social responsibility and community well-being, aligning with our ESG goals to create meaningful and sustainable impact in times of need.

(c) Governance

Our Group recognises that high standard of corporate governance is the foundation upon which we build a sustainable business. In essence, we are committed to conduct our business ethically and ensure compliance with all relevant laws and regulations that govern our business operations.

As at the LPD, our Group will be adopting the following recommendations under the Malaysian Code on Corporate Governance upon listing: -

(i) at least half of our Board members are independent directors;

(ii) at least 30% of our Board members are women directors;

(iii) our Audit and Risk Management Committee comprises solely of independent directors; and

(iv) our Independent Non-Executive Chairperson is not a member of any of our Board committees.

We have also established the following policies and procedures to ensure the sufficiency and integrity of our Group's risk management and internal control system upon listing: -

(i) Anti-Bribery and Anti-Corruption Policy to promote ethical business conduct;

(ii) Whistleblowing Policy to encourage reporting of inappropriate, unethical or unlawful behaviour and practices by our management or employees, which in turn helps to maintain trust and integrity within our Group and our stakeholders;

(iii) Conflict of Interest Policy to identify, manage and minimise the conflict arising from personal and financial interest of individuals which may interfere their professional responsibilities. This policy also serves to ensure that the engagement between our Group and the Audit and Risk Management Committee is free from any conflict-of-interest element, which could impair its objectivity and independence; and

(iv) Personal Data Protection Notice, compliant with the Personal Data Protection Act, 2010 to safeguard the data and privacy of our customer, suppliers, service providers and/ or employees.

7.22 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Save as disclosed below and in Section 15.6 of this Prospectus on the exchange controls, there are no other regulatory requirements and/or major environmental issues which may materially affect our operations and utilisation of our property.

The following is an overview of the relevant laws, regulations and requirements of Malaysia governing the conduct of our Group's business and environmental issue which may materially affect our business operations:

(a) Renewable Energy Act 2011 ("REA")

The REA provides for the establishment and implementation of special tariff system to catalyse the generation of renewable energy.

In line with the introduction of the NEM programme, the Energy Commission Malaysia had issued the Guidelines for Solar Photovoltaic Installation on Net Energy Metering Scheme ("**NEM Guidelines**") under the Electricity Supply Act to implement the solar photovoltaic installation on the NEM programme. The NEM Guidelines set out, amongst others, the design criteria and requirement, the types of installation, capacity limit and application process of solar PV installations under the NEM programme.

As at the LPD, VSSB is certified by SEDA as a Solar Photovoltaic service provider under the NEM programme. As part of the general terms and conditions of the certificate of registration as Solar Photovoltaic service provider, VSSB is required to adhere to the general provisions of the REA.

(b) Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 ("CIDB Act")

The CIDB Act and the regulations made thereunder, govern the establishment of the CIDB and provide for its function in relation to the construction industry and all matters in connection therewith.

The CIDB Act prescribes that a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor. Failure to comply with the above shall render a person liable to a fine of not less than RM10,000 but not more than RM100,000.

As at the LPD, VSSB holds a valid Grade G5 certificate of registration as a contractor with CIDB.

(c) Electricity Supply Act 1990 ("ESA 1990") and the Electricity Regulations 1994 ("ER")

The ESA 1990, including the ER regulates the electricity supply industry including the licensing of any electrical installation, the control of any electrical installation, plant and equipment with respect to matters relating to the safety of individuals.

Pursuant to Section 9 of ESA 1990, no person, other than any statutory authority established by an act of parliament or any other law to generate and/or supply electricity, shall:

(i) use, work or operate or permit to be used, worked or operated any installation; or

(ii) supply to or for the use of any other person electricity from any installation,

unless he is issued a licence in respect of the licenced activity and in accordance with the terms and conditions of the licence.

Any person who supplies electricity from an installation to or for the use of any person without a licence shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 and in the case of a continuing offence to a fine not exceeding RM1,000 for each day during which such offence is continued after conviction.

Further, the ER states that no person shall perform or carry out any electrical work unless he holds a valid certificate of registration as an electrical contractor issued under the ER. An Electrical Contractor can be classified into 4 classes, Class A, B, C and D, each permitted to undertake electrical work of certain value.

As at the LPD, VSSB holds a valid Certificate of Registration as an Electrical Contractor (Class A) issued under the ER.

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

The LGA 1976 empowers every local authority to grant licence or permit for any trade, occupation or premise through by-laws. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefore.

Our business operation premises are required to have business and signboard/advertising licences, display the licences at the business premises and produce the licences upon requests. As we operate in Petaling Jaya, Seberang Perai and Johor Bahru, we are subject to the by-laws of the respective districts. Pursuant to these by-laws, a person who fails to obtain a business premise licence for a business operation premise or displays any advertisement without a signboard/advertising licence, shall be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding 1 year or to both.

Pursuant to the LGA 1976, a person who fails to exhibit or produce his licences on the licensed premises shall be liable to a fine not exceeding RM500 or imprisonment for a term not exceeding 6 months or to both.

As at the LPD, our Group holds and maintains valid business and signboard/advertising licences issued by Petaling Jaya City Council, Seberang Perai City Council and Johor Bahru City Council. In respect of our new Johor branch office at No. 2-01, Jalan Molek 1/43, Taman Molek, 81100 Johor Bahru, our Group will apply for and obtain the required business premise and signboard licence prior to the commencement of operations at the said premise.

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

The SDBA 1974 regulates laws relating to street, drainage and buildings in local authority areas in Peninsular Malaysia. It provides for the requirement to have a CF or CCC to ensure that a building is safe and fit for occupation.

Pursuant to Section 70(1) of the SDBA 1974, no person shall erect any building without the prior written permission of the local authority. Upon conviction, a fine not exceeding RM250,000 or imprisonment for a term not exceeding 10 years or both may be imposed pursuant to Section 70(27)(f) of the SDBA 1974. The local authority may also obtain an order from the Magistrate's Court to demolish any unauthorised building under Section 70(15) of the SDBA 1974.

Section 70(11) of the SDBA 1974 further provides that any person who makes any alteration to any building otherwise than is provided for under the SDBA 1974 or any by-laws made thereunder or without prior written permission of the local authority shall be liable on conviction to a fine not exceeding RM25,000 and a magistrate's court shall on the application of the local authority, issue a mandatory order to alter the building in any way or to demolish it.

Section 70(12) of the SDBA 1974 prohibits the use of any building or part of it for any purpose other than which it was originally constructed for without prior written permission from the local authority. Any person who contravenes this provision shall, on conviction, be liable to a fine not exceeding RM25,000 and shall further be liable to a fine not exceeding RM500 for each day the offence continues after a notice to cease using such unauthorised use has been served on such person.

Pursuant to Section 79(1) of the SDBA 1974, no person shall erect or cause or permit to be erected in any building any partition, compartment, gallery, loft, roof, ceiling, or other structure without having the prior written permission of the local authority.

Upon conviction, a fine not exceeding RM500 and a further fine not exceeding RM100 for every day during which the offence is continued after conviction may be imposed pursuant to Section 79(4) of the SDBA 1974. The local authority, its agents or servants can also enter any such building and remove any partition, compartment, gallery, loft, ceiling or other structure which has been erected without the prior written permission of the local authority under Section 79(3) of the SDBA 1974.

The SDBA 1974 provides for the requirement to have a CF or CCC to ensure that the building is safe and fit for occupation.

Any person who occupies or permits to be occupied any building or any part thereof without a CF or CCC shall be liable on conviction to a fine not exceeding RM250,000 or to imprisonment for a term not exceeding 10 years or to both.

As at the LPD, all our Group's rented properties have been issued with a CF or CCC (as the case may be).

During the Financial Years Under Review, our Group had:

(a) received a notice of cessation of activities from the Building Department of Petaling Jaya City Council in July 2024 for conducting training activities for the installation of solar PV systems at a rented residential property located in Petaling Jaya. Our Group had immediately ceased all training activities upon receiving such notice and did not renew the tenancy of such property which expired on 22 October 2024; and

(b) commenced fitting-out works in our rented property intended to serve as our new headquarter, without obtaining the temporary building permit from Petaling Jaya City Council. Upon becoming aware of the requirement, our Group immediately ceased all fitting-out works at the premises pending the issuance of a temporary building permit. Our Group has submitted the application to Petaling Jaya City Council for a temporary building permit on 2 February 2025 and subsequently obtained the said permit on 23 April 2025.

As at the LPD, our Group has not experienced any material adverse impact on its business operations, nor has our Group been imposed with any further notices, penalties or compounds from Petaling Jaya City Council arising from such non-compliances. In view of that above, we are of the view that such non-compliances are not expected to have any material adverse impact on the overall business operations and/or financial condition of our Group.

(f) Occupational Safety and Health Act 1994 ("OSHA 1994")

The OSHA 1994 regulates the safety, health and welfare of persons at work, protecting others against the risks of safety or health in connection with the activities of persons at work.

The Occupational Safety and Health (Amendment) Act 2022 came into effect on 1 June 2024 and resulted in amendments to OSHA ("**Amended OSHA**"), Save for domestic employees (within the meaning of Employment Act 1955), the armed forces and workers on board of ships (governed by the Merchant Shipping Ordinance 1952, the Sabah Merchant Shipping Ordinance 1960 or the Sarawak Merchant Shipping Ordinance 1960), the Amended OSHA now extends to cover all places of work throughout Malaysia including public service and statutory authorities.

Section 15 of the OSHA 1994 states that it shall be the duty of every employer to ensure, so far as it is practicable, the safety, health and welfare at work of his employees.

Further to the above, an employer also has a duty to ensure, so far as it is practicable, that persons other than its employees are not exposed to any health and safety risk as provided under Section 17 of the OSHA 1994. A person who contravenes the provisions of Section 15 and 17 of the OSHA 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years or to both.

Pursuant to Section 29 of the OSHA 1994, an occupier of a place of work to which this section applies shall employ a competent person to act as a safety and health officer at the place of work. An occupier who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000 or to a term of imprisonment not exceeding 6 months or to both. The employer of the class or description of industries that shall employ a safety and health officer can be found under Order 3 of the Occupational Safety and Health (Safety and Health Officer) Order 1997, which includes any work of engineering construction where the total contract price of the project exceeds RM20.00 million.

Pursuant to Section 30 of the OSHA 1994, every employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work or the Director General of the Department of Occupational Safety and Health directs the establishment of such a committee at the place of work. A person who contravenes the provisions of this section shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

As at the LPD, our Group is in compliance with the relevant provisions under the OSHA 1994. For the Financial Years Under Review and up to the LPD, our Group has not been issued with any penalties pursuant to the OSHA 1994.

(g) Employment Act 1955 ("EA 1955")

The EA 1955 regulates all labour related matters including contracts of service, payment of wages, employment of women, maternity protection, rest days, hours of work, holidays, termination, lay-off and retirement benefits, employment of foreign employees and keeping of registers of employees.

Any person who commits any offence under, or contravenes any provision of the EA 1955, or any regulations, order or other subsidiary legislation whatsoever made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding RM50,000.

As at the LPD, our Group complies with the relevant requirements under the EA 1955.

(h) Personal Data Protection Act 2010 ("PDPA")

The PDPA regulates the processing of personal data in commercial transactions in Malaysia. Under PDPA, a person who has control over or authorises the processing of any personal data is deemed a data controller.

Section 5 of the PDPA states that personal data collection of a data controller shall be in compliance with the following personal data protection principles, namely, the General Principle; the Notice and Choice Principle; the Disclosure Principle; the Security Principle; the Retention Principle; the Data Integrity Principle; and the Access Principle (collectively, "**the Personal Data Protection Principles**"). A data controller who contravenes the Personal Data Protection Principles commits an offence and shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding 3 years or to both.

As our Group in the course its business activities, collects and processes personal data from its customers, our Group is deemed a data controller within the meaning of the PDPA and is therefore subject to the general provisions and obligations set out under the PDPA, including but not limited to the protection, processing, retention and disclosure of personal data. However, our Group does not fall within the classes of data controllers identified under the Personal Data Protection (Class of Data Users) Order 2013 which are required to be registered under the PDPA.

As such, our Group has adopted the Personal Data Protection Policy which is in line with the PDPA. As at the LPD, our Group has not been issued with any penalties pursuant to the PDPA.

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7.23 EMPLOYEES

As at 30 June 2025, we employed a total of 118 employees, out of which 6 are contractual employees. The breakdown of our employees by division is set out as follows:

Department/ Business function	Permanent employee		Contractual employee		Total
	Local	Foreign	Local	Foreign	
Executive Director	3	-	-	-	3
Sales and marketing	44	1	-	-	45
Project[(1)]	26	-	-	-	26
Digitalisation	1	-	-	-	1
People and culture	6	-	2	-	8
Finance	6	-	-	-	6
Customer experience and operations	14	-	4	-	18
Commercial and industrial	7	-	-	-	7
Supply chain	4	-	-	-	4
Total	**111**	**1**	**6**	**-**	**118**

Note:

(1) Comprises of 26 engineers.

As at 30 June 2025, local employees accounted for approximately 99.15% of our total workforce while the remaining 0.85% is a foreign employee with a valid work permit.

As at the LPD, we employed a total of 123 employees, out of which 6 are contractual employees. The breakdown of our employees by division is set out as follows:

Department/ Business function	Permanent employee		Contractual employee		Total
	Local	Foreign	Local	Foreign	
Executive Director	3	-	-	-	3
Sales and marketing	45	1	1	-	47
Project[(1)]	26	-	-	-	26
Digitalisation	1	-	-	-	1
People and culture	5	-	1	-	6
Finance	6	-	-	-	6
Customer experience and operations	18	-	4	-	22
Commercial and industrial	8	-	-	-	8
Supply chain	4	-	-	-	4
Total	**116**	**1**	**6**	**-**	**123**

Note:

(1) Comprises of 26 engineers.

As at the LPD, local employees accounted for approximately 99.19% of our total workforce while the remaining 0.81% is a foreign employee with a valid work permit.

None of our employees belongs to any labour union. During the Financial Years Under Review and up to the LPD, we did not experience any strikes or other disruptions due to labour disputes.

We have in place a management succession plan to identify key competencies and requirements of managers and higher ranking personnel, to take positive approach towards addressing talent management to ensure our Group has talent readily available from a capability perspective to undertake leadership positions and to frequently train our middle management to ensure they are well equipped with all the necessary knowledge to succeed at senior management positions in the future in our Group.

PROVIDENCE STRATEGIC PARTNERS SDN BHD
(1238910-A)
P-6-5, Pacific Towers, Jalan 13/6,
46200 Petaling Jaya, Selangor, Malaysia.
T: +603 7625 1769

12 September 2025

The Board of Directors
VERDANT SOLAR HOLDINGS BERHAD
Level 9, Menara Dana 13
Dana 1 Commercial Centre
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor
Malaysia

Dear Sirs,

Outlook of the Solar Photovoltaics Engineering, Procurement, Construction and Commissioning Services Industry in Malaysia in conjunction with the Listing of VERDANT SOLAR HOLDINGS BERHAD on the ACE Market of Bursa Malaysia Securities Berhad

PROVIDENCE STRATEGIC PARTNERS SDN BHD ("**PROVIDENCE**") has prepared this Outlook of the Solar Photovoltaics Engineering, Procurement, Construction and Commissioning Services Industry in Malaysia strictly for inclusion in the Prospectus of VERDANT SOLAR HOLDINGS 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.

For and on behalf of PROVIDENCE:

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.

1 SOLAR PHOTOVOLTAICS ENGINEERING, PROCUREMENT CONSTRUCTION AND COMMISSIONING SERVICES INDUSTRY IN MALAYSIA

Electricity is generated from primary energy, comprising non-renewable energy and renewable energy. The selection of electricity production sources and their economic viability can differ based on demand and geography. Both non-renewable energy and renewable energy have their advantages, and can be used in combination to generate and supply electricity to the power grid. The selection of electricity production source is based upon local power requirements and availability of resources.

Malaysia has a mix of energy resources that comprise renewable and non-renewable sources. Malaysia's non-renewable fossil fuel sources comprise oil, natural gas and coal, while its renewable energy sources include biomass, biogas, solar and hydro. While Malaysia is a net energy exporter, concerns about energy security, fluctuations in crude oil prices and climate change are driving significant changes in how energy and electricity is generated, transmitted and consumed in Malaysia. Thus, renewable energy resources are becoming attractive for sustainable energy development in Malaysia as these renewable sources of energy are readily available in Malaysia.

Non-renewable energy is generated from resources extracted from the earth and are finite in nature. These resources primarily comprise hydrocarbon resources such as oil, gas and coal. These resources are used as combustion fuel for power plants that convert their potential energy into heat and steam that is then used to generate electricity through the use of turbines and generators. Energy harnessed from these fuel sources has been the primary driver of industry and global growth in the past and continues to be a key pillar of the global energy strategy in the immediate to medium term as the world remains heavily reliant on these fuel sources in the absence of suitable alternatives on that scale.

Renewable energy refers to energy that is generated from natural resources such as sunlight, wind, rain, tides and geothermal heat which are naturally renewable. Solar energy is harnessed from the sun's radiant light and heat through active and passive technologies such as solar heating, solar photovoltaics ("**PV**"), solar thermal energy, solar architecture and artificial photosynthesis. Active and passive technologies are distinguished by how they capture and distribute solar energy or how they convert this energy into solar power. Active solar technologies include the use of solar PV systems, concentrated solar power and solar water heating to harness this energy. Passive solar technologies include orienting buildings in the direction of the sun, and selecting materials with favourable thermal mass or light dispersing properties.

Malaysia receives approximately 1,575 to 1,812 kilowatt hour per square meter (kWh/m^2) of solar irradiance due to its location around the equator.[1] As the nation's solar irradiance is relatively high, solar PV is considered a viable renewable energy option for Malaysia. In addition to favourable irradiation, solar resource is driven by the availability of areas for the installation of solar PV systems. The main types of installation configurations in Malaysia are ground-mounted solar installations, floating installations on water bodies and installations on residential, commercial, industrial and public building rooftops.

Solar PV systems have several benefits including:

- savings on electricity bills for property owners and business owners;
- creates returns on investment when excess electricity generated is sold to the utility grid;
- environmentally friendly source of energy;
- lower capital investment for solar PV system installations compared to other renewable energy sources such as biomass and hydro;
- solar is a renewable form of energy that can be harnessed without the need to acquire feedstock to generate electricity; and
- solar PV systems can be easily installed on the rooftops of existing residential, commercial and industrial properties without requirement for additional land or specific processing facilities.

Engineering, procurement, construction and commissioning ("**EPCC**") contracts are a common form of contract used by the private sector to undertake construction works for infrastructure projects. Under an EPCC contract, the contractor is obliged to deliver a complete facility to a developer who then only needs to "turn a key" to start operating the facility. Hence, EPCC contracts are sometimes called turnkey construction contracts. In addition to delivering a complete facility, the contractor must deliver that facility for a guaranteed price by a specified date which must perform at a specified level. Failure to comply with any requirements will usually

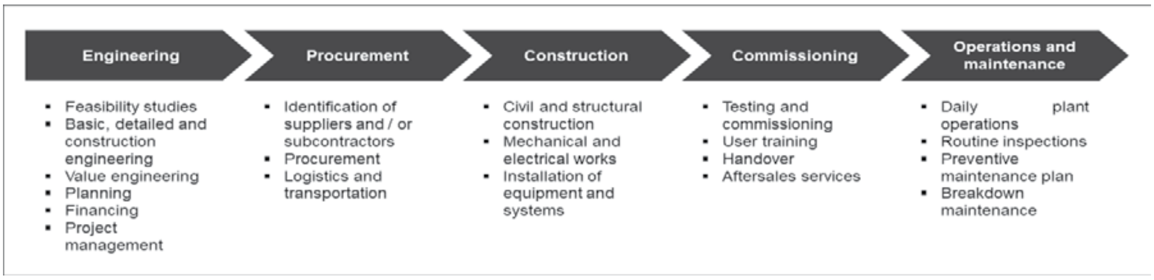
[1] Malaysia Renewable Energy Roadmap – Pathway Towards Low Carbon Energy Systems, Sustainable Energy Development Authority ("**SEDA**")

result in the contractor incurring monetary liabilities, in the form of liquidated ascertained damages.

Solar PV EPCC industry players also undertake operations and maintenance ("**O&M**") services post-handover of the solar PV systems to clients. O&M services encompass a broad spectrum of services, competencies, processes and tools required to ensure that solar PV systems perform the functions for which they are designed and constructed. O&M services typically include the day-to-day activities necessary for the facility, its systems and equipment, and occupants / users to perform their intended function. O&M services are necessary because a solar PV system may not be able to consistently operate at peak efficiency without being appropriately maintained.

Verdant Solar Holdings Berhad is principally involved in the provision of EPCC services for solar PV systems, O&M services for solar PV systems and trading of solar products.

Scope of services undertaken by solar PV EPCC industry players

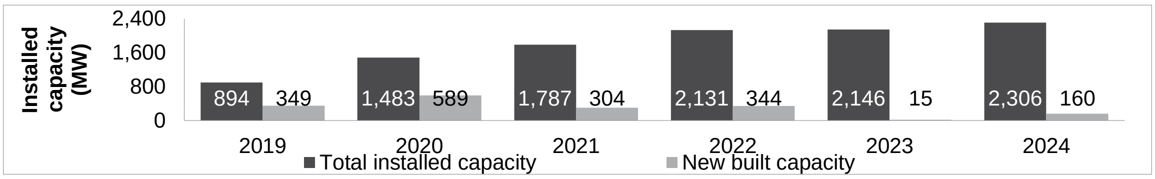


INDUSTRY SIZE AND GROWTH POTENTIAL

EPCC services are expenditure for new built rooftop solar PV systems and utility scale solar PV systems. Thus, the value of EPCC services fluctuates depending on the capacity of solar PV systems that become operational in a given year. The O&M of solar PV systems are operational expenditure incurred subsequent to the commissioning of these solar PV systems.

The installed capacity of rooftop solar PV systems and utility scale solar PV systems in Malaysia increased from 894.0 megawatts ("**MW**") in 2019 to 2,306.0 MW in 2024 at a compound annual growth rate ("**CAGR**") of 20.9%. From this, the new built capacity for rooftop solar PV systems and utility scale solar PV systems was 349 MW in 2019, 589 MW in 2020, 304 MW in 2021, 344 MW in 2022, 15 MW in 2023 and 160 MW in 2024, respectively. For clarity, the total installed capacity for each year is the sum of new built capacity in that year and total installed capacity from the preceding year. The low new built capacity in 2023 is attributable to NEM 2.0 fulfilling its quota allocation, while new built installed capacities that were connected to the power grid under NEM 3.0 were gradually ramping up.

Installed capacity for solar PV systems in Malaysia [a, b]



Notes:
[a] Collectively comprises the categories of rooftop solar PV systems and utility scale solar PV systems. The detailed breakdown for each category is not publicly available from the Energy Commission Malaysia
[b] Total installed capacity for each year is calculated by adding the new built capacity in a particular year to the total installed capacity from the preceding year
Source: Energy Commission Malaysia, PROVIDENCE analysis

The Government has introduced various programmes to encourage the adoption of rooftop solar PV systems among residential, commercial and industrial customers in Malaysia, among which include the Net Energy Metering ("**NEM**") programme. The NEM was introduced in various phases commencing November 2016 to replace the feed-in tariff system. Phase 1 of NEM ("**NEM 1.0**") was introduced in November 2016 with 500 MW quota followed by NEM 2.0 in January 2019 with 500 MW quota. In December 2020, NEM 3.0 was launched with 500 MW quota. The Government has since announced additional quota allocations between October 2021 and November 2024 with the latest total allocation currently standing at 1,950 MW. The NEM is a mechanism where an eligible consumer installs a solar PV system primarily for his own use, while the excess electricity (kWh) is exported to the utility grid and offset against electricity provided by utility company, namely Tenaga Nasional Berhad, to the electricity consumer during the applicable billing period.

Up to the end of 2018, excess electricity generated was sold at displaced cost, which was lower than the average retail tariff. This resulted in the low uptake of NEM 1.0 whereby as at the end of 2018, only 10 MW of capacity was installed under NEM 1.0. For information purposes, the retail tariff imposed by Tenaga Nasional Berhad is on electricity customers is dependent on the business activities being carried out at the said premises and supply voltage level. The types of customer categories comprise domestic, commercial, industrial, mining, street lighting and agriculture. Domestic customers refer to consumers occupying a private dwelling premise which is not used as a hotel, boarding house or used for the purpose of carrying out any form of business, trade, professional activities or services.

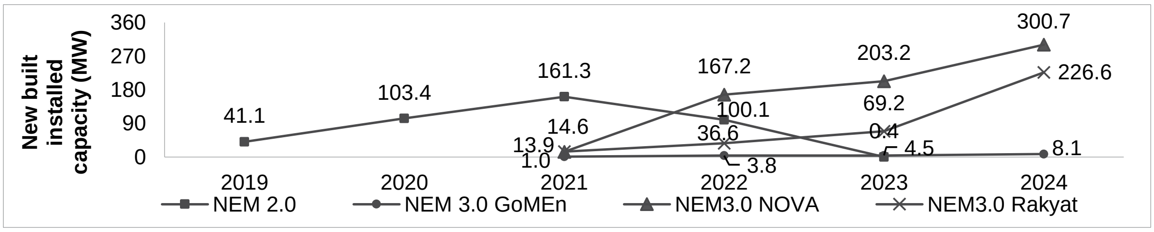
Subsequently when the Government launched NEM 2.0 and NEM 3.0 respectively, the compensation rate for excess electricity sold to the utility grid for new NEM applications was increased to match the retail tariff rate. This led to a greater adoption of solar PV systems among residential, commercial and industrial customers, evidenced in 2021 when the new NEM applications under NEM 2.0 and NEM 3.0 respectively were commissioned for operations. New built installed capacity for rooftop solar PV systems peaked in 2022 under NEM 2.0 before declining as NEM 2.0 was approaching its quote of 500 MW. As such, there were no new installations for NEM 2.0 in 2024.

NEM 3.0 was introduced in 2020 under three separate programmes, namely:

- NEM 3.0 Rakyat, aimed at residential customers registered under the domestic category;
- NEM 3.0 NOVA, aimed at commercial, industrial, mining, street lighting and agriculture customers registered under the non-domestic categories; and
- NEM 3.0 GoMEn, aimed at Government buildings under Government agencies registered under commercial category.

The total new built installed capacity for rooftop solar PV systems under NEM 3.0 increased from 29.5 MW in 2021 to 535.4 MW in 2024 at a CAGR of 162.8%. From this, the installed capacity of rooftop solar PV systems under NEM 3.0 Rakyat has increased from 1.0 MW in 2021 to 8.1 MW in 2024 at a CAGR of 100.8%.

New built installed capacity for rooftop solar PV systems under NEM in Malaysia



Source: SEDA, PROVIDENCE analysis

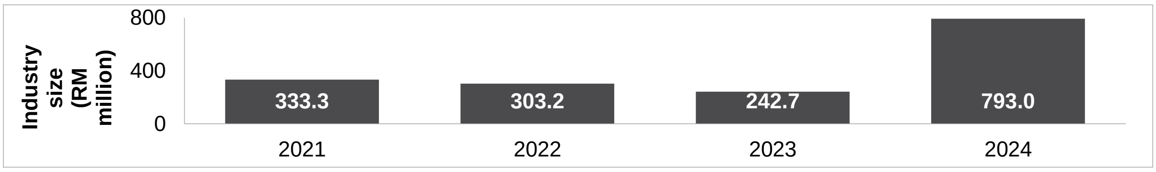
The size of the solar PV EPCC services for residential rooftop solar PV systems in Malaysia, based on the value of EPCC services for residential new built solar PV systems, increased from RM333.3 million in 2021 to RM793.0 million in 2024 at a CAGR of 33.5%. The value of EPCC services for residential new built solar PV systems decreased from RM303.2 million in 2022 to RM242.7 million in 2023. In 2023, the new built installed capacities that were connected to the power grid under NEM 2.0 declined significantly as the NEM 2.0 had fulfilled its quota allocation, while new built installed capacities that were connected to the power grid under NEM 3.0 were gradually ramping up. This led to a decline in the value of EPCC services for residential new built solar PV systems in 2023. The value of EPCC services for residential new built solar PV systems increased significantly in 2024 as the Government announced the increase of quota allocations that year.

PROVIDENCE estimates that the value of solar PV EPCC services for residential rooftop solar PV systems to further grow from RM793.0 million in 2024 to RM1.7 billion in 2027 at a CAGR of 28.9% supported by Government initiatives to promote the adoption of solar PV systems among residential customers. Despite the NEM Programme ending on 30 June 2025, the Government had introduced other solar PV programmes for residential consumers, such as the Community Renewable Energy Aggregation Mechanism ("**CREAM**") programme, which allows homeowners to lease or rent their rooftop space to energy companies for the development of solar PV systems that will produce electricity that can be sold to commercial and domestic customers. Further on 12 September 2025, the Ministry of Energy Transition and Water Transformation announced a new rooftop solar initiative to replace NEM programme, namely the Solar Accelerated Transition Action Programme ("**Solar ATAP**") which will commence on 1 December 2025.[2]

[2] Govt to launch green rooftop drive with Solar ATAP, The Edge Malaysia, 12 September 2025

Demand for solar PV EPCC services will continue to be supported by Malaysia's energy drive relating to the adoption of solar energy, long term economic growth that supports investments in solar PV systems, population growth and urbanisation, growing demand for electricity, foreign and domestic investment growth, declining average levelised cost of electricity ("**LCOE**") as well as the recovery and growth in the residential, commercial and industrial property markets.

Solar PV EPCC services for residential new built solar PV installations in Malaysia



Source: PROVIDENCE analysis

DEMAND CONDITIONS: KEY GROWTH DRIVERS

Malaysia's energy drive relating to the adoption of solar energy supports demand for EPCC services

Under the Eleventh Malaysia Plan, the Government introduced the large scale solar and NEM programmes as initiatives to increase the growth of the solar energy generation sector, leveraging on the potential to harness solar PV in Malaysia all year round. Large scale solar PV system projects were initially allocated a total of 370 MW under Large Scale Solar ("**LSS**") 1. This was swiftly followed by an allocation of 530 MW under LSS 2, 500 MW under LSS 3, and 1,000 MW under LSS@MEnTARI.

The NEM programme was introduced in November 2016 to replace the feed-in tariff system. The NEM is a scheme whereby the energy produced from the solar PV system installed will first be consumed by the consumer for his own use. Any surplus of energy produced will be exported to the grid and sold to the distribution licensees at the prevailing displaced cost. The NEM programme was designed to offset consumer's electricity costs for any excess electricity generated from the solar PV systems. Presently, the NEM programme is applicable to Tenaga Nasional Berhad's customers in Peninsular Malaysia and Sarawak Energy Berhad customers in Sarawak. Malaysia introduced the NEM 1.0 in November 2016, with a 500 MW quota for rooftop solar PV capacity.

To encourage NEM uptake, the NEM 2.0 was introduced in January 2019 with 500 MW quota allocation. NEM 2.0 provided for excess solar PV generated energy to be exported back to the grid on a "one-on-one" offset basis. The 500 MW quota under NEM 2.0 was fully subscribed by 31 December 2020. NEM 2.0 boosted Malaysia's solar PV industry, leading to higher sales of solar PV systems. Commercial and industrial customers found operational costs declining due to savings in electricity costs. Subsequently, NEM 3.0 was launched in December 2020 with 500 MW quota allocation. The Government announced additional quota allocations between October 2021 and November 2024 with the latest total allocation currently standing at 1,950 MW. The NEM 3.0 quota offer period ran until 30 June 2025. Notwithstanding this, the Energy Commission Malaysia had earlier in March 2025 released the guidelines for CREAM which allows homeowners to lease or rent their rooftop space to energy companies for the development of solar PV systems that will produce electricity that can be sold to commercial and domestic customers within a 5 kilometre radius through third-party access to the distribution network. On 12 September 2025, Solar ATAP was announced as a continuation of the NEM 3.0 programme. Solar ATAP is guided by several key principles, including allowing excess energy to be sold to the power grid as an offset, while incorporating adjustments to make it more attractive than the Solar for Self-Consumption (SELCO) scheme. The rollout of Solar ATAP commencing is expected to drive the growth of Malaysia's power supply system while giving consumers more opportunities to utilise rooftop space.

The Government is committed to transforming its energy landscape from fossil fuels to a cleaner energy source, pledging to reduce its economy-wide carbon intensity by targeting reductions in Greenhouse Gas (GHG) emission and becoming a carbon neutral nation by 2050. The introduction of the Malaysia Renewable Energy Roadmap (MyRER) further supports decarbonisation of the electricity supply sector with aims to increase the share of committed renewable energy installed capacity to a target of 31.0% in 2025 and 40.0% by 2035. In 2023, 25.0% of Malaysia's installed electricity generation capacity was made up of renewable energy assets.[3]

The Government launched the National Energy Policy 2022-2040 ("**NEP**") which provides details for the energy sector encompassing affordability, sustainability, and energy security as well as optimising economic opportunities in line with trends in sectoral developments. A roadmap is included on how the country can achieve the NEP's Low Carbon Aspiration 2040 initiative with an annual contribution of RM13.0 billion to gross domestic product ("**GDP**"), potentially creating more than 207,000 new job opportunities and attracting RM9.2

[3] Malaysia's RE capacity at 25%, but only generates 6% of electricity — Nik Nazmi, The Edge Malaysia, 19 October 2023

billion in investments. One of the main areas under the NEP is unlocking the potential of solar resources with increasing capital access for solar energy distribution, with rooftop aggregation, and promoting the economic benefits of distributed solar with peer-to-peer (P2P) and virtual power purchase agreements. To facilitate RE100 corporations (global companies that have committed to 100% renewable energy utilisation) and those companies with similar green-consciousness to achieve their environmental, social and governance (ESG) and sustainability commitments, the Government introduced the Corporate Green Power Programme ("**CGPP**") as a platform for the purchase of renewable energy virtually through the virtual power purchase agreements based on mutually agreed terms and conditions with solar energy generators. A total of 800 MW was allocated for CGPP, and eligible companies need to enter into Corporate Green Power Agreements.

Among other incentives, the Government plans to tile the roofs of residential properties with solar panels to encourage the use of renewable energy, under the newly launched National Energy Transition Roadmap ("**NETR**"). In every home, the Government intends to give households the option to lease out their rooftops in return for a monthly income that could lower their electricity bills and put more cash in their pockets. The Government's vision is to see solar panels installed nationwide including atop homes, mosques, halls and factories. The Government is taking the lead by allocating RM80.0 million for solar panels to be installed on the rooftops of government buildings. The focus for this initiative is on large scale housing developments, and working with property developers is an initiative that can be rolled out commercially without government funding. Phase 1 of the NETR also entails the setting up of five centralised large scale solar parks with 100 MW capacity each, to be co-developed by Tenaga Nasional Berhad. Tenaga Nasional Berhad will also develop 2.5 gigawatt (GW) of hybrid hydro-floating solar PV projects at its hydro dams.

NETR outlines several key observations for Malaysia's electricity supply mix as the nation progresses along this pathway, among which include:

- Renewable energy will constitute the majority share of installed capacity by 2050. However, the contribution of renewable energy to the total generation mix will be comparatively lower than fossil fuels, particularly natural gas. This reflects the inherent low-capacity factor associated with solar, compared against the high-capacity factor of gas; and
- The ambition to achieve 70.0 % renewable energy share of installed capacity by 2050 is expected to be achieved, predominantly driven by solar PV installation. Significant solar capacity growth is required in the next three decades, with 59 GW of installed capacity by 2050.

In March 2024, the Government introduced an incentive programme known as the Solar for Rakyat Incentive Scheme ("**SolaRIS**") to encourage the installation of solar PV systems on residential properties. SolaRIS supports the Government's goal of increasing renewable energy capacity in the electricity supply system to 70.0% by 2050 and reducing carbon emissions. The launch of SolaRIS is expected to increase the adoption of solar generation among the public under the NEM Programme. A cash rebate of up to RM4,000 will be given to residential customers who submit their NEM application to SEDA from 1 April 2024 onwards and successfully commission their solar PV system installations with Tenaga Nasional Berhad. As SolaRIS is expected to encourage the adoption of solar generation among residential users, these residential users will require the services of EPCC contractors to undertake the installation of rooftop solar PV systems. As such, the introduction of SolaRIS is expected to support demand for industry players that are involved in the installation of rooftop solar PV systems.

The Ministry of Energy Transition and Water Transformation through the Energy Commission Malaysia offered a solar quota of 2,000 megawatts alternating current ("**MWac**") through a competitive bidding process under Malaysia's fifth round of Large Scale Solar Programme also known as LSS-Energy Transition SuRiA – LSS 5. The solar power plants under the LSS-Energy Transition SuRiA - LSS5 are scheduled to start operating in 2026. The categories of packages offered under LSS-Energy Transition SuRiA - LSS5 are:

- Package 1 for rooftop/ground solar power plants with a total quota offered of 250MWac and the allowed capacity range is between 1MWac to <10MWac;
- Package 2 is for rooftop/ground solar power plants with a total quota offered of 250MWac with an allowed capacity range of between 10MWac to <30MWac;
- Package 3 is for rooftop/ground solar power plants with a total quota offered of 1,000MWac with an allowed capacity range of between 30MWac to 500MWac; and
- Package 4 for floating solar power plants with a total quota offered of 500MWac with an allowed capacity range of between 10MWac to 500MWac.

In September 2024, the Government launched the Corporate Renewable Energy Supply Scheme ("**CRESS**") to enhance corporate access to green electricity supply. Through an open grid access system, third parties can sell or purchase electricity via the grid network. The CRESS Programme will offer broader green electricity supply options to corporate consumers, enabling them to fulfil respective environmental, social and governance commitments on green electricity through the concept of third-party access. The Ministry of Energy

Transition and Water Transformation is confident that the implementation of the CRESS programme will support and be the catalyst to the energy transition goals and development of the electricity supply sector, particularly in efforts to increase the share of renewable energy capacity from 26.0% (equivalent to 10.6GW) to 40.0% by 2035 and 70.0% by 2050. This initiative will play a crucial role in reducing the carbon footprint of the electricity supply sector and decreasing the country's dependence on fossil fuels for power generation.

Commercial and industrial customers also benefit from Government incentives relating to investments in solar PV systems. Under Budget 2020, the Government had announced the extension of Investment Tax Allowance (ITA) for the purchase of green technology assets and Income Tax Exemption ("**ITE**") on the use of green technology services and systems. The ITE is also extended to commercial and industrial users undertaking solar leasing activities. The objectives of the incentives are:

- to encourage investments in green technology industry on a project basis either for business purpose or own consumption and the adoption of green technology by selected service / system providers;
- to encourage companies to acquire / purchase assets that have been verified as green technology assets by the Malaysian Green Technology and Climate Change Centre and these assets are listed under MyHijau Directory; and
- to widen the coverage of green services to include solar leasing activity.

Malaysia's green technology tax incentives include:

Green Investment Tax Allowance (Assets)

Companies that acquire qualifying green technology assets listed under MyHIJAU Directory for their own use / consumption qualify for incentives for the acquisition of a range of solar components, including transformers, solar thermal systems and collectors and batteries, subject to verification made by the Malaysian Green Technology and Climate Change Centre.

Green Investment Tax Allowance (Projects)

Companies that undertake qualifying green technology projects for business or own consumption qualify for green investment tax allowance of 100% of qualifying capital expenditure incurred on green technology projects for three years from the date of first qualifying capital expenditure incurred. This allowance can be offset against 70.0% of statutory income for each year of assessment. Unutilised allowance can be carried forward until they are fully absorbed.

Green Income Tax Exemption (Services)

Green technology service provider companies that are listed under the MyHIJAU Directory qualify for green income tax exemption of 70.0% on statutory income for qualifying green services where the period of incentive is for three years starting from assessment year of the first invoice related to green technology services issued and the date of the first invoice shall not be earlier than the date of application received by the Malaysian Investment Development Authority ("**MIDA**").

Green Income Tax Exemption (Leasing)

Green technology service provider companies that are listed under the registered solar PV investor directory qualify for green income tax exemption of 70.0% on statutory income for solar leasing activity for a period of up to ten years of assessment. This incentive will be considered based on tiers as follows:

Capacity	Incentive period
> 3 MW to ≤ 10 MW	5 years
> 10 MW to ≤ 30 MW	10 years

Source: MIDA

Effective from 1 January 2024 to 31 December 2026, the Green Investment Tax Allowance (Projects) for own consumption will be merged with the Green Investment Tax Allowance (Assets) and will fall under the purview of the Malaysian Green Technology and Climate Change Corporation. Separately, the application period for the Green Investment Tax Allowance for business purposes and Green Income Tax Exemption for solar leasing incentives has been extended until 31 December 2026.

These policies have supported the development of solar power as a significant source of renewable energy in Malaysia, thereby benefitting industry players that are involved in the provision of EPCC services for solar PV systems.

Battery energy storage systems ("**BESS**") are a key technology that has the potential to strengthen Malaysia's power grids as it facilitates the seamless integration of renewable energy sources and enhances grid stability and reliability. By effectively storing surplus energy generated during peak periods, BESS enables the provision of electricity during periods with reduced wind or sunlight, thereby bolstering the share of renewable energy in the country's power generation fuel matrix. BESS also serve as a buffering mechanism, as it absorbs excess energy and releases it when required. This functionality mitigates the natural fluctuations and intermittencies inherent to power grids. In November 2024, the Energy Commission Malaysia announced that it was considering opening up BESS installation to third parties as it explores options to accelerate the infrastructure roll-out ahead of an expected influx of solar farms in the country. Subsequent to this, the Energy Commission Malaysia announced the opening of the bidding for the development of BESS for the electricity supply system in Peninsular Malaysia in November 2024.

Long term economic growth supports investments in solar PV systems

The Malaysian economy grew by 3.7% in 2023 where growth was mainly supported by resilient domestic demand and recovery in tourism activities. On the external front, exports declined due to subdued global demand, lower commodity prices and shifts towards services spending. Additionally, improving labour market conditions coupled with supportive policy measures helped household spending, especially among the vulnerable households affected by higher cost of living. Private sector capital spending drove the overall investment activity, particularly in information technology and electrical and electronics (E&E). In tandem with external trade performance, export-oriented industries saw some moderation in growth. Nonetheless, all sectors continued to expand in 2023.

According to the Central Bank of Malaysia, Malaysia's economy grew by 5.1% in 2024, due to continued expansion in domestic demand and a rebound in exports. Growth was mainly driven by household spending, policy measures to support households, investment approvals and further progress of multi-year projects by the private and public sectors. The latter includes 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. On the external front, exports 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 highlights that Malaysia's economy is projected to expand between 4.5% and 5.5% in 2025. This economic growth is expected to be driven by the recovery of tourism activities and inbound tourists, as well as domestic private investments to support ongoing projects and programmes under the New Industrial Master Plan, National Energy Transition Roadmap and National Semiconductor Strategy.

Economic growth is a key driver for investments in utilities, as a robust utility infrastructure supports economic activities and attracts foreign and domestic investments. PROVIDENCE anticipates that the investments in solar PV systems will continue in tandem with economic development, as electricity is an important driver for the economic growth of a nation.

Population growth and urbanisation promote investments in solar PV systems

Based on a projection by the United Nations Department of Economic and Social Affairs ("**DESA**"), it is estimated that Malaysia's population will increase over the next 60 years. According to the 2024 Revision of World Population Prospects, the nation's population is expected to reach approximately 41.4 million in 2040 and subsequently approximately 44.2 million in 2050. The same trend has been projected for the nation's urbanisation rate, which is expected to reach 85.0% in 2040 and subsequently 87.3% in 2050. In 2023, Malaysia's population stood at 34.1 million. According to the Key Findings of Population and Housing Census of Malaysia 2020 published by the Department of Statistics Malaysia in December 2022, Malaysia's urbanisation rate increased to 75.1% in 2020 from 70.9% in 2010.[4]

The increase in urbanisation will bring changes and challenges unless it can be supported by robust utility infrastructure for electricity services. This will ensure that Kuala Lumpur and other cities will continue to experience growth and remain competitive. Thus, investments in renewable energy electricity infrastructure to support population growth and urbanisation will benefit industry players that are involved in the provision of EPCC services for solar PV systems.

Growing demand for electricity stimulates investments in solar PV systems

Electricity is a crucial element in the development process as well as economic growth of a country. Shortage of electricity supply may negatively affect the development progress of the country, and possibly limit its potential growth. Malaysia's consumption of electricity increased from 132,199.0 gigawatt hours ("**GWh**") in 2015[5] to 187,366.1 GWh in 2024.[6] Regionally, Peninsular Malaysia remains as the primary consumer of electricity in Malaysia, consuming close to 80.0% of the electricity sold.

The consumption of electricity is a key driver for the electricity supply industry, and spurs investments in generation, transmission and distribution infrastructure. Over the longer term, the demand for electricity is expected to continue growing driven by future economic growth, supportive Government policies, as well as population growth. As Malaysia strives to diversify its sources of fuel for the generation of electricity with a

[4] Department of Statistics Malaysia
[5] Malaysia Energy Statistics Handbook 2022, Energy Commission Malaysia
[6] Department of Statistics Malaysia

strong focus on renewable and sustainable fuels, industry players that are involved in the provision of EPCC services for solar PV systems are expected to benefit.

Decline in average LCOE make solar PV systems a more favourable renewable energy option

Since 2010, the average LCOE of solar PV systems has significantly decreased. By 2019, the LCOE of solar PV systems was comparable to the average LCOE of conventional coal and gas generation. Solar PV costs have dropped by approximately 82.0% between 2010 and 2019. The decrease in renewable energy cost for solar PV can be attributed to the following reasons:

- Competitive procurement of renewable power through auctions and quota system to promote competition among project developers;
- Economies of scale and technology innovation due to:
  - increased scale in manufacturing of key components such as solar PV modules and inverters;
  - reduction in manufacturing cost of all components as manufacturing shifted to low-cost countries; and
  - maturing learning curve for construction as EPCC service providers become increasingly efficient and expand to new markets, bringing best practices in project engineering and construction.

Typically, renewable energy sources that do not rely on commercial feedstock do not have marginal cost.[7] In this regard, resources such as solar and hydro can achieve a low LCOE. The lower LCOE for solar PV makes it a viable renewable energy option for homeowner as well as commercial and industrial owners. Greater adoption of solar PV systems by homeowner as well as commercial and industrial properties owners due to the favourable LCOE will support demand for solar PV EPCC services.

Recovery and growth in the residential, commercial and industrial property markets support demand for solar PV systems

Between 2018 and 2024, total property transactions rose from RM113.2 billion to RM192.9 billion at a CAGR of 9.3%. From this, residential property transactions rose from RM68.7 billion to RM106.9 billion at a CAGR of 7.6%, while commercial property transactions rose from RM29.5 billion to RM58.1 billion at a CAGR of 12.0% and industrial property transactions rose from RM15.0 billion to RM27.9 billion at a CAGR of 10.9%.

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 and commercial 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.

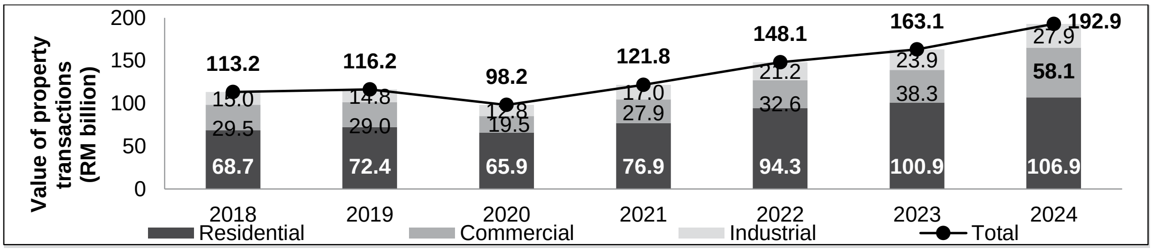
Growth in the property market in 2022 was supported by the implementation of various government initiatives and assistance, improving labour market conditions and higher tourist arrivals. Several initiatives which were outlined under Budget 2022 contributed to improving property market activities including lifting of the 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 boosted property market activities.

In 2024, the property market was supported by the growth of Malaysia's economy and the continuous government support, including the full implementation of the New Industrial Master Plan 2030, the National Energy Transition Roadmap and the Twelve Malaysia Plan (12MP). Transactions in the residential segment remained strong in 2024, attributed to initiatives outlined under Budget 2024, which increased confidence in the property market, including the easing of requirements for the Malaysia My Second Home programme.

The property market is expected to continue its growth momentum supported by the various initiatives outlined by the Government under Budget 2025 which aim to encourage home ownership as well as achieve inclusive and sustainable economic growth in Malaysia. Collectively, these developments are expected to bode well for industry players offering solar PV EPCC services.

[7] Marginal cost is the additional cost arising from the production of one additional unit of a product or service

Residential, commercial and industrial property transactions in Malaysia



Source: National Property Information Centre (NAPIC), PROVIDENCE analysis

INDUSTRY RISKS AND CHALLENGES

Technical capabilities and industry track record

EPCC services for solar PV system projects require a specific level of skill and experience. Project principals would seek to hire companies with proven track record to execute such works. While the fundamentals of electricity generation, transmission and distribution technology have remained constant over the years, skilled engineers and technicians are able to carry out improvements in order to enhance delivery and efficiency, while optimising system performance. Such skill can only be gained through hands-on experience. Due to the level of technicality of this field, industry players bidding for EPCC projects are expected to possess skills and experience in various areas including planning, design, development of solar PV systems; supply, delivery and installation of solar PV modules and balance of systems; as well as the associated mechanical and electrical works. Industry players who have the required technical capabilities are able to build industry track record, which cannot be easily replicated by a new entrant.

Product / Service substitution and reliance and vulnerability to imports

There are no direct substitutes for the provision of EPCC services. EPCC services for solar PV systems in Malaysia are typically performed by local industry players. EPCC industry players are dependent, to a certain extent, on the imports of solar equipment such as solar PV modules, inverters and balance of systems components. Industry players are also exposed to fluctuations in solar PV module pricing arising from raw materials pricing and availability.

COMPETITIVE LANDSCAPE

The solar PV EPCC services industry is competitive and comprises industry players that are involved in one or more of the following business activities:

- engineering and design from project initiation to detailed system design, including designing solar PV array, balance of systems as well as interconnection to the power grid;
- procurement of all relevant systems, equipment, including solar PV modules and balance of systems;
- civil and structural construction, mechanical and electrical works, installation and integration of equipment and systems, and interconnection to the utility grid; and
- testing and commissioning of individual equipment, as well as the entire solar PV system once all equipment have been installed and prior to interconnection to the utility grid.

Further, the solar PV EPCC services industry is competitive as there are approximately 313 companies[8] that are Registered PV Service Providers with SEDA to undertake solar PV system rooftop solar PV systems and utility scale solar PV systems installation works in Malaysia. Nonetheless, there are distinct barriers to entry, with industry players possessing the relevant licenses and registrations, experienced technical employees who can carry out large scale and complex projects as well as project track record.

For the period of January to December 2024, Verdant Solar Holdings Berhad commissioned 24.6 MW of installed capacity of residential new built solar PV installations in Malaysia. When compared against the installed capacity of residential new built solar PV installations in Malaysia of 226.6 MW during January to December 2024, Verdant Solar Holdings Berhad secured a market share of 10.9%. Further during the period of January to December 2024, Verdant Solar Holdings Berhad commissioned 25.5 MW of installed capacity of residential, commercial and industrial new built solar PV installations in Malaysia. When compared against the installed capacity of residential, commercial and industrial new built solar PV installations in Malaysia of 527.3 MW during January to December 2024, Verdant Solar Holdings Berhad secured a market share of 4.8%.

[8] As at 8 September 2025

The following sets out the latest available financial performance of selected industry players that are involved in the provision of EPCC services for solar PV systems in Malaysia with revenues ranging between RM20.0 million and RM220.0 million:

Industry player [a]	Latest available FYE	Revenue [g] (RM)	Gross profit / loss (RM)	Gross profit / loss margin (%)	Profit / Loss before tax (RM)	Profit / Loss after tax (RM)	Profit / Loss after tax margin (%)
Alpha Solar Sdn Bhd	30 June 2024	20,957,317	7,864,115	37.5	2,259,544	2,141,173	10.2
Ditrolic Sdn Bhd	30 April 2024	40,600,614	10,164,378	25.0	2,060,206	3,699,833	9.1
De Skylight Roofing Sdn Bhd	31 December 2023	31,663,539	9,374,067	29.6	1,789,371	1,248,612	3.9
Gading Kencana Sdn Bhd	31 December 2023	44,111,814	23,009,790	52.2	-120,516	28,689	0.1
Northern Solar Holdings Berhad [b]	31 March 2025	84,865,204	32,074,943	37.8	17,068,022	11,049,186	13.4
JS Solar Sdn Bhd	31 March 2024	140,384,578	15,330,804	10.9	9,235,418	6,399,351	4.6
Kejuruteraan Letrik KB Sdn Bhd	31 March 2024	67,832,332	11,504,628	17.0	1,230,660	839,310	1.2
Maqo Engineering Sdn Bhd	31 August 2024	22,045,450	5,994,144	27.2	3,889,509	2,970,360	13.5
Pathgreen Energy Sdn Bhd	30 June 2024	41,756,725	8,572,825	20.5	2,623,704	1,528,827	3.7
Pekat Solar Sdn Bhd [c]	31 December 2024	112,939,458	17,443,224	15.4	1,303,962	588,467	0.5
Plus Xnergy Services Sdn Bhd	31 March 2024	194,652,021	28,895,574	14.8	7,760,594	5,918,483	3.0
Progressture Power Sdn Bhd	31 March 2024	32,894,935	8,352,211	25.4	2,709,011	2,501,924	7.6
Samaiden Sdn Bhd [d]	30 June 2024	172,440,248	25,983,681	15.1	13,934,249	10,642,379	6.2
Solaroo Systems Sdn Bhd [c]	31 December 2024	75,601,040	19,591,545	25.9	12,643,936	7,975,788	10.5
Solarvest Energy Sdn Bhd [e]	31 March 2024	217,287,457	35,795,514	16.5	20,600,538	15,533,990	7.1
Sols Energy Sdn Bhd	31 December 2024	30,670,301	12,949,371	42.2	2,984,805	2,674,579	8.7
Tera Va Sdn Bhd [f]	31 March 2024	64,604,199	18,221,428	28.2	8,453,995	6,282,747	9.7
Verdant Solar Holdings Berhad	30 June 2025	111,426,016	42,948,535	38.5	23,006,646	17,204,298	15.4
We Power Venture Sdn Bhd	31 August 2024	26,270,402	6,580,363	25.0	4,928,319	3,747,450	14.3

Notes:

[a] The selected industry players were identified from publicly available sources, such as SEDA's Registered PV Service Provider Directory, the internet and published documents based on the following criteria:
i) are involved in the provision of EPCC services for solar PV systems for residential, commercial and industrial properties in Malaysia; and
ii) have achieved a revenue ranging between RM20.0 million and RM220.0 million in the latest available audited financial statement.
[b] Listed on the ACE Market of Bursa Malaysia Securities Berhad
[c] Subsidiary of Pekat Group Berhad, which is listed on the ACE Market of Bursa Malaysia Securities Berhad
[d] Subsidiary of Samaiden Group Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad
[e] Subsidiary of Solarvest Holdings Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad
[f] Subsidiary of BM GreenTech Berhad, which is listed on the Main Market of Bursa Malaysia Securities Berhad
[g] Save for Verdant Solar Holdings Berhad, revenues may be derived from businesses other than the provision of EPCC services for solar PV systems for residential properties

Latest available as at 8 September 2025

Source: SEDA, various annual reports, 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 OPERATIONS

9.1.1 Our business is project-based and our historical financial performance may not be indicative of our future financial performance

We provide EPCC services for solar PV systems and O&M services for solar PV systems on a project-by-project basis. Therefore, our revenue may vary significantly in any given financial year depending on the number of new customers and total number of solar PV projects that we undertake in any given year. There is no assurance that we will be able to continuously and consistently secure new customers.

Our GP margin was 32.13%, 28.62%, 35.11% and 38.54% during the Financial Years Under Review. We may not always be able to achieve such GP margins in the future. Our financial performance depends on our ability to continually secure new customers to replenish our order book. Any significant decline in our order book will materially and adversely impact our growth potential, and future financial performance. As at the LPD, our outstanding order book was RM31.13 million which is expected to be recognised as revenue progressively over the next 6 months. There can be no assurance that we will be able to secure new projects to replenish our order book in order to sustain our business and GP margin in the future due to factors beyond our control, among others, such as higher cost of materials, slower adoption of solar PV systems among residential, and commercial and industrial customers, changes in government policies retaining that support the adoption of solar PV systems and competition. Notwithstanding the recent downward trend in market prices for solar panels in the last 5 years (please refer to the historical solar panel prices chart in Section 9.1.4 of this Prospectus), there is no assurance that the trend will continue and will not reverse, resulting in a higher cost of materials for us.

Premised on the above, the historical financial performance of our Group may not be indicative of our future financial performance.

9.1.2 We are dependent on the services and work quality of our subcontractors

We depend on the services and work quality of our subcontractors to carry out the entire installation and commissioning of our solar PV system projects on site at our customers' premises. Subcontractors' costs is a material component of our cost of sales. For the Financial Years Under Review, our subcontractors' costs accounted for approximately 11.09%, 10.94%, 12.65% and 14.75% of our total cost of sales, respectively.

We adopt a stringent assessment in selecting subcontractors, which includes evaluating our project requirements, the subcontractors' experience, service quality, qualifications, technical expertise and resource availability. Please refer to Section 7.13 for further details on our quality control assurance and procedures.

Notwithstanding the above, engaging subcontractors may still expose us to certain risks, such as difficulties in overseeing their work performance, possibilities of subcontractors failing to complete their contracted scope of works, safety issues onsite, non-compliance with regulatory requirements, or the inability to hire suitable subcontractors promptly and within our budget. The occurrence of the aforementioned risks may result in onsite incidences, delays, defects, disputes and claims or even litigation, all of which may potentially impact our profitability, financial performance and operations.

Our subcontractors are engaged by us and therefore, we are responsible for ensuring that their works fulfil our customers' requirements including any risks arising from our subcontractors' non-performance, poor quality of work, defects, delays or non-compliance as well as liable for any remedial works to rectify any defects and any claims by our customers.

We are also exposed to defects liability claims during the defects liability period arising from the quality of works of our subcontractors. If we are unable to claim the costs of ratifying these defects caused by our subcontractors or recover the full amount, we may be required to bear the expense. This could increase our project costs, delay project delivery and potentially impact our financial performance.

During the Financial Years Under Review and up to the LPD, we have not experienced any material claims from our customers arising from the shortcomings of our subcontractors' works. While we make every effort to maintain high standards of quality in our work, including closely supervising our subcontractors works, there is no assurance that all works performed by our subcontractors will always meet customers' satisfaction, expectations or requirements.

9.1.3 Our business is subject to certain regulatory registrations, approvals, licenses and permits

As a solar PV service provider, we are subject to various laws, rules and regulations. We are required to obtain approvals, licenses and permits from authorities such as CIDB, SEDA and Energy Commission Malaysia as set out in Section 7.18 of this Prospectus.

We leverage on these registrations, approvals, licenses and permits to continue our core business operations. Compliance with the requirements and conditions imposed by the relevant authorities is essential to maintain the validity of these approvals, permits and licenses.

In the event we fail to comply with the requirements or conditions as imposed, our approvals, licenses and permits may be revoked or suspended. Any delay in renewing these approvals, licenses and permits upon expiry may also result in a temporary suspension or restriction of our business operations. Therefore, the revocation and/or failure to renew any approvals, licenses and permits will have a material impact on our ability to continue business operations.

As at the LPD, we have not experienced any rejection, revocation, non-renewal or penalties in respect of our approvals, licenses and permits which have material adverse impact on our business and financial performance.

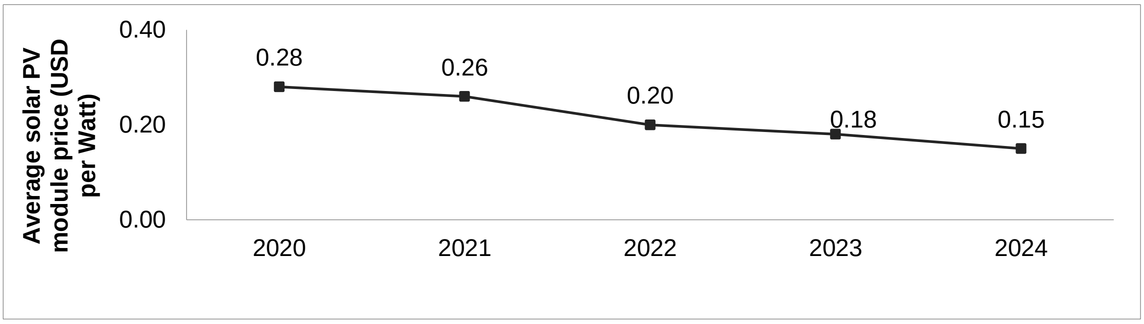
9.1.4 Our EPCC services depend on the timely supply of quality materials at competitive prices

Our operations involve procuring materials such as solar panels, inverters and mounting structures from foreign suppliers for the implementation of our solar PV system projects. As a result, our ability to carry out projects effectively depends on the timely delivery and satisfactory quality of these procured materials at competitive prices. During the Financial Years Under Review, cost of materials accounted for approximately RM6.47 million, RM12.62 million, RM22.10 million and RM37.96 million, representing 64.85%, 66.34%, 60.53% and 55.44% of our total cost of sales respectively.

We source these materials primarily from foreign suppliers. Depending on the overall demand and supply conditions and delivery lead times, we may face challenges in obtaining the required materials in the necessary quantity, specifications, quality or within the desired timeframe, which could delay the project implementation and completion. If we are unable to procure sufficient materials on time, our project delivery may be delayed.

Save for the decline in solar panel prices during the FYE 2023, FYE 2024 and FYE 2025, we have not experienced any significant price fluctuations, quality issues in our procurement of these materials or significant shortages of the same which resulted in a material impact on our financial performance during the Financial Years Under Review and up to the LPD. Notwithstanding this, there can be no assurance that we will not experience such situations in the future, which could have a material effect on our financial performance and business operations. In the event of an increase in solar panel prices and we are unable to pass on such increases to our customers, our business and financial performance could be adversely affected.

Historical solar panel prices



Source: PROVIDENCE analysis

9.1.5 We are dependent on our Managing Director, key senior management and technical team for our continued success

The continued success, future business growth and expansion of our Group are dependent on the abilities and continued efforts of our Managing Director, key senior management and technical team.

Our Managing Director, Lim Tzer Haur has 12 years of industry experience and is responsible for overseeing business development, financial management and the overall strategic direction of our Group. He is supported by our key senior management, who are equipped with the relevant technical knowledge, experience and expertise in their respective areas of responsibilities. Our key senior management are responsible for executing and implementing our Group's business strategies to drive sustainable future growth.

The loss of our Managing Director and any of the key senior management, particularly if it occurs simultaneously or within a short timeframe, may potentially cause disruptions that will results in an unfavourable impact on our Group's business performance and operations, especially if timely replacements or qualified employees cannot be recruited. As such, our ability to retain and attract competent and experienced employees within the solar PV industry is essential for our continued success, future business growth and expansion. Any failure to retain such key employees or to recruit additional qualified employees with the necessary industry knowledge could materially impact our business operations, financial performance and ability to achieve our business objectives.

9.1.6 We may not be able to successfully implement our business strategies and future plans to grow our business

We intend to expand our operations in accordance with our business strategies and future plans set out in Section 7.16 of this Prospectus. However, there is no assurance that we will be able to effectively implement our plans. Even if we are able to successfully implement our plans, there is no assurance that the results of such plans will lead to the outcomes and results we expect.

The successful implementation of our business strategies and plans are based on our current circumstances and assumptions that certain circumstances will or will not occur in the future. The execution of our business strategies is also dependent on a number of factors such as our ability to obtain timely and sufficient funding, our ability to execute our business strategies well and to retain and recruit competent management and employees. There are also factors beyond our control that affect the successful implementation of our business strategies such as the general market conditions, or changes in the Government's policy or regulatory regime where our business operates.

As part of our business expansion, we also intend to pursue strategic investments, mergers and acquisitions opportunities using the gross proceed of RM10.00 million from our Public Issue. However, there is no assurance that we will be able to identify suitable investment or acquisition targets, negotiate favorable terms or successfully integrate acquired businesses into our operations. Further, we may not be able to successfully integrate the business and operations of the acquisition target with our existing business. The process of integration may lead to unanticipated issues that may require the attention of our management and financial resources that we would otherwise use to develop and expand our existing business. This may lead to an adverse impact on our business and financial performance.

Further, the implementation of our plans may also require capital expenditure, and consequently we may require additional financing to fund our plans. There is no assurance that these plans will pay off and increase our revenue to a level which will be commensurate with the costs of our investment. Any failure or delay in the implementation of any or all of our business strategies and plans may have a negative effect on our business, operations and financial performance.

9.1.7 We are subject to liability claims arising from our 30 days installation guarantee period

Our business is exposed to risks related to liability claims from customers arising from the 30 days installation guarantee period in relation to our EPCC services for solar PV systems.

Under our 30 days installation guarantee period, we are responsible for compensating customers for any delay in installation works after 30 days from the receipt of installation deposits. During the Financial Years Under Review and up to the LPD, we incurred payments of nil, RM10,020, RM112,049, RM145,563 and RM19,688, respectively, to affected customers under the 30 days installation guarantee. These payments were computed based on our Group's estimated electricity savings proposal provided to the customers.

While we strive to ensure that all installations are completed within the guarantee period and meet the specified performance standards, unforeseen circumstances, such as technical challenges, supply chain disruptions or resource constraints, could hinder our ability to do so. Consequently, there is no assurance that all work will consistently meet the guarantee requirements.

These claims may adversely affect our reputation, increase our costs and impact our financial performance. Furthermore, repeated or widespread claims could diminish customer confidence, potentially affecting future business opportunities.

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9.1.8 We are exposed to foreign exchange risks

Our Group is subject to foreign exchange rate fluctuations as most of our materials such as solar panels, inverters and mounting structures are purchased from foreign suppliers denominated in foreign currencies, namely USD and RMB, and on credit terms. Following delivery and receipt of the materials purchased, we will then make payments to these suppliers within the credit terms in the invoiced foreign currency. Such timing difference result in us being exposed to fluctuations in the foreign currency exchange rate between RM and the settlement currency to these suppliers.

During the Financial Years Under Review, approximately 92.60%, 95.67%, 93.48% and 90.42% of our purchases was denominated in foreign currencies, namely USD and RMB. The currency breakdown of our purchases is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Purchases denominated in:								
RM	585	7.40	610	4.33	1,659	6.52	3,908	9.58
USD	7,320	92.60	13,471	95.67	18,982	74.66	28,112	68.94
RMB	-	-	-	-	4,785	18.82	8,759	21.48
Total actual purchases	**7,905**	**100.00**	**14,081**	**100.00**	**25,426**	**100.00**	**40,779**	**100.00**

During the Financial Years Under Review, we have incurred losses from fluctuations in foreign exchange rates, as seen below:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Realised loss on foreign exchange	103	92.79	198	100.00	133	100.00	-	-
Unrealised loss on foreign exchange	8	7.21	-	-	-	-	13	100.00
Total	**111**	**100.00**	**198**	**100.00**	**133**	**100.00**	**13**	**100.00**

While we monitor foreign exchange fluctuations, any unfavourable change in foreign exchange rates may have an adverse impact on the financial performance of our Group.

9.1.9 We may not have adequate insurance coverage to cover all losses and/ or liabilities arising from potential claims

We maintain insurance coverage for our material assets and business operations at levels that we believe are customary to the nature of our business.

As at the LPD, we have the following insurance policies with total sum insured of RM20.79 million:

(a) Group hospitalisation and surgical;
(b) Group term life;
(c) Fire;
(d) Burglary; and
(e) Public liability.

Any losses, damages or liabilities in excess of our insured limits or in areas which we are not fully insured may adversely affect our business operations and financial performance.

All of our insurance policies are subject to annual renewal, which may result in changes to premiums, coverage, terms and/or policy limits. A significant increase in insurance premiums could lead to higher costs to maintain the same level of coverage, or we may be forced to reduce our coverage. In addition, there is a risk that we may not be able to renew or replace our insurance policies upon expiration.

While we have insurance coverage for various aspects of our business and have not made any material claims during the Financial Years Under Review and up to the LPD, there is no assurance that our coverage will be sufficient to fully cover all potential losses, damages, or liabilities incurred during our business operations.

9.2 RISKS AFFECTING THE INDUSTRY IN WHICH WE OPERATE

9.2.1 The solar PV industry is dependent on Government policies, incentives and supportive regulatory framework

The demand for solar energy is largely influenced by Government policies and incentives designed to promote the use of renewable energy. To date, the growth of the solar energy industry in Malaysia has been supported by favourable Government policies, incentives and regulatory framework.

In recent years, the solar PV industry has experienced rapid growth due to Government support for solar energy development as part of a drive to reduce dependency on fossil fuels and rely on clean energy. The Government has launched renewable energy programmes such as NEM, SolaRIS and SELCO to promote the sustainable growth in the solar PV industry and to encourage homeowners, commercial and industrial owners to deploy solar PV systems. To date, our Group has installed solar PV systems for customers under the NEM, SolaRIS and SELCO programmes. Please refer to Section 7.2.1 of this Prospectus for further details.

The extent and nature of these Government incentives are largely determined by the country’s political and policy developments in relation to the use and development of solar energy. In the event the Government does not extend the quota allocations for these renewable energy programmes or discontinues these programmes, we face the risk of lower demand for solar PV systems from customers which could adversely impact our business operations and financial performance.

Following the end of the NEM programme on 30 June 2025, the implementation of solar PV system installations on building roofs will continue under the SELCO programme. While Solar ATAP has been announced as a continuation of the NEM programme and will commence in December 2025, there is no certainty that we will be able to successfully promote our EPCC services for solar PV systems under Solar ATAP. If we are unable to secure new projects for the EPCC of solar PV systems under other existing solar programmes, our business operations and financial performance may be adversely affected.

9.2.2 We face competition from other industry players within the solar PV industry

We face competition from existing industry players as well as new entrants who may offer similar services. Some of our competitors may have longer operating track record, stronger financial position or are equipped with better resources and technical expertise, enabling them to offer more attractive value propositions. In addition, they may adapt to industry changes more promptly and efficiently.

We may encounter competition pressures from both existing and new competitors who adopt aggressive pricing strategies to gain market share. If we are unable to compete effectively or adapt to changes in the competitive landscape, our business operations and financial performance will be materially impacted.

There is no assurance that we will be able to compete effectively against current and new entrants into the renewable energy and solar PV industries in the future.

9.2.3 We are subject to risks related to political, economic and regulatory factors in Malaysia

During the Financial Years Under Review, we generated all of our revenue from Malaysia. As such, our business, prospects, financial performance and growth may be affected by any adverse developments, changes and/or uncertainties in Malaysia's political, economic and regulatory environments which are beyond our control. These risks include unfavourable changes in the policy to encourage the use of solar energy, non-extension of incentives schemes for the solar PV industry, political conditions, economic factors, interest rates, Government policies and regulations, import and export restrictions, duties and tariffs, civil unrest, taxation methods, inflation and foreign exchange controls.

Any adverse changes in one or more of these conditions may disrupt project delivery and completion schedules, which may potentially lead to a decline in our revenue, or a reduction in demand for our Group's services.

As such, there is no assurance that any adverse political, economic or regulatory developments would not materially affect our business, financial performance and prospects of our Group.

9.2.4 We may not be able to adapt to technological developments and industry standards in the solar PV industry

The solar PV industry is highly technology-driven and dynamic in technological advances to improve system features such as efficient power generation, energy storage system, aesthetics and solar monitoring systems.

Our Group's success depends on our continued ability to:

(a) adapt promptly to technological changes and standards in the solar PV industry;
(b) improve our technical expertise in the solar PV industry;
(c) meet the evolving standards, including conformity with new regulatory and operational standards; and
(d) enhance the features and develop new functionalities of solar PV systems.

As technology in the solar PV industry progresses, new models, equipment, components and associated peripheral systems (such as information technology) offer improved solutions for energy efficiency and greater operational and management effectiveness.

While we are committed to keeping pace with technological advances in a cost-effective and timely manner, we may encounter practical challenges in upgrading or enhancing our services with the new technology. As such, we may require additional time to assess these technologies and improve our technical knowledge.

There is no assurance that we will be able to anticipate trends in technological developments and industry standards, nor that we will be able to adequately upgrade our capabilities to develop and enhance our services in response to these changes.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 There is no prior market for our Shares

Prior to our IPO, there has been no public market for our Shares. Accordingly, there can be no assurance that an active market for our Shares will develop upon our Listing or, if developed, that such market will be sustained.

In addition, while our IPO Price was determined after taking into consideration a number of factors including our historical earnings, prospects, future plans and operating history, there is 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 that the market price of our Shares will not fall below the IPO Price.

9.3.2 Our Listing is exposed to risk that it may be aborted or delayed

Our Listing may be aborted or delayed due to the following:

(a) the selected investors fail to subscribe for the allocated portion of our IPO Shares;

(b) our Sole Underwriter exercises its rights under the Underwriting Agreement to discharge itself of its obligations therein any time before our Listing;

(c) we are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.0% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing; and

(d) revocation of approvals from relevant authorities for our Listing.

Should any of the above events occur, the 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.

If our Listing is aborted/ terminated after our Shares have been allotted to the investors, all monies paid in respect of all applications for our IPO Shares will be refunded to the investors by way of cancellation of share capital as provided under Sections 116 and 117 of the Act and its related rules. Such cancellation requires among others, the approval of the shareholders by special resolution in a general meeting and the consent of our creditors (if required). There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

9.3.3 Our Share price and trading volume may be volatile

The market price of our Shares may fluctuate due to various factors, some of which are beyond our control and may be unrelated or disproportionate to our financial results and prospects.

These factors may include:

(a) variation in our operating results;
(b) success or failure of our management in implementing business and growth strategies;
(c) changes in analysts' recommendations or projections of our financial performance;
(d) changes in conditions affecting the industry, general economic conditions or stock market sentiments or other events or factors;
(e) changes in market valuations and share prices of companies with similar businesses to our Company that may be listed in Malaysia or foreign exchange(s);
(f) fluctuations in stock market prices and volume as a whole;
(g) moratorium upliftment which may result in a potential sell-down of substantial amount of Shares by the Specified Shareholders;
(h) involvement in litigation and dispute; or
(i) changes in government policy, legislation or regulation.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and global stock exchanges, inflow or outflow of foreign funds and growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes on Bursa Securities, thus adding risks to the market price of our Shares.

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

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

9.4 OTHER RISK

9.4.1 Significant influence by our Promoter and person connected to the Promoter

Our Promoter, Lim Tzer Haur, and his spouse, Ng Kel Mynn, will collectively hold approximately 66.27% of our enlarged issued share capital upon our Listing. Ng Kel Mynn is also our Non-Independent Executive Director and People and Culture Manager. With the size of their shareholdings, they will be able to influence the outcome of certain matters requiring the vote of our shareholders unless they are required to abstain from voting by law, Listing Requirements and/or as required by the relevant authorities.

10. RELATED PARTY TRANSACTIONS

10.1 OUR GROUP'S RELATED PARTY TRANSACTIONS

(a) Material related party transactions entered into by our Group

Save for the Acquisition (details of which are set out in Section 6.1.2 of this Prospectus) and as disclosed below, there are 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 the Financial Years Under Review and up to the LPD:

No.	Transacting Parties	Nature of Relationship	Nature of Transaction	Transactions Value									
				FYE 2022		FYE 2023		FYE 2024		FYE 2025		1 July 2025 up to the LPD	
				RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
1.	• VSSB • VRQ PLT[(1)]	**Interested director and substantial shareholder** • Ng Kel Mynn Ng Kel Rynn is the sister of Ng Kel Mynn, Lau Kim Wei is the brother-in-law of Ng Kel Mynn. Ng Kel Rynn and Lau Kim Wei are partners in VRQ PLT.	Sale of solar ventilation systems to VRQ PLT[(2)]	-	-	178	0.67[(3)]	289	0.51[(3)]	260	0.23[(3)]	-	-

Notes:

(1) VRQ PLT is principally involved in providing consultancy services for chemical related companies as well as sales and marketing for renewable energy products such as solar ventilator.

(2) The transaction is conducted at an arms' length basis as the sale of solar ventilation systems to VRQ PLT are at similar rates or prices charged to our third party distributor.

(3) Calculated based on our Group's total revenue for each of the respective financial years.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

Our Board is of the view that the related party transaction was conducted on an arm's length basis and competitive commercial terms not more favourable to the related parties and were not detriment to our minority shareholders and our Group.

Our Board confirms that there are no other material related party transactions that has been entered into by our Group that involve the interest, direct or indirect, of the Directors, substantial shareholders and/or persons connected to them which has not been effected as of the date of this Prospectus.

Following our Listing, the Audit and Risk Management Committee of our Group will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not detrimental to our minority shareholders.

In the event that there are any proposed related party transactions that involve the interest, direct or indirect, of our Directors, the interested Director(s) shall disclose his interest to our Board, of the nature and extent of his interest including all matters in relation to the proposed related party transaction that he is aware or should reasonably be aware of, which is not in our best interest. The interested Director(s) shall also abstain from any Board deliberation and voting on the relevant resolution(s) in respect of such proposed related party transaction.

In the event that there are any proposed related party transactions that requires the prior approval of our Company's shareholders, in addition to the above, our Directors, major shareholders and / or persons connected with them, who have any interest, whether direct or indirect, in the proposed related party transactions, shall abstain from all deliberations and voting on resolution(s) pertaining to the respective transaction. In addition, such interested Directors and / or major shareholders will also undertake to ensure that the person connected with them, if any, will abstain from voting on the resolution(s) to approve the proposed related party transaction at a general meeting.

If the related party transactions are deemed as recurrent related party transactions, our Company may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate. Related party transactions can be deemed as recurrent, if they are entered into at least once every three years, in the ordinary course of business and are of a revenue or trading nature necessary for the day-to-day operations of our Group.

(b) Transactions which 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 the Financial Years Under Review and up to the LPD.

(c) Outstanding loans and/or financial assistance made to or for the benefit of the related parties

There are no loans and / or financial assistance (including guarantees of any kind) made by our Group to or for the benefit of the related parties for the Financial Years Under Review and up to the LPD.

10. RELATED PARTY TRANSACTIONS *(cont'd)*

(d) Personal Guarantees

As at the LPD, our Promoter and Managing Director, namely Lim Tzer Haur, have provided personal guarantees in favour of 3 financial institutions, namely Maybank Islamic Berhad ("**Maybank Islamic**"), RHB Bank Berhad and United Overseas Bank (Malaysia) Berhad ("**UOB**").

The details of the facilities as at the LPD is set out below:

No.	Financiers	Type of facilities	Purpose	Outstanding balance as at the LPD (RM'000)	Facility limit and amount guaranteed (RM'000)	Personal Guarantees
1.	Maybank Islamic	Trade facility	Facilitate trade transactions	-	2,100	Lim Tzer Haur
2.	RHB Bank Berhad	2 Term loans	For working capital requirements	936	2,000	Lim Tzer Haur
3.	UOB	Foreign exchange facility	Hedge against foreign currency exposure	-	5,000	Lim Tzer Haur
		Term loan	For working capital requirements	157	1,000	Lim Tzer Haur

In conjunction with the 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 acceptable to the Financiers.

As at the LPD, our Group has received all relevant consents from the Financiers for the discharge of the personal guarantees.

The consents from Maybank Islamic and RHB Bank Berhad are subject to:

(i) success of our Listing; and
(ii) replacement of the personal guarantees with corporate guarantees from Verdant.

10.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS

10.2.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee is responsible for the review of the related party transactions to ensure that the related party transactions (if any) are undertaken on arm's length basis and on normal commercial terms, we have established the following procedures:

(a) whether the terms of the related party transactions are:
   (i) in the best interest of the Company;
   (ii) fair, reasonable and on normal commercial terms; and
   (iii) not detrimental to the interest of the minority shareholders.

(b) the rationale for our Group to enter into the related party transaction and the nature of alternative transactions, if any;

(c) 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; and

(d) at least 2 other contemporaneous transactions with third parties for similar products and/or quantities will be used as comparison, 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.

All reviews by our Audit and Risk Management Committee are reported to our Board for further action.

10.2.2 Our Group's policy on related party transactions and conflicts of interest

It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our Audit and Risk Management Committee.

In the event that there are any proposed related party transactions that require the prior approval of our Company's shareholders, in addition to the above, our Directors, major shareholders and / or persons connected with them, who have any interest, whether direct or indirect, in the proposed related party transactions, shall abstain from all deliberations and voting on resolution(s) pertaining to the respective transactions. In addition, such interested Directors and / or major shareholders will also undertake to ensure that the persons connected with them, if any, will abstain from deliberations and voting on the resolution(s) to approve the proposed related party transactions at a general meeting.

If the related party transactions are deemed as recurrent related party transactions, our Company may seek a general mandate from our non-interested shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such recurrent related party transactions during the validity period of the mandate. Related party transactions can be deemed as recurrent, if they are entered into at least once every three years, in the ordinary course of business and are of a revenue or trading nature necessary for the day-to-day operations of our Group.

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11. CONFLICT OF INTERESTS

11.1 INTEREST IN SIMILAR BUSINESS AND IN BUSINESSES OF OUR CUSTOMERS AND OUR SUPPLIERS

As at the LPD, none of our Directors and substantial shareholders have any interest, direct or indirect, in any entities which are carrying on a similar or related trade as that of our Group or which are the customers and/or suppliers of our Group.

11.2 MONITORING AND OVERSIGHT OF CONFLICT OF INTERESTS

It is our Directors' fiduciary duty to avoid conflict, and they are required to attend courses which provide them with guidelines on their fiduciary duties. In order to mitigate any possible conflict of interests situation in the future, our Directors will declare to our Audit and Risk Management 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 and Risk Management Committee will then evaluate if such a Director's involvement gives rise to a potential conflict of interest situation with our Group's business. Our Audit and Risk Management Committee will then report its findings to our Board. Our Board upon reviewing the recommendation by our Audit and Risk Management Committee, will engage in deliberation, review the matter and decide on the next course of action. When a potential conflict of interest is disclosed, our Audit and Risk Management Committee and Board will carefully evaluate the situation and may consider various feedback and actions to address the matter. The options considered shall not be limited to the following:

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

Where a Director has disclosed a conflict of interest, the conflicted Director shall abstain from any discussion of the Board and Board committees relating to the subject of the conflict of interest and the conflicted Director shall not vote or in any way attempt to influence the discussion of, or voting on, the matter at issue. The conflicted Director, may however at the request of the Chairman of the Board and Board committees, be present at the Board and Board committees' meeting for the purposes of answering any questions.

In circumstances where a Director is determined to have a significant, ongoing and irreconcilable conflict of interest with our Group, and where such conflict of interest significantly impedes the Director's ability to carry out his fiduciary responsibility to our Group, our Audit and Risk Management Committee may take necessary disciplinary actions, such as reassignment, termination, or other appropriate measures.

11.3 DECLARATIONS OF CONFLICT OF INTERESTS BY OUR ADVISERS

(a) Declaration by Mercury Securities

Mercury Securities has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent for our Listing.

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

(b) Declaration by Ong Eu Jin Partnership

Ong Eu Jin Partnership has given their written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the Solicitors for our Listing.

(c) Declaration by TGS TW PLT

TGS TW PLT has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the External Auditors and Reporting Accountants for our Listing.

(d) Declaration by PROVIDENCE

Providence has given its written confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interests in its capacity as the IMR for our Listing.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL COMBINED FINANCIAL INFORMATION

The following historical combined financial information for the Financial Years Under Review have been extracted from the Accountants' Report as set out in Section 13 of this Prospectus.

The historical combined financial information below should be read in conjunction with the "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in Section 12.2 of this Prospectus and our historical combined financial statements and the accompanying notes as set out in the Accountants' Report included in Section 13 of this Prospectus. Our historical combined financial statements have been prepared in accordance with the MFRS and IFRS. There are no accounting policies which are peculiar to our Group in regard to the nature of our businesses or the industries to which our Group is involved in.

12.1.1 Historical financial information

(a) Historical 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 the Financial Years Under Review:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	14,701	26,644	56,276	111,426
Cost of sales	(9,978)	(19,018)	(36,517)	(68,477)
GP	**4,723**	**7,626**	**19,759**	**42,949**
Other income	55	75	336	1,463
Administrative expenses	(2,917)	(4,791)	(9,647)	(19,027)
Selling and distribution expenses	(483)	(860)	(1,336)	(1,802)
Other expenses	(111)	(198)	(133)	(155)
Net loss on impairment of financial assets	(42)	(91)	(12)	(211)
Profit from operation	**1,225**	**1,761**	**8,967**	**23,217**
Finance costs	(125)	(185)	(149)	(210)
PBT	**1,100**	**1,576**	**8,818**	**23,007**
Taxation	(273)	(372)	(2,169)	(5,803)
PAT / Total comprehensive income	**827**	**1,204**	**6,649**	**17,204**
PAT/ Total comprehensive income attributable to:				
Owners of our Company	827	1,204	6,649	17,204
EBIT (1)	1,198	1,750	8,805	22,506
EBITDA (1)	1,296	1,933	9,034	23,186
GP margin (%) (2)	32.13	28.62	35.11	38.54
PBT margin (%) (3)	7.48	5.92	15.67	20.65
PAT margin (%) (4)	5.63	4.52	11.81	15.44
Effective tax rate (%) (5)	24.82	23.60	24.60	25.22
EPS / Diluted EPS (sen) (6)	0.10	0.15	0.81	2.10

Notes:

(1) EBIT and EBITDA are calculated as follows:

	Audited			
	FYE 2022	***FYE 2023***	***FYE 2024***	***FYE 2025***
	RM'000	***RM'000***	***RM'000***	***RM'000***
PAT	*827*	*1,204*	*6,649*	*17,204*
Less:				
Interest income	*(27)*	*(11)*	*(162)*	*(711)*
Add:				
Finance costs	*125*	*185*	*149*	*210*
Taxation	*273*	*372*	*2,169*	*5,803*
EBIT	***1,198***	***1,750***	***8,805***	***22,506***
Add:				
Depreciation	*98*	*183*	*229*	*680*
EBITDA	***1,296***	***1,933***	***9,034***	***23,186***

(2) Calculated based on GP divided by revenue.

(3) Calculated based on PBT divided by revenue.

(4) Calculated based on PAT divided by revenue.

(5) Calculated based on tax expenses divided by PBT.

(6) Calculated based on PAT attributable to owners of our Company divided by the enlarged issued share capital of 817,618,243 Shares after the IPO.

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(b) Historical combined statements of financial position

The following table sets out our audited combined statements of financial position of our Group as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025:

	Audited			
	As at 30 June			
	2022	**2023**	**2024**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
ASSETS				
Non-current assets				
Property, plant and equipment	862	778	1,284	8,778
Deferred tax assets	-	-	-	64
Total non-current assets	**862**	**778**	**1,284**	**8,842**
Current assets				
Inventories	2,744	4,209	7,531	10,348
Trade receivables	783	990	3,227	2,471
Other receivables	944	391	388	2,923
Fixed deposits with licensed banks	-	1,000	203	514
Cash and cash equivalents	2,009	2,141	19,435	25,684
Total current assets	**6,480**	**8,731**	**30,784**	**41,940**
TOTAL ASSETS	**7,342**	**9,509**	**32,068**	**50,782**
EQUITY AND LIABILITIES				
EQUITY				
Share capital	-	-	-	*
Invested equity	500	500	500	500
Retained earnings	1,190	2,194	8,329	21,433
Total equity	**1,690**	**2,694**	**8,829**	**21,933**
Non-current liabilities				
Loans and borrowings	1,024	2,126	1,426	591
Lease liabilities	405	316	497	5,246
Deferred tax liabilities	40	13	48	-
Total non-current liabilities	**1,469**	**2,455**	**1,971**	**5,837**
Current liabilities				
Loans and borrowings	1,241	668	701	609
Lease liabilities	106	126	221	589
Trade payables	817	941	5,317	1,662
Other payables	384	449	2,021	4,325
Contract liabilities	1,585	2,164	12,293	13,135
Tax payable	50	12	715	2,692
Total current liabilities	**4,183**	**4,360**	**21,268**	**23,012**
TOTAL LIABILITIES	**5,652**	**6,815**	**23,239**	**28,849**
TOTAL EQUITY AND LIABILITIES	**7,342**	**9,509**	**32,068**	**50,782**

Note:

* *Less than RM500.*

(c) Historical combined statements of cash flows

The following table sets out our audited combined statements of cash flows of our Group for the Financial Years Under Review:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from operating activities				
PBT	1,100	1,576	8,818	23,007
Adjustments for:				
Depreciation of property, plant and equipment	98	183	229	680
(Gain)/Loss on disposal of property, plant and equipment	-	-	(31)	29
Property, plant and equipment written off	-	-	-	113
Rental concession	(1)	-	-	(60)
Interest expenses	125	185	149	210
Interest income	(27)	(11)	(162)	(711)
Unrealised loss/(gain) on foreign exchange	8	(2)	(20)	13
Allowance for expected credit loss on trade receivables	42	91	12	211
Gain on early termination of lease contract	(2)	-	(1)	(6)
Operating profit before working capital changes	1,343	2,022	8,994	23,486
Changes in working capital:				
Increase in inventories	(1,434)	(1,465)	(3,322)	(2,817)
(Increase)/Decrease in trade and other receivables	(1,129)	255	(2,355)	(1,990)
Increase/(Decrease) in trade and other payables	693	189	5,927	(1,318)
Increase in contract balances	532	579	10,129	842
Cash generated from operations	5	1,580	19,373	18,203
Tax paid	(328)	(437)	(1,431)	(3,938)
Tax refund	-	-	-	*
Interest paid	(4)	(4)	*	-
Interest received	1	3	122	191
Net cash (used in)/from operating activities	**(326)**	**1,142**	**18,064**	**14,456**
Cash flows from investing activities				
Acquisition of property, plant and equipment	(248)	(51)	(305)	(2,552)
Proceeds from disposal of property, plant and equipment	-	-	31	15
Placement of fixed deposits with a licensed bank more than 3 months to maturity	-	-	(203)	(311)
Interest received	26	8	40	520
Net cash used in investing activities	**(222)**	**(43)**	**(437)**	**(2,328)**
Cash flows from financing activities				
Dividends paid	(675)	(200)	(363)	(4,143)
Interest paid	(121)	(181)	(149)	(210)
Repayments of lease liabilities	(57)	(117)	(153)	(596)
Drawdowns of term loans	350	2,000	-	-
Repayments of term loans	(225)	(517)	(667)	(927)
Drawdown of invoice financing	954	-	-	-
Repayment of invoice financing	-	(954)	-	-
Proceeds from issue of share capital	400	-	-	*
Net cash from/(used in) financing activities	**626**	**31**	**(1,332)**	**(5,876)**

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net increase in cash and cash equivalents	78	1,130	16,295	6,252
Effect of exchange translation differences	-	2	(1)	(3)
Cash and cash equivalents at the beginning of the financial years	1,931	2,009	3,141	19,435
Cash and cash equivalents at the end of the financial years	**2,009**	**3,141**	**19,435**	**25,684**
Cash and cash equivalents consist of:				
Cash and cash equivalents	2,009	2,141	19,435	25,684
Fixed deposits with licensed banks	-	1,000	203	514
Bank overdrafts	-	*	-	-
	2,009	3,141	19,638	26,198
Fixed deposits with a licensed bank with more than 3 months to maturity	-	-	(203)	(514)
Total cash and cash equivalents	**2,009**	**3,141**	**19,435**	**25,684**

Note:

* *Less than RM500*

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12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read together with the Accountants' Report as set out in Section 13 of this Prospectus.

The management's discussion and analysis contains data derived from forward-looking statements that involve risks and uncertainties. Future results may differ significantly from those projected in these forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 9 of this Prospectus.

12.2.1 Overview of our operations

(a) Principal activities

Our Group is a solar PV firm and we are principally involved in:

(i) EPCC services for solar PV systems;
(ii) O&M services for solar PV systems; and
(iii) Trading of solar products.

We are primarily an EPCC contractor mainly for residential properties. Our EPCC services for solar PV systems involve the provision of design, planning, engineering, procurement, construction, installation, testing and commissioning services. We provide these services as a comprehensive solution to our customers whereby we act as the main contractor and are fully responsible for the entire project.

Our O&M services for solar PV systems involve the provision of preventive and corrective maintenance. We provide these services to assist our customers in the operation and maintenance of their PV systems.

We also trade in solar ventilation systems, where this involves the sales of ventilation systems to our appointed dealers. We carry our own brand of solar ventilation systems namely Verdant Star, for which the manufacturing of these systems is carried out by our contract manufacturer. From time to time, we also trade other solar products such as solar panels and inverters.

We principally operate in Malaysia. For the Financial Years Under Review, our revenue was mainly derived from the EPCC services for solar PV systems segment which accounted for 97.10%, 99.06%, 98.54% and 99.02% for the Financial Years Under Review, respectively. Our projects and services were carried out locally and the primary currency used in our invoicing is RM. Our revenue recognition is as follows:

Business Segment	Revenue recognition
(a) EPCC services for solar PV systems	Our Group generally takes 1 day to complete the installation works of solar PV systems at our customer's site. Hence, the revenue from EPCC services for solar PV systems is recognised at a point in time when control of the products has been transferred, being when the customers accept the delivery of goods and acknowledge on the completion of installation documents. Revenue is recognised based on the price specified in the contract, net of any discounts.

<table>
<tr><th>Business Segment</th><th>Revenue recognition</th></tr>
<tr><td></td><td>For certain projects with larger project value and size of more than 30.00 kWp, our Group recognises revenue over the period of the contract to measure the progress towards complete satisfaction of the performance obligations under the contract.

Deposit received from customer is initially recorded as a contract liability and later recognised as part of the revenue upon the completion of installation works.</td></tr>
<tr><td>(b) O&M services for solar PV systems</td><td>Our Group generally provides preventive maintenance to the following customers:

- We provide preventive maintenance to existing customers from our projects under the EPCC services for solar PV systems segment for a period ranging from 2 to 10 years upon completion of the projects. The payment is received upfront and the payment received is initially recorded as contract liability; and

- We are engaged by new customers to provide preventive maintenance on their existing solar PV systems.

Our Group is also engaged by customers to provide corrective maintenance on solar PV systems.

The revenue from the preventive and corrective maintenance on solar PV systems is recognised at point in time when the maintenance is rendered.</td></tr>
<tr><td>(c) Trading of solar products</td><td>Revenue from trading of solar products is recognised at a point in time when control of the products has been transferred, i.e. when the appointed distributor accepts the delivery of the goods. Revenue is recognised based on the price specified in the invoice.</td></tr>
</table>

Please refer to Section 7 of this Prospectus for further information on our Group's business activities.

(b) Exceptional and extraordinary items and audit qualifications

There were no exceptional or extraordinary items during the Financial Years Under Review. Our audited combined financial statements for the Financial Years Under Review were not subject to any audit qualifications.

(c) Significant factors affecting our business

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

(i) Our business is project-based and our historical financial performance may not be indicative of our future financial performance

We provide EPCC services for solar PV systems and O&M services for solar PV systems on a project-to-project basis. Therefore, our revenue may vary very significantly in any given financial year depending on the number of new customers and total number of solar PV projects that we undertake in any given year. There is no assurance that we will be able to continuously and consistently secure new customers.

(ii) We are dependent on the services and work quality of our subcontractors

We depend on the services and work quality of our subcontractors to carry out the entire installation and commissioning of our solar PV system projects on site at our customers' premises. Subcontractors' costs is a material component of our cost of sales. For the Financial Years Under Review, our subcontractors' costs accounted for approximately 11.09%, 10.94%, 12.65% and 14.75% of our total cost of sales, respectively.

Our subcontractors are engaged by us and therefore, we are responsible for ensuring that their works fulfil our customers' requirements including any risks arising from our subcontractors' non-performance, poor quality of work, defects, delays or non-compliance as well as liable for any remedial works to rectify any defects and any claims by our customers.

We are also exposed to defects liability claims during the defects liability period arising from the quality of works of our subcontractors. If we are unable to claim the costs of ratifying these defects caused by our subcontractors or recover the full amount, we may be required to bear the expense. This could increase our project costs, delay project delivery and potentially impact our financial performance.

(iii) Our business is subject to certain regulatory registrations, approvals, licenses and permits

As a solar PV service provider, we are subject to various laws, rules and regulations. We are required to obtain approvals, licenses and permits from authorities such as CIDB, SEDA and Energy Commission Malaysia as set out in Section 7.18 of this Prospectus.

In the event we fail to comply with the requirements or conditions as imposed, our approvals, licenses and permits may be revoked or suspended. Any delay in renewing these approvals, licenses and permits upon expiry may also result in a temporary suspension or restriction of our business operations. Therefore, the revocation and/or failure to renew any approvals, licenses and permits will have a material impact on our ability to continue business operations.

(iv) Our EPCC projects depend on the timely supply of quality materials at competitive prices

Our operations involve procuring materials such as solar panels, inverters and mounting structures from foreign suppliers for the implementation of our solar PV system projects. As a result, our ability to carry out projects effectively depends on the timely delivery and satisfactory quality of these procured materials at competitive prices. During the Financial Years Under Review, cost of materials accounted for approximately RM6.47 million, RM12.62 million, RM22.10 million and RM37.96 million, representing 64.85%, 66.34%, 60.53% and 55.44% of our total cost of sales respectively.

We source these materials primarily from foreign suppliers. Depending on the overall demand and supply conditions and delivery lead times, we may face challenges in obtaining the required materials in the necessary quantity, specifications, quality or within the desired timeframe, which could delay the project implementation and completion. If we are unable to procure sufficient materials on time, our project delivery may be delayed. This may result in a material impact on our financial performance.

(v) We are dependent on our Managing Director, key senior management and technical team for our continued success

The continued success, future business growth and expansion of our Group are dependent on the abilities and continued efforts of our Managing Director, key senior management and technical team. Any failure to retain such key employees or to recruit additional qualified employees with the necessary industry knowledge could materially impact our business operations, financial performance and ability to achieve our business objectives.

(vi) Our business is dependent on Government policies, incentives and supportive regulatory framework

The demand for solar energy is largely influenced by Government policies and incentives designed to promote the use of renewable energy. To date, the growth of the solar energy industry in Malaysia has been supported by favourable Government policies, incentives and regulatory framework.

The extent and nature of these Government incentives are largely determined by the country's political and policy developments in relation to the use and development of solar energy. In the event that the Government does not extend the quota allocations for these renewable energy programmes or discontinues these programmes, we may face the risk of lower demand for solar PV systems from customers which could adversely impact our business operations and financial performance.

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12.2.2 Revenue

(a) Revenue by business activities

The table below set out the breakdown and analysis of our revenue by business activities for the Financial Years Under Review:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
Business segment	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
EPCC services for solar PV systems	14,275	97.10	26,393	99.06	55,456	98.54	110,339	99.02
O&M services for solar PV systems	-	-	5	0.02	142	0.25	445	0.40
Trading of solar products[(1)]	426	2.90	246	0.92	678	1.21	642	0.58
Total revenue	**14,701**	**100.00**	**26,644**	**100.00**	**56,276**	**100.00**	**111,426**	**100.00**

Note:

(1) Including our solar ventilation systems as well as solar panels and inverters.

(b) Revenue by facility type for EPCC services for solar PV systems

Our Group's revenue contribution from EPCC services for solar PV systems by type of property varies from period to period according to the projects undertaken by our Group in a particular year. The breakdown over the Financial Years Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
Business sub-segment	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Residential[(1)]	13,812	96.76	25,949	98.32	55,018	99.21	106,353	96.39
Commercial and industrial[(2)]	463	3.24	444	1.68	438	0.79	3,986	3.61
Total revenue	**14,275**	**100.00**	**26,393**	**100.00**	**55,456**	**100.00**	**110,339**	**100.00**

Notes:

(1) Comprises revenue from the EPCC services for solar PV systems on the rooftops of residential buildings of our customers.

(2) Comprises revenue from the EPCC services for solar PV systems on the rooftops of commercial and industrial buildings of our customers.

(c) Revenue by geographical location for EPCC services for solar PV systems

Our Group's revenue contribution from EPCC services for solar PV systems by geographical location and number of projects over the Financial Years Under Review is as follows:

Geographical location	FYE 2022 Number of projects	FYE 2022 RM'000	FYE 2022 %	FYE 2023 Number of projects	FYE 2023 RM'000	FYE 2023 %
Peninsular Malaysia						
Central region(1)	300	9,939	69.62	530	17,055	64.62
Northern region(2)	64	1,808	12.67	123	4,033	15.28
Southern region(3)	80	2,358	16.52	183	5,085	19.27
East coast(4)	4	170	1.19	7	220	0.83
Total revenue	**448**	**14,275**	**100.00**	**843**	**26,393**	**100.00**

Geographical location	FYE 2024 Number of projects	FYE 2024 RM'000	FYE 2024 %	FYE 2025 Number of projects	FYE 2025 RM'000	FYE 2025 %
Peninsular Malaysia						
Central region(1)	1,283	38,859	70.07	2,457	67,818	61.46
Northern region(2)	299	8,267	14.91	812	20,376	18.47
Southern region(3)	253	7,578	13.66	713	20,656	18.72
East coast(4)	23	752	1.36	56	1,489	1.35
Total revenue	**1,858**	**55,456**	**100.00**	**4,038**	**110,339**	**100.00**

Notes:

(1) Comprises Selangor, Kuala Lumpur, Putrajaya and Negeri Sembilan.

(2) Comprises Penang, Kedah, Perlis and Perak.

(3) Comprises Johor and Melaka.

(4) Comprises Pahang, Terengganu and Kelantan.

(d) Commentary on revenue

The growth in our revenue in FYE 2022, FYE 2023, FYE 2024 and FYE 2025 is mainly attributable to the increase in revenue contribution from the EPCC services for solar PV systems segment. Such growth was driven by the continued increase in the number of new projects secured by our Group as set out in Section 12.2.2(c) of this Prospectus, which in turn was significantly influenced by referrals from our existing customers and third parties, as well as the effectiveness of our marketing team in converting leads generated through social media advertising of our solar PV systems, into secured projects.

(i) Comparison between FYE 2022 and FYE 2023

Our revenue increased by RM11.94 million or 81.22% to RM26.64 million in the FYE 2023 (FYE 2022: RM14.70 million). The growth in our revenue was mainly due to an increase of RM12.11 million in revenue contribution from the EPCC services for solar PV systems segment.

EPCC services for solar PV systems segment

Revenue from the EPCC services for solar PV systems segment increased by RM12.11 million or 84.80% to RM26.39 million in the FYE 2023 (FYE 2022: RM14.28 million). This was attributable to the increased number of projects completed in the FYE 2023. For the FYE 2023, our Group completed 843 projects contributing to a revenue of RM26.39 million as compared to 448 projects contributing to a revenue of RM14.28 million in the FYE 2022.

In terms of revenue by business sub-segments, our increased revenue was mainly derived from projects for residential buildings which accounted for 96.76% and 98.32% of our revenue from EPCC services for solar PV systems for the FYE 2022 and FYE 2023, respectively. Our Group completed 837 residential buildings projects contributing to a revenue of RM25.95 million in the FYE 2023 as compared to 442 residential buildings projects contributing to a revenue of RM13.81 million in the FYE 2022. Our Group also commenced and completed 6 new commercial and industrial buildings projects (mainly consist of factory buildings and commercial shop lots), which accounted for 3.24% and 1.68% of our revenue from EPCC services for solar PV systems for the FYE 2022 and FYE 2023, respectively.

O&M services for solar PV systems segment

Revenue from the O&M services for solar PV systems segment recorded less than RM0.01 million in the FYE 2023 (FYE 2022: nil) as our Group provided the O&M services for the projects completed in previous years under the EPCC services for solar PV systems segment.

Trading of solar products segment

Revenue from the trading of solar products segment decreased by RM0.18 million or 41.86% to RM0.25 million in the FYE 2023 (FYE 2022: RM0.43 million) due to lower orders of solar ventilation systems from our appointed distributors.

(ii) Comparison between FYE 2023 and FYE 2024

Our revenue increased by RM29.64 million or 111.26% to RM56.28 million in the FYE 2024 (FYE 2023: RM26.64 million). The growth in our revenue was mainly due to an increase of RM29.07 million in revenue contribution from the EPCC services for solar PV systems segment.

EPCC services for solar PV systems segment

Revenue from the EPCC services for solar PV systems segment increased by RM29.07 million or 110.16% to RM55.46 million in the FYE 2024 (FYE 2023: RM26.39 million). This was attributable to the increased number of projects completed in the FYE 2024 and higher revenue derived from northern and southern region as our Group established a team and new branch offices in Penang and Johor, respectively in the FYE 2022 and FYE 2023 respectively. For the FYE 2024, our Group completed 1,858 new projects contributing to a revenue of RM55.46 million as compared to 843 projects contributing to a revenue of RM26.39 million in the FYE 2023.

In terms of revenue by business sub-segments, our increased revenue was mainly derived from projects for residential buildings which accounted for 98.32% and 99.21% of our revenue from EPCC services for solar PV systems for the FYE 2023 and FYE 2024, respectively. Our Group completed 1,850 residential buildings projects contributing to a revenue of RM55.02 million in the FYE 2024 as compared to 837 residential buildings projects contributing to a revenue of RM25.95 million in the FYE 2023. In the FYE 2024, our Group commenced and completed 8 new commercial and industrial buildings projects (mainly consist of factory buildings and commercial shop lots) in the FYE 2024, which accounted for 0.79% of our revenue from EPCC services for solar PV systems for the FYE 2024.

O&M services for solar PV systems segment

Revenue from the O&M services for solar PV systems segment increased by RM0.13 million or 1,300.00% to RM0.14 million in the FYE 2024 (FYE 2023: RM0.01 million) attributable to increased number of O&M services provided in the FYE 2024 for the projects completed in previous years under the EPCC services for solar PV systems segment.

Trading of solar products segment

Revenue from the trading of solar products segment increased by RM0.43 million or 172.00% to RM0.68 million in the FYE 2024 (FYE 2023: RM0.25 million). Our revenue was generated from the higher orders of solar panels and inverters from solar companies providing EPCC services for solar PV systems, and higher order of solar ventilation systems from our appointed distributors in the FYE 2024.

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(iii) Comparison between FYE 2024 and FYE 2025

Our revenue increased by RM55.15 million or 97.99% to RM111.43 million in the FYE 2025 (FYE 2024: RM56.28 million). The growth in our revenue was mainly due to an increase of RM54.88 million in revenue contribution from the EPCC services for solar PV systems segment.

<u>EPCC services for solar PV systems segment</u>

Revenue from the EPCC services for solar PV systems segment increased by RM54.88 million or 98.95% to RM110.34 million in the FYE 2025 (FYE 2024: RM55.46 million). This was attributable to the increased number of projects completed from central, northern, southern and east coast regions in the FYE 2025. For the FYE 2025, our Group completed 4,038 new projects contributing to a revenue of RM110.34 million as compared to 1,858 completed projects contributing to a revenue of RM55.46 million in the FYE 2024.

In terms of revenue by business sub-segments, our increased revenue was mainly derived from residential buildings projects which accounted for 99.21% and 96.39% of our revenue from EPCC services for solar PV systems for the FYE 2024 and FYE 2025, respectively. Our Group completed 3,983 residential buildings projects contributing to a revenue of RM106.35 million in the FYE 2025 as compared to 1,850 completed residential buildings projects contributing to a revenue of RM55.02 million in the FYE 2024.

In addition, in the FYE 2025, our Group commenced and completed 55 new commercial and industrial buildings projects (mainly consist of factory buildings and commercial shop lots) in the FYE 2025, which accounted for 3.61% of our revenue from EPCC services for solar PV systems for the FYE 2025.

<u>O&M services for solar PV systems segment</u>

Revenue from the O&M services for solar PV systems segment increased by RM0.31 million or 221.43% to RM0.45 million in the FYE 2025 (FYE 2024: RM0.14 million) attributable to increased number of O&M services provided in the FYE 2025 for the projects completed in previous years under the EPCC services for solar PV systems segment.

<u>Trading of solar products segment</u>

Revenue from the trading of solar products segment decreased by RM0.04 million or 5.88% to RM0.64 million in the FYE 2025 (FYE 2024: RM0.68 million). Our lower revenue from the trading of solar products segment was mainly due to the lower orders for our solar ventilation systems in the FYE 2025.

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12.2.3 Cost of sales, GP and GP margin

(a) Analysis of cost of sales by business segments

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

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
Business segment	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
EPCC services for solar PV systems	9,715	97.36	18,867	99.21	36,024	98.65	67,738	98.92
O&M services for solar PV systems	-	-	3	0.01	99	0.27	315	0.46
Trading of solar products	263	2.64	148	0.78	394	1.08	424	0.62
Total cost of sales	**9,978**	**100.00**	**19,018**	**100.00**	**36,517**	**100.00**	**68,477**	**100.00**

(b) Analysis of cost of sales by cost items

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

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
Cost item	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Purchases of materials(1)	6,471	64.85	12,616	66.34	22,104	60.53	37,962	55.44
Subcontractors' costs(2)	1,106	11.09	2,080	10.94	4,621	12.65	10,103	14.75
Custom duty and freight charges	969	9.71	1,272	6.69	2,216	6.07	3,528	5.15
Rental expenses(3)	379	3.80	763	4.01	2,113	5.79	4,969	7.26
Sales commission(4)	552	5.53	1,073	5.64	2,047	5.61	4,881	7.13
Payment gateway fees	199	2.00	388	2.04	1,642	4.50	3,260	4.76
Transportation costs	168	1.68	490	2.57	1,018	2.78	2,315	3.38
Structural calculation costs(5)	88	0.88	220	1.16	372	1.02	655	0.96
Application and processing fee(6)	46	0.46	99	0.52	220	0.60	521	0.76
Compensation costs(7)	-	-	16	0.08	153	0.42	278	0.40
Insurance costs(8)	-	-	1	0.01	11	0.03	5	0.01
Total cost of sales	**9,978**	**100.00**	**19,018**	**100.00**	**36,517**	**100.00**	**68,477**	**100.00**

Notes:

(1) Mainly comprise materials such as solar panels, mounting structures, inverters, energy meters and solar ventilation systems, as well as inventories movement (refers to the net movement between opening inventories and closing inventories during the financial year) during the Financial Years Under Review. Purchases of materials was the main component of our cost of sales, representing 64.85%, 66.34%, 60.53% and 55.44% of our total cost of sales for the Financial Years Under Review, respectively.

The fluctuations in purchases during the Financial Years Under Review were in tandem with the change in our revenue and number of projects completed and products sold.

The table below sets out the breakdown of our purchases of materials for the Financial Years Under Review:

	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Solar panels	4,700	8,570	13,496	19,185
Inverters	1,625	3,576	6,963	12,660
Mounting structures	882	1,339	3,460	4,760
Balance of systems[i]	311	501	1,104	3,525
Solar ventilation systems	384	94	218	509
Energy meters	3	1	185	140
Inventories movement	(1,434)	(1,465)	(3,322)	(2,817)
Total purchases of materials	**6,471**	**12,616**	**22,104**	**37,962**

Note:

(i) Comprising cables, switches, racks, batteries (in off-grid systems), and other equipment.

(2) Subcontractors' costs were our second largest component of our cost of sales, representing 11.09%, 10.94%, 12.65% and 14.75% of our total cost of sales for the Financial Years Under Review, respectively. We generally engage the services of subcontractors to provide the labour-intensive tasks such as M&E installation activities. All works performed by our subcontractors are carried out under our project management and supervision.

The fluctuations in our subcontractors' costs were in tandem with the number of projects undertaken during the Financial Years Under Review.

(3) Represent rental of skylifts from third-party providers to support our EPCC services for solar PV systems as well as third-party warehouse services for keeping the inventories and consumables for projects.

(4) Represent sales commission to our sales personnel for securing new projects and referral fees to our employees, existing customers and external third parties for referring new customers to us. Through the referral programme, the referrer would receive a cash bonus for each successful completed project.

(5) Represent costs incurred as we engage third party professional engineering consultant to endorse the architectural and solar design plan for SEDA's approval.

(6) Represent fees paid for the necessary applications to TNB and SEDA.

(7) Represents 30 days installation guarantee compensation paid to customers due to the delay in installation works after 30 days from the receipt of installation deposits during the FYE 2023, FYE 2024 and FYE 2025 as well as compensation paid to customers for installation defect.

(8) Mainly include all risks insurance for solar PV systems.

(c) Analysis of GP and GP margin by business activities

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	GP	GP margin	GP	GP margin	GP	GP margin	GP	GP margin
Business segment	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
EPCC services for solar PV systems	4,560	31.94	7,526	28.52	19,432	35.04	42,601	38.61
O&M services for solar PV systems	-	-	2	30.28	43	30.28	130	29.21
Trading of solar products	163	38.26	98	39.84	284	41.89	218	33.96
Total/ Overall	**4,723**	**32.13**	**7,626**	**28.62**	**19,759**	**35.11**	**42,949**	**38.54**

(d) Commentary on cost of sales, GP and GP margin

For EPCC services for solar PV systems segment, our Group prices our projects based on project cost estimates after taking into consideration, amongst others, the size, complexity and specifications of the projects. The project cost is estimated at the beginning of the project based on expected project materials, subcontractors cost, overheads and project duration. Generally, the project cost estimates will be revised towards the end of each project period to reflect the actual incurred costs. Apart from project costs estimates, each project's GP may differ based on the scope of project, project duration and project margin.

The commentaries on our Group's cost of sales, GP and GP margin are as follows:

(i) Comparison between FYE 2022 and FYE 2023

<u>Cost of sales</u>

For the FYE 2023, our Group incurred higher total cost of sales by RM9.04 million or 90.58% from RM9.98 million in the FYE 2022 to RM19.02 million in the FYE 2023, which corresponds with the increase in our total revenue, mainly attributable to the following:

(a) purchases of materials increased by RM6.15 million or 95.05% from RM6.47 million to RM12.62 million in the FYE 2023, which was in line with the increase in revenue from EPCC services for solar PV systems segment for the FYE 2023;

(b) subcontractors' costs increased by RM0.97 million or 87.39% from RM1.11 million in the FYE 2022 to RM2.08 million in the FYE 2023, arising from the increased manpower required for our new projects under EPCC services for solar PV systems segment;

(c) custom duty and freight charges increased by RM0.30 million, attributable to higher purchases of solar panels, inverters and mounting structures for projects need in the FYE 2023;

(d) rental expenses increased by RM0.38 million, attributable to more skylifts were rented to support more project installations of our EPCC services for solar PV systems segment;

(e) sales commission paid to employees and referral fees to third parties increased by RM0.52 million, which was in line with the increase in revenue from EPCC services for solar PV systems segment in the FYE 2023;

(f) payment gateway fees increased by RM0.19 million due to increase in revenue and more customers using credit cards to make payments through our rented credit cards terminals in the FYE 2023;

(g) transportation costs increased by RM0.32 million, attributable to increased number of projects as our Group was required to transfer more solar PV systems from the warehouse to customers' sites; and

(h) structural calculation costs increased by RM0.13 million, attributable to increased number of projects secured in the FYE 2023 which were required for endorsement prior to commencement of installation works.

Our total cost of sales was predominantly contributed by our EPCC services for solar PV systems segment, contributing 97.36% and 99.21% of our total cost of sales in the FYE 2022 and FYE 2023, respectively

<u>GP and GP margin</u>

Our overall GP in the FYE 2023 increased by RM2.91 million or 61.65% to RM7.63 million in the FYE 2023 (FYE 2022: RM4.72 million) which was mainly attributable to higher GP from our EPCC services for solar PV systems segment which recorded an increase of RM2.97 million in the FYE 2023.

Our overall GP margin of 28.62% for the FYE 2023 was lower than the GP margin of 32.13% for the FYE 2022. This was mainly attributable to lower GP margin from the EPCC services for solar PV systems segment of 28.52% in the FYE 2023.

<u>EPCC services for solar PV systems segment</u>

Our GP from the EPCC services for solar PV systems segment increased by RM2.97 million or 65.13% to RM7.53 million in the FYE 2023 (FYE 2022: RM4.56 million). This was contributed by the increased number of completed projects and its corresponding increase in revenue.

Our GP margin from the EPCC services for solar PV systems decreased from 31.94% in the FYE 2022 to 28.52% in the FYE 2023. This lower GP margin in the FYE 2023 was mainly attributable to lower pricing of our products and services to attract and secure more customers in the FYE 2023. Nevertheless, we record a higher average revenue per project in FYE 2023 due to higher number of bigger system size installed (mainly semi-detached and bungalow) in FYE 2023 as compared to smaller system size (mainly terrace house) installed in FYE 2022. Our Group implemented a competitive pricing strategy to align our pricing with market trends and competitor pricing. This strategy helped us in attracting customers and to maintain competitiveness.

O&M services for solar PV systems segment

Our GP and GP margin from the O&M services for solar PV systems segment recorded at less than RM0.01 million and 30.28% in the FYE 2023.

Trading of solar products segment

Our GP from the trading of solar products segment decreased by RM0.06 million or 37.50% to RM0.10 million in the FYE 2023 (FYE 2022: RM0.16 million). This was contributed by decrease in sales orders from our appointed distributors for the sale of solar ventilation systems in the FYE 2023.

The GP margin from trading of solar products increased from 38.26% in the FYE 2022 to 39.84% in the FYE 2023. This was because certain models of the solar ventilation systems were sold in higher quantities in the FYE 2023 which yielded better margin.

(ii) Comparison between FYE 2023 and FYE 2024

For the FYE 2024, our Group incurred higher total cost of sales of RM17.50 million or 92.01% from RM19.02 million in the FYE 2023 to RM36.52 million in the FYE 2024, which corresponds with the increase in our total revenue, attributable to the following:

(a) purchases of materials increased by RM9.48 million or 75.12% from RM12.62 million to RM22.10 million in the FYE 2024, which was mainly in line with the increase in revenue from EPCC services for solar PV systems segment for the FYE 2024;

(b) subcontractors' costs increased by RM2.54 million or 122.12% from RM2.08 million in the FYE 2023 to RM4.62 million in the FYE 2024, arising from the increased manpower required for our new projects under EPCC services for solar PV systems segment;

(c) custom duty and freight charges increased by RM0.95 million attributable to higher purchases of solar panels, inverters and mounting structures for projects need in the FYE 2024;

(d) rental expenses increased by RM1.35 million attributable to more skylifts were rented to support our EPCC services for solar PV systems segment and more space was rented for keeping our inventories in anticipation of the increased in new projects in the FYE 2024 and in the future;

(e) sales commission paid to employees and referral fees to third parties increased by RM0.98 million, which was in line with the increase in revenue from our EPCC services for solar PV systems segment in the FYE 2024;

(f) payment gateway fees increased by RM1.25 million due to increase in revenue and more customers using credit cards to make payments through our rented credit cards terminals in the FYE 2024; and

(g) transportation costs increased by RM0.53 million, attributable to increased number of new projects as our Group was required to transfer more solar PV systems from the warehouse to our customers' sites.

Our total cost of sales was predominantly contributed by our EPCC services for solar PV systems segment, contributing 99.21% and 98.65% of our total cost of sales in the FYE 2023 and FYE 2024, respectively.

GP and GP margin

Our overall GP in the FYE 2024 increased by RM12.13 million or 158.98% to RM19.76 million in the FYE 2024 (FYE 2023: RM7.63 million) which was mainly attributable to higher GP from our EPCC services for solar PV systems segment which recorded an increase of RM11.90 million in the FYE 2024.

Our overall GP margin of 35.11% for the FYE 2024 was higher than the GP margin of 28.62% for the FYE 2023. This was attributable to higher GP margin from the EPCC services for solar PV systems segment and the trading of solar products segment of 35.04% and 41.89%, respectively.

EPCC services for solar PV systems segment

Our GP from the EPCC services for solar PV systems segment increased by RM11.90 million or 158.03% to RM19.43 million in the FYE 2024 (FYE 2023: RM7.53 million). This was contributed by the increased number of completed projects and its corresponding revenue.

Our GP margin from the EPCC services for solar PV systems segment increased from 28.52% in the FYE 2023 to 35.04% in the FYE 2024. This was attributed to:

(a) decrease in average purchase price for solar panels during the FYE 2024, mainly attributable to the decline in market prices for solar panels. This decline was due to the oversupply of solar panels in the market leading to a price competition among solar panel manufacturers; and

(b) bulk discounts from the higher volume of solar panels, mounting structures, and inverters purchased in the FYE 2024.

Nonetheless, the increase in GP margin was partially offset by the lower pricing of our products and services in line with the decrease in market prices for solar panels and systems in the FYE 2024.

O&M services for solar PV systems segment

Our GP from the O&M services for solar PV systems segment increased by RM0.04 million to RM0.04 million in the FYE 2024 (FYE 2023: less than RM0.01 million). This was contributed by the increased number of O&M services provided in the FYE 2024 for the projects completed in previous years under the EPCC services for solar PV systems segment.

Our GP margin from the O&M services for solar PV systems segment for the FYE 2024 of 30.28% was in line with the GP margin for the FYE 2023.

Trading of solar products segment

Our GP from the trading of solar products segment increased by RM0.18 million or 180.00% to RM0.28 million in the FYE 2024 (FYE 2023: RM0.10 million).

This was contributed by increase in sales orders for the sale of solar panels and inverters of RM0.12 million, and for the sale of solar ventilation systems of RM0.06 million in the FYE 2024.

The GP margin from trading of solar products segment increased from 39.84% in the FYE 2023 to 41.89% in the FYE 2024. This was because certain models of the solar ventilation systems were sold in higher quantities in the FYE 2024 which yielded better margin.

(iii) Comparison between FYE 2024 and FYE 2025

<u>**Cost of sales**</u>

For the FYE 2025, our Group incurred higher total cost of sales of RM31.96 million or 87.51% from RM36.52 million in the FYE 2024 to RM68.48 million in the FYE 2025, which corresponds with the increase in our total revenue, attributable to the following:

(a) purchases of materials increased by RM15.86 million or 71.76% from RM22.10 million to RM37.96 million in the FYE 2025, which was mainly in line with the increase in revenue from EPCC services for solar PV systems segment for the FYE 2025;

(b) subcontractors' costs increased by RM5.48 million or 118.61% from RM4.62 million in the FYE 2024 to RM10.10 million in the FYE 2025, arising from the increased manpower required for our new projects under EPCC services for solar PV systems segment;

(c) rental expenses increased by RM2.86 million attributable to more skylifts were rented to support our EPCC services for solar PV systems segment and more space was rented for keeping our inventories in anticipation of the increased in new projects in the FYE 2025 and in the future;

(d) sales commission paid to employees and referral fees to third parties increased by RM2.83 million, which was in line with the increase in revenue from our EPCC services for solar PV systems segment in the FYE 2025;

(e) payment gateway fees increased by RM1.62 million due to increase in revenue and more customers using credit cards to make payments through our rented credit cards terminals and online payment gateway in the FYE 2025;

(f) custom duty and freight charges increased by RM1.31 million attributable to higher purchases of solar panels, inverters and mounting structures for projects need in the FYE 2025; and

(g) transportation costs increased by RM1.30 million, mainly attributable to the increased number of projects and also higher proportion of projects in northern, southern and east coast regions in the FYE 2025 whereby higher transportation cost will be incurred when transporting the solar PV systems from our warehouse which is located in central region to sites located in the northern, southern and east coast regions.

Our total cost of sales was predominantly contributed by our EPCC services for solar PV systems segment, contributing 98.65% and 98.92% of our total cost of sales in the FYE 2024 and FYE 2025, respectively.

GP and GP margin

Our overall GP in the FYE 2025 increased by RM23.19 million or 117.36% to RM42.95 million in the FYE 2025 (FYE 2024: RM19.76 million) which was mainly attributable to higher GP from our EPCC services for solar PV systems segment which recorded an increase of RM23.17 million in the FYE 2025.

Our overall GP margin of 38.54% for the FYE 2025 was higher than the GP margin of 35.11% for the FYE 2024. This was mainly attributable to higher GP margin from the EPCC services for solar PV systems segment of 38.61%.

EPCC services for solar PV systems segment

Our GP from the EPCC services for solar PV systems segment increased by RM23.17 million or 119.25% to RM42.60 million in the FYE 2025 (FYE 2024: RM19.43 million). This was contributed by the increased number of completed projects and its corresponding revenue.

Our GP margin from the EPCC services for solar PV systems segment increased from 35.04% in the FYE 2024 to 38.61% in the FYE 2025. This was attributable to the following:

(a) the average purchase price for solar panels decreased in the FYE 2025 primarily because of an oversupply of solar panels in the market, which creates price competition among manufacturers; and

(b) bulk discounts from the higher volume of solar panels, mounting structures, and inverters purchased in the FYE 2025.

O&M services for solar PV systems segment

Our GP from the O&M services for solar PV systems segment increased by RM0.09 million or 225.00% to RM0.13 million in the FYE 2025 (FYE 2024: RM0.04 million). This was contributed by the increased number of O&M services provided in the FYE 2025 for the projects completed in previous years under the EPCC services for solar PV systems segment.

Our GP margin from the O&M services for solar PV systems segment decreased from 30.28% in the FYE 2024 to 29.21% in the FYE 2025. This was mainly attributable to more subcontractors' costs incurred for O&M services on larger scale projects in FYE 2025 as additional surcharge applies.

Trading of solar products segment

Our GP from the trading of solar products segment decreased by RM0.06 million or 21.43% to RM0.22 million in the FYE 2025 (FYE 2024: RM0.28 million).

This was contributed by decrease in sales orders from our appointed distributors for the sale of solar ventilation systems in the FYE 2025.

The GP margin from trading of solar products decreased from 41.89% in the FYE 2024 to 33.96% in the FYE 2025. This was mainly due to higher sales volume of solar panels which had lower margin.

12. FINANCIAL INFORMATION *(Cont'd)*

12.2.4 Other income

The breakdown of our other income for the Financial Years Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest income	27	49.09	11	14.67	162	48.21	711	48.60
Sponsorship from suppliers	-	-	40	53.33	62	18.45	-	-
Gain on disposal of property, plant and equipment	-	-	-	-	31	9.23	-	-
Wage subsidy and hiring incentives(1)	12	21.82	-	-	27	8.04	-	-
Unrealised gain on foreign exchange	-	-	2	2.67	20	5.95	-	-
Realised gain on foreign exchange	-	-	-	-	-	-	670	45.80
Rebate from payment gateway	-	-	-	-	22	6.55	-	-
Sales rebate/incentive received from suppliers	13	23.64	7	9.33	6	1.79	10	0.68
Compensation in lieu for short notice of resignation given by former employees	-	-	15	20.00	3	0.89	4	0.27
Compensation received from installers	-	-	-	-	2	0.59	2	0.14
Rental concession	1(2)	1.82	-	-	-	-	60(3)	4.10
Gain on early termination of lease contract(4)	2	3.63	-	-	1	0.30	6	0.41
Total	**55**	**100.00**	**75**	**100.00**	**336**	**100.00**	**1,463**	**100.00**

Notes:

(1) *Relates to the wage subsidy received from the Government of Malaysia under the PERKESO Wage Subsidy Programme 3.0 for the FYE 2022 and hiring incentives received from the Government of Malaysia under PERKESO Daya Kerjaya Programme for the FYE 2024. This hiring incentive programme had ended on 31 December 2023 or until fully utilised, whichever is earlier.*

(2) *Mainly comprising rental concessions received from our landlord on rented office.*

(3) *Relates to one-month waiver of rent from the landlord of our new headquarter in Selangor.*

(4) *Relates to the lease modification arising from the consolidation of few tenancies located at Ara Damansara, Selangor into one tenancy agreement as well as the changes to the lease term as our Group did not renew the tenancies for their previous headquarter and the residential property used for training purposes located at Ara Damansara and Petaling Jaya, respectively.*

Comparison between FYE 2022 and FYE 2023

Our other income increased by RM0.02 million or 33.33% to RM0.08 million in the FYE 2023 (FYE 2022: RM0.06 million) mainly due to sponsorship received from suppliers of RM0.04 million to support our promotion and campaign, and compensation in lieu for short notice of resignation given by a former employee of RM0.02 million in the FYE 2023. The increase was offset by lower interest income of RM0.02 million attributable to lower bank balances in the first half of the FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our other income increased by RM0.26 million or 325.00% to RM0.34 million in the FYE 2024 (FYE 2023: RM0.08 million) mainly due to higher interest income of RM0.15 million attributable to higher bank balances and fixed deposits with licensed banks during the FYE 2024 and gain on disposal of property, plant and equipment of RM0.03 million, being 1 unit of motor vehicle disposed in the FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our other income increased by RM1.12 million or 329.41% to RM1.46 million in the FYE 2025 (FYE 2024: RM0.34 million) mainly due to the following:

(a) realised gain on foreign exchange of RM0.67 million attributable to the strengthening of RM against USD and RMB when making payment for the outstanding foreign purchases in the FYE 2025. The average exchange rate was approximately RM4.42:USD1.00 for the FYE 2025 as compared to RM4.68:USD1.00 for the FYE 2024 and RM1:RMB1.62 for the FYE 2025 as compared to RM1:RMB1.53 for the FYE 2024; and

(b) higher interest income of RM0.55 million mainly attributable to higher interest received from cash placed in short-term money market fund.

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12.2.5 Administrative expenses

The breakdown of our administrative expenses for the Financial Years Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff costs(1)	1,905	65.31	3,453	72.07	7,577	78.54	15,280	80.31
Directors' remuneration	473	16.21	463	9.66	759	7.87	1,234	6.49
Corporate social responsibility expenses	-	-	-	-	76	0.78	14	0.07
Development expenses(2)	37	1.27	72	1.50	240	2.49	263	1.38
Professional fee(3)	134	4.59	113	2.36	215	2.23	323	1.70
Depreciation	98	3.36	183	3.82	229	2.37	680	3.57
License and subscription fees(4)	105	3.60	201	4.20	206	2.14	504	2.65
Office expenses(5)	115	3.94	215	4.49	211	2.19	384	2.02
Travelling and accommodation	12	0.41	17	0.36	50	0.52	90	0.47
Upkeep and maintenance(6)	12	0.41	15	0.31	27	0.28	49	0.26
Others(7)	26	0.90	59	1.23	57	0.59	206	1.08
Total	**2,917**	**100.00**	**4,791**	**100.00**	**9,647**	**100.00**	**19,027**	**100.00**

Notes:

(1) *Includes staff salaries, allowances, bonuses and statutory contributions as well as staff welfare, insurance, training expenses and human resources development funds. Our total staff headcount increased from 34 as at 30 June 2022 to 49 as at 30 June 2023 to 75 as at 30 June 2024 and to 118 as at 30 June 2025.*

(2) *Mainly include professional services incurred for the development of the web and mobile application (i.e. Verdant Home mobile application).*

(3) *Include fees incurred for audit, company secretarial, legal and tax as well as advisory services.*

(4) *Mainly included project management software subscription fee and business license fees.*

(5) *Mainly include utilities, telephone charges, insurance for office premise as well as printing, courier and stationery.*

(6) *Mainly include cleaning expenses on rented office premise and maintenance on office equipment.*

(7) *Mainly include services tax and withholding tax relating to advertisements on social media platforms as well as expenses on rented credit card terminals and photocopy machines.*

Comparison between FYE 2022 and FYE 2023

Our administrative expenses increased by RM1.87 million or 64.04% to RM4.79 million in the FYE 2023 (FYE 2022: RM2.92 million) mainly attributable to the following:

(a) increase in staff costs of RM1.54 million due to increased headcount of 15 employees from 34 employees as at 30 June 2022 to 49 employees as at 30 June 2023 which was in tandem with our business growth and the revision in annual salary for existing employees; and

(b) increase in office expenses of RM0.10 million, mainly due to higher printing expenses and higher utilities to support the increased in our business activities in the FYE 2023.

Comparison between FYE 2023 and FYE 2024

Our administrative expenses increased by RM4.86 million or 101.46% to RM9.65 million in the FYE 2024 (FYE 2023: RM4.79 million) mainly attributable to:

(a) increase in staff costs of RM4.13 million due to increased headcount of 26 employees from 49 employees as at 30 June 2023 to 75 employees as at 30 June 2024 which was in tandem with our business growth and the revision in annual salary and bonus payout to existing employees;

(b) increase in directors' remuneration of RM0.30 million due to higher bonus payout to our Managing Director which was in tandem with our business growth;

(c) increase in development expenses of RM0.17 million, being expenses incurred for the development of the web and mobile application (i.e Verdant Home mobile application); and

(d) increase in professional fee of RM0.11 million, attributable to management capacity training to our employees and directors to improve the skills and abilities in the FYE 2024.

Comparison between FYE 2024 and FYE 2025

Our administrative expenses increased by RM9.38 million or 97.20% to RM19.03 million in the FYE 2025 (FYE 2024: RM9.65 million) mainly attributable to:

(a) increase in staff costs of RM7.70 million due to the revision in annual salary and accrued bonus to existing employees and the increased headcount from 75 as at 30 June 2024 to 118 as at 30 June 2025, which was in tandem with our business growth;

(b) increase in director's remuneration of RM0.47 million mainly due to higher accrued bonus to our Managing Director which was in tandem with our business growth;

(c) increase in depreciation of RM0.45 million, mainly due to additional 2 units of motor vehicles purchased in the FYE 2025 as well as the rights-of-use assets of the lease, renovation, office equipment and furniture and fittings for our new headquarter in Selangor; and

(d) increase in license and subscription fees of RM0.29 million, mainly attributable to increase in rate charge and additional license subscription for project management software arising from increased number of employees.

12.2.6 Selling and distribution expenses

The breakdown of our selling and distribution expenses for the Financial Years Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Advertisement	326	67.49	500	58.14	641	47.98	840	46.62
Promotion expenses	-	-	114	13.26	211	15.79	372	20.64
Travelling and motor vehicles expenses	106	21.95	184	21.39	316	23.65	375	20.81
Exhibition expenses	51	10.56	62	7.21	168	12.58	215	11.93
Total	**483**	**100.00**	**860**	**100.00**	**1,336**	**100.00**	**1,802**	**100.00**

Comparison between FYE 2022 and FYE 2023

In the FYE 2023, our selling and distribution expenses increased by RM0.38 million or 79.17% to RM0.86 million in the FYE 2023 (FYE 2022: RM0.48 million) mainly attributable to increased spending on advertisements of RM0.17 million for advertisements on social media platforms. Our Group also incurred promotion expenses of RM0.11 million for promotion and campaign events in the FYE 2023.

Comparison between FYE 2023 and FYE 2024

In the FYE 2024, our selling and distribution expenses increased by RM0.48 million or 55.81% to RM1.34 million in the FYE 2024 (FYE 2023: RM0.86 million) mainly attributable to increased spending on advertisement of RM0.14 million for advertisements on social media platforms. In the FYE 2024, higher exhibition expenses of RM0.16 million were incurred for exhibitions our Group participated to promote our business and services, including HomeDec KL, HomeDec Penang, Home Living Johor and Megahome Penang. Further, there was also higher travelling and motor vehicles expenses of RM0.14 million which was in line with our revenue growth in the FYE 2024. The motor vehicles expenses are the motor vehicle maintenance and regular checks which was higher in FYE 2024 with the increased travel needs for business purposes.

Comparison between FYE 2024 and FYE 2025

In the FYE 2025, our selling and distribution expenses increased by RM0.46 million or 34.33% to RM1.80 million in the FYE 2025 (FYE 2024: RM1.34 million) mainly attributable to the increased spending on advertisement of RM0.20 million for advertisements on social media platforms. Further, there was also higher promotion expenses of RM0.16 million as well as travelling and motor vehicles expenses of RM0.06 million which was in line with our revenue growth in the FYE 2025.

12.2.7 Other expenses

The breakdown of our other expenses for the Financial Years Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Property, plant and equipment written off	-	-	-	-	-	-	113	72.90
Loss on disposal of property, plant and equipment	-	-	-	-	-	-	29	18.71
Realised loss on foreign exchange	103	92.79	198	100.00	133	100.00	-	-
Unrealised loss on foreign exchange	8	7.21	-	-	-	-	13	8.39
Total	**111**	**100.00**	**198**	**100.00**	**133**	**100.00**	**155**	**100.00**

Comparison between FYE 2022 and FYE 2023

In the FYE 2023, the higher realised loss on foreign exchange was attributable to weaker RM against USD when making payment for the outstanding foreign purchases, which are denominated in USD. The average exchange rate was approximately RM4.49:USD1.00 for the FYE 2023 as compared to RM4.21:USD1.00 for the FYE 2022.

Comparison between FYE 2023 and FYE 2024

In the FYE 2024, the lower realised loss on foreign exchange was mainly due to our Group managing exposure to foreign exchange risk through a hedging facility (i.e. forward contract).

Comparison between FYE 2024 and FYE 2025

In the FYE 2025, the property, plant and equipment written off recorded RM0.11 million mainly arising from the renovation, signboard and office equipment of our previous headquarter as our Group had relocated to the new headquarter in Selangor in May 2025.

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12.2.8 Net loss on impairment of financial 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 expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses which is then adjusted based on reasonable and supportable qualitative and quantitative forward-looking information. Reversals of impairment losses are made when there are subsequent collections.

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Trade receivables:								
Movement in allowance for ECL	42	100.00	91	100.00	12	100.00	211	100.00
Net loss on impairment of financial assets	**42**	**100.00**	**91**	**100.00**	**12**	**100.00**	**211**	**100.00**

Comparison between FYE 2022 and FYE 2023

In the FYE 2022, our Group had recognised an impairment loss on trade receivables of RM0.04 million due to 5 customers individually impaired as they were long outstanding for more than 365 days[(1)].

In the FYE 2023, our Group had recognised an impairment loss on trade receivables of RM0.09 million due to 7 customers individually impaired as they were long outstanding for more than 365 days[(1)].

Comparison between FYE 2023 and FYE 2024

In the FYE 2024 our Group had recognised an impairment loss on trade receivables of RM0.01 million due to 1 customer individually impaired as it was long outstanding for more than 365 days[(1)].

Comparison between FYE 2024 and FYE 2025

In the FYE 2025, our Group had recognised an impairment loss on trade receivables of RM0.21 million due to 20 customers individually impaired as they were long outstanding for more than 365 days[(1)].

Note:

(1) For further information, the long outstanding trade receivables for more than 365 days was due to non-payment by individual customers, which arose due to various reasons which includes mismatch of expectation in relation to the energy savings and customer's unavailability despite multiple attempts to establish contact.

12. FINANCIAL INFORMATION *(Cont'd)*

12.2.9 Finance costs

The breakdown of our finance costs for the Financial Years Under Review is as follows:

	Audited							
	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Interest expenses charged on:								
Term loans	101	80.80	139	75.14	133	89.26	98	46.67
Invoice financing	10	8.00	-	-	-	-	-	-
Bank overdraft	1	0.80	27	14.59	-	-	1	0.47
Lease liabilities	9	7.20	16	8.65	16	10.74	111	52.86
Amount due to Director(1)	4	3.20	3	1.62	*	^	-	-
Total	**125**	**100.00**	**185**	**100.00**	**149**	**100.00**	**210**	**100.00**

Notes:

* *Less than RM500.*

^ *Less than 0.01%.*

(1) *Represents loan from our Promoter and Managing Director (Lim Tzer Haur) for working capital purposes. We have settled such loan in July 2023.*

We recorded minimal finance costs during the Financial Years Under Review.

Comparison between FYE 2022 and FYE 2023

In the FYE 2023, our finance costs were higher mainly due to the increase in interest expense on term loan mainly attributable to the drawdown of a term loan of RM2.00 million in the FYE 2023 for our working capital purposes.

Comparison between FYE 2023 and FYE 2024

In the FYE 2024, our finance costs were lower mainly due to the absence of interest expense on bank overdraft as our Group did not utilise such facility during the FYE 2024.

Comparison between FYE 2024 and FYE 2025

In the FYE 2025, our finance costs were higher due to the increase in interest expense on lease liabilities mainly attributable to the increased lease liabilities from the lease for our new headquarter in Selangor.

12.2.10 Tax expense, PBT, PBT margin, PAT and PAT margin

The following tables set out the comparison between the statutory tax rates and our effective tax rates for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Tax expenses (RM'000)	273	372	2,169	5,803
Statutory tax rate (%)	24.00	24.00	24.00	24.00
Effective tax rate (%)(1)	24.82	23.60	24.60	25.22

Note:

(1) *Our subsidiaries (i.e. VSSB and VESB) are qualified for preferential tax rates of 17.00% on the first chargeable income of RM600,000 and 24.00% on the remaining chargeable income for the FYE 2022 while 15.00% on the first chargeable income of RM150,000, 17.00% on the subsequent chargeable income of RM150,001 up to RM600,000 and 24.00% on the remaining chargeable income for the FYE 2023, FYE 2024 and FYE 2025.*

The following tables set out the PBT, PBT margin, PAT and PAT margin for the Financial Years Under Review:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
PBT (RM'000)	1,100	1,576	8,818	23,007
PBT margin (%)	7.48	5.92	15.67	20.65
PAT (RM'000)	827	1,204	6,649	17,204
PAT margin (%)	5.63	4.52	11.81	15.44

Comparison between FYE 2022 and FYE 2023

We recorded an increase in PBT of RM0.48 million from RM1.10 million in the FYE 2022 to RM1.58 million in the FYE 2023 which was in line with higher GP in the FYE 2023. Despite the increase in PBT, our PBT margin had decreased to 5.92% in the FYE 2023 (FYE 2022: 7.48%). The decrease in PBT margin was due to lower GP margin of 28.62% for the FYE 2023 as compared to 32.13% for the FYE 2022, as explained in Section 12.2.3(d) of this Prospectus.

Our tax expenses increased by RM0.10 million or 37.04% to RM0.37 million in the FYE 2023 (FYE 2022: RM0.27 million), mainly due to higher PBT recorded in the FYE 2023.

We recorded an increase in PAT of RM0.37 million to RM1.20 million in the FYE 2023 (FYE 2022: 0.83 million). Nonetheless, our PAT margin decreased from 5.63% in the FYE 2022 to 4.52% in the FYE 2023 due to the lower PBT margin in the FYE 2023.

Our effective tax rate of 24.82% in the FYE 2022 was slightly higher than the statutory tax rate of 24.00%. This was attributable to the add back of the non-deductible expenses such as depreciation for non-qualifying assets and professional fees such as legal fees.

Our effective tax rate of 23.60% in the FYE 2023 was approximate to the statutory tax rate of 24.00%.

Comparison between FYE 2023 and FYE 2024

We recorded an increase in PBT of RM7.24 million from RM1.58 million in the FYE 2023 to RM8.82 million in the FYE 2024 which was in line with higher GP in the FYE 2024. Our PBT margin had also increased to 15.67% in the FYE 2024 (FYE 2023: 5.92%). The increase in PBT margin was due to higher GP margin of 35.11% for the FYE 2024 as compared to 28.62% for the FYE 2023, as explained in Section 12.2.3(d) of this Prospectus. Further, our selling and distribution expenses increased at a lower rate of 55.81% than the increase in revenue of 111.26% which had also contributed to the improvement in PBT margin.

Our tax expenses increased by RM1.80 million or 486.49% to RM2.17 million in the FYE 2024 (FYE 2023: RM0.37 million), mainly due to higher PBT recorded in the FYE 2024.

We recorded an increase in PAT of RM5.45 million to RM6.65 million in the FYE 2024 (FYE 2023: RM1.20 million). Resulting from the foregoing increase in PBT margin, our PAT margin increased from 4.52% in the FYE 2023 to 11.81% in the FYE 2024.

Our effective tax rate of 24.60% in the FYE 2024 was slightly higher than the statutory tax rate of 24.00%, mainly due to deferred tax expenses relating to the temporary differences between accounting and tax treatment of RM0.03 million.

Comparison between FYE 2024 and FYE 2025

We recorded an increase in PBT of RM14.19 million from RM8.82 million in the FYE 2024 to RM23.01 million in the FYE 2025 which was in line with higher GP and higher other income from higher realised gain on foreign exchange in the FYE 2025, despite the higher administrative expenses in FYE 2025. Our PBT margin had increased to 20.65% in the FYE 2025 (FYE 2024: 15.67%) mainly due to higher GP margin in FYE 2025.

Our tax expenses increased by RM3.63 million or 167.28% to RM5.80 million in the FYE 2025 (FYE 2024: RM2.17 million), mainly due to higher PBT recorded in the FYE 2025.

We recorded an increase in PAT of RM10.55 million to RM17.20 million in the FYE 2025 (FYE 2024: RM6.65 million). Our PAT margin increased from 11.81% in the FYE 2024 to 15.44% in the FYE 2025 due to the higher PBT margin.

Our effective tax rate of 25.22% in the FYE 2025 was higher than the statutory tax rate of 24.00%, mainly due to the add back of the non-deductible expenses such as depreciation for non-qualifying assets and the under provision of income tax of RM0.25 million for year of assessment 2024.

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12.2.11 Review of financial position

(a) Assets

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	862	778	1,284	8,778
Deferred tax assets	-	-	-	64
Total non-current assets	**862**	**778**	**1,284**	**8,842**
Current assets				
Inventories	2,744	4,209	7,531	10,348
Trade receivables	783	990	3,227	2,471
Other receivables	944	391	388	2,923
Fixed deposits with licensed banks	-	1,000	203	514
Cash and cash equivalents	2,009	2,141	19,435	25,684
Total current assets	**6,480**	**8,731**	**30,784**	**41,940**
TOTAL ASSETS	**7,342**	**9,509**	**32,068**	**50,782**

Comparison between 30 June 2022 and 30 June 2023

Non-current assets

Our non-current assets decreased by RM0.08 million or 9.30% to RM0.78 million as at 30 June 2023 (as at 30 June 2022: RM0.86 million) mainly due to decrease in property, plant and equipment of RM0.08 million. The decrease was attributable to the depreciation expenses of RM0.18 million in the FYE 2023.

The decrease in property, plant and equipment was offset by the additions in property, plant and equipment of RM0.10 million in the FYE 2023, comprising computer and software, office equipment and furniture and fittings collectively RM0.05 million as well as the increase in right-of-use assets of RM0.05 million arising from the rental obligation for our rented Johor branch office located at Johor Bahru, Johor.

Current assets

Our current assets increased by RM2.25 million or 34.72% to RM8.73 million as at 30 June 2023 (as at 30 June 2022: RM6.48 million) mainly due to the following:

(a) increase in inventories by RM1.47 million as our Group purchased more inventories such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2023 to cater for increasing upcoming project requirements in the FYE 2024;

(b) fixed deposits with licensed banks of RM1.00 million, and increase in cash and cash equivalents of RM0.13 million contributed by higher internally generated funds as a result of business growth; and

(c) increase in trade receivables by RM0.21 million which was in line with the increase in revenue in the FYE 2023.

The increase in current assets was offset by the decrease in other receivables by RM0.55 million attributable to lower advanced payments to suppliers following the delivery of the inverters in the FYE 2023. The other receivables as at 30 June 2022 mainly comprised advanced payments to suppliers of RM0.82 million to secure the supply of solar panels, inverters and mounting structures to meet the increasing upcoming project requirements in the FYE 2023.

Comparison between 30 June 2023 and 30 June 2024

Non-current assets

Our non-current assets increased by RM0.50 million or 64.10% to RM1.28 million as at 30 June 2024 (as at 30 June 2023: RM0.78 million) mainly due to the increase in property, plant and equipment of RM0.50 million, mainly comprising:

(a) purchase of 1 unit of motor vehicle (passenger car) of RM0.29 million;

(b) renovation on our rented Penang branch office of RM0.11 million; and

(c) increase in right-of-use assets of RM0.13 million arising from the rental obligation for our rented Penang branch office located at Bukit Mertajam, Pulau Pinang.

The increase in property, plant and equipment was offset by the depreciation expenses of RM0.23 million.

Current assets

Our current assets increased by RM22.05 million or 252.58% to RM30.78 million as at 30 June 2024 (as at 30 June 2023: RM8.73 million) due to the following:

(a) increase in cash and cash equivalents by RM17.30 million contributed by higher internally generated funds as a result of business growth;

(b) increase in inventories by RM3.32 million as our Group purchased more inventories such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2024 to cater for increasing upcoming project requirements in the next financial year; and

(c) increase in trade receivables by RM2.24 million which was in line with the increase in revenue in the FYE 2024.

The increase in current assets was offset by the decrease in fixed deposits with licensed banks of RM0.80 million as at 30 June 2024.

Comparison between 30 June 2024 and 30 June 2025

Non-current assets

Our non-current assets increased by RM7.56 million or 590.63% to RM8.84 million as at 30 June 2025 (as at 30 June 2024: RM1.28 million) mainly due to the increase in property, plant and equipment of RM8.51 million, attributable to purchased of 2 units of motor vehicles (commercial vans) of RM0.15 million, progress payments of RM1.70 million for the renovation works completed at our new headquarter in Selangor, and the rights-of-use assets of the lease for our new headquarter in Selangor of RM5.96 million. Such renovation costs of our new headquarter is depreciated over 5 years. The rights-of-use assets of the lease for our new headquarter in Selangor is measured in the amount of the lease liability value and it is then adjusted over the lease term of 108 months (9 years), in accordance with MFRS 16.

The increase in property, plant and equipment was offset by the depreciation expenses of RM0.68 million, early termination of lease contract of our previous headquarter at carrying amount of RM0.18 million and property, plant and equipment written off at carrying amount of RM0.11 million.

Current assets

Our current assets increased by RM11.16 million or 36.26% to RM41.94 million as at 30 June 2025 (as at 30 June 2024: RM30.78 million) due to the following:

(a) increase in inventories by RM2.82 million as our Group purchased more inventories such as solar panels, mounting structures and inverters towards the end of the FYE 2025 to cater for increasing upcoming project needs in the next financial year;

(b) increase in other receivables of RM2.53 million contributed by prepayment for professional fees relating to our Listing;

(c) increase in cash and cash equivalents by RM6.24 million contributed by higher internally generated funds as a result of business growth; and

The increase in current assets was partially offset by the decrease in trade receivables by RM0.76 million due to improved collection from trade receivables.

(b) Liabilities

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Non-current liabilities				
Loans and borrowings	1,024	2,126	1,426	591
Lease liabilities	405	316	497	5,246
Deferred tax liabilities	40	13	48	-
Total non-current liabilities	**1,469**	**2,455**	**1,971**	**5,837**
Current liabilities				
Loans and borrowings	1,241	668	701	609
Lease liabilities	106	126	221	589
Trade payables	817	941	5,317	1,662
Other payables	384	449	2,021	4,325
Contract liabilities	1,585	2,164	12,293	13,135
Tax payable	50	12	715	2,692
Total current liabilities	**4,183**	**4,360**	**21,268**	**23,012**
TOTAL LIABILITIES	**5,652**	**6,815**	**23,239**	**28,849**

Comparison between 30 June 2022 and 30 June 2023

Non-current liabilities

Our non-current liabilities increased by RM0.99 million or 67.35% to RM2.46 million as at 30 June 2023 (as at 30 June 2022: RM1.47 million) due to increase in loans and borrowings of RM1.11 million mainly attributable to drawdown of a term loan of RM2.00 million in the FYE 2023 for our working capital purposes. The increase was offset by the scheduled payments made for the term loans in the FYE 2023.

The increase in loans and borrowings was offset by the decrease in lease liabilities of RM0.09 million mainly attributable to scheduled payments made for the lease liabilities in the FYE 2023.

Current liabilities

Our current liabilities increased by RM0.18 million or 4.31% to RM4.36 million as at 30 June 2023 (as at 30 June 2022: RM4.18 million) mainly due to the following:

(a) increase in contract liabilities of RM0.57 million primarily due to higher deposit payments arising from the increased number of residential projects for the FYE 2023 which our Group had not performed the installation works;

(b) increase in trade payables of RM0.12 million, which was in line with higher purchases of materials and subcontractors' costs incurred to support our revenue growth in the FYE 2023;

(c) increase in other payables of RM0.07 million, mainly attributable to higher accrued bonus and statutory contributions of RM0.14 million collectively in the FYE 2023 and this was offset by the lower non-trade payables of RM0.09 million following payments made in the FYE 2023.

The increase was offset by the decrease in loans and borrowings of RM0.57 million, attributable to absence of invoice financing of RM0.95 million in the FYE 2023. This was offset by the increase in current portion of term loans of RM0.38 million mainly attributable to the drawdown of a term loan of RM2.00 million in the FYE 2023 for our working capital purposes.

Comparison between 30 June 2023 and 30 June 2024

Non-current liabilities

Our non-current liabilities decreased by RM0.49 million or 19.92% to RM1.97 million as at 30 June 2024 (as at 30 June 2023: RM2.46 million) due to decrease in loans and borrowings of RM0.70 million attributable to the scheduled payments made for the term loans in the FYE 2024.

The decrease in loans and borrowings was offset by the increase in lease liabilities of RM0.18 million mainly attributable to our rented Penang branch office located at Bukit Mertajam, Pulau Pinang.

Current liabilities

Our current liabilities increased by RM16.91 million or 387.84% to RM21.27 million as at 30 June 2024 (as at 30 June 2023: RM4.36 million) mainly due to the following:

(a) increase in contract liabilities of RM10.13 million primarily due to higher deposit payments arising from the increased number of residential projects for the FYE 2024, for which our Group had not performed the installation works;

(b) increase in trade payables of RM4.38 million, which was in line with higher purchases of materials and subcontractors' costs incurred to support our revenue growth in the FYE 2024;

(c) increase in other payables of RM1.57 million, mainly attributable to higher accrued bonus and statutory contributions collectively RM0.98 million in the FYE 2024 and accrued project expenses of RM0.20 million such as structural calculation costs. The remaining increase of RM0.40 million is mainly due to the following:

(i) referral fees to existing customers and external third parties, as well as subscription fees, travelling expenses and insurance expenses, which are still outstanding at the end of FYE 2024;

(ii) increase in accrued expenses mainly due to incentives to employees, audit fees and utility charges; and

(d) higher tax payable of RM0.71 million attributable to higher PBT for the FYE 2024.

Comparison between 30 June 2024 and 30 June 2025

Non-current liabilities

Our non-current liabilities increased by RM3.87 million or 196.45% to RM5.84 million as at 30 June 2025 (as at 30 June 2024: RM1.97 million) due to increase in lease liabilities of RM4.75 million mainly attributable to the increased lease liabilities from the lease for our new headquarter in Selangor.

The increase in lease liabilities was partially offset by the decrease in loan and borrowings of RM0.84 million attributed to the scheduled payments made during the FYE 2025.

Current liabilities

Our current liabilities increased by RM1.74 million or 8.18% to RM23.01 million as at 30 June 2025 (as at 30 June 2024: RM21.27 million) mainly due to the following:

(a) increase in other payables of RM2.31 million, mainly attributable to higher accrued bonus and statutory contributions of RM2.15 million, collectively as at 30 June 2025;

(b) higher tax payable of RM1.97 million attributable to higher PBT for the FYE 2025;

(c) increase in contract liabilities of RM0.84 million primarily due to higher deposit payments arising from the increased number of residential projects for the FYE 2025, for which our Group had not performed the installation works;

(d) increase in current portion of lease liabilities of RM0.37 million, mainly attributable to the increased lease liabilities from the lease for our new headquarter in Selangor.

The increase in current liabilities was offset by the decrease in trade payables of RM3.66 million due to our Group's improved payments to our suppliers in FYE 2025 evident by our average trade payable turnover period of 19 days in FYE 2025 as compared to 31 days in FYE 2024.

12.2.12 Recent developments

Save for the dividends declared and paid as set out in Section 12.13 of this Prospectus, there were no other significant events subsequent to our audited combined financial statements for the FYE 2025.

12.3 LIQUIDITY AND CAPITAL RESOURCES

12.3.1 Working capital

Our business has been financed by a combination of internal and external sources of funds. Internal sources of funds comprise shareholders' equity and cash generated from our business operations, while our external sources of funds mainly consist of bank borrowings and credit facilities from licensed financial institutions and credit terms provided by our suppliers. These funds have mainly been used to finance our business operations and growth.

As at 30 June 2025, we have:

(a) cash and cash equivalents of RM25.68 million and fixed deposits with licensed banks of RM0.51 million; and

(b) total banking facilities (excluding hire purchase arrangements) of approximately RM10.10 million (of which RM3.00 million has been utilised).

The interest rate of our borrowings is based on the respective facility agreements. Currently, the principal use of our borrowings is for working capital purposes.

The decision to utilise either internally generated funds or borrowings for our business operations depends on, amongst others, our cash and cash equivalents, expected cash inflows, future working capital requirements, future capital expenditure requirements and the interest rate on borrowings.

Based on the Pro Forma Combined Statements of Financial Position of our Group as at 30 June 2025, our NA position stood at RM16.93 million and our gearing level is 0.07 times. Our NA position and gearing level (after the Public Issue and utilisation of proceeds) are RM56.45 million and 0.02 times respectively.

As at the LPD, our Group recorded cash and cash equivalents of RM31.28 million and fixed deposits with licensed banks of RM0.51 million and total banking facilities of approximately RM10.10 million (of which RM3.00 million has been utilised).

Our Board is confident that, after taking into account our cash and cash equivalents, the expected profits to be generated from our operations, the amount that is available under our existing banking facilities, our expected future cash flows from operations as well as proceeds expected to be raised from the IPO, our working capital will be sufficient for our existing and foreseeable requirements for at least a period of 12 months from the date of this Prospectus.

As at the LPD, we do not foresee any circumstances which may materially affect our liquidity. Our Group has not encountered any major disputes with our debtors.

12.3.2 Review of cash flows

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FYE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net cash (used in)/from operating activities	(326)	1,142	18,064	14,456
Net cash used in investing activities	(222)	(43)	(437)	(2,328)
Net cash from/(used in) financing activities	626	31	(1,332)	(5,876)
Net increase in cash and cash equivalents	**78**	**1,130**	**16,295**	**6,252**
Cash and cash equivalents at the beginning of the financial year	1,931	2,009	3,141	19,435
Effect of exchange translation difference	-	2	(1)	(3)
Cash and cash equivalents at the end of the financial year[(1)]	**2,009**	**3,141**	**19,435**	**25,684**

Note:

(1) Cash and cash equivalents exclude fixed deposits with a licensed bank with more than 3 months to maturity.

FYE 2022

Net cash used in operating activities

For the FYE 2022, we recorded net operating cash outflow of RM0.33 million after taking into consideration our operating profit of RM1.34 million and the following working capital changes:

(a) increase in inventories of RM1.43 million as our Group purchased more materials such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2022 to cater for increasing upcoming project requirements in the FYE 2023,

(b) increase in trade and other receivables of RM1.13 million, mainly due to the increase in trade receivables attributable to invoices billed to customers in line with the increase in revenue recorded in the FYE 2023;

(c) increase in trade and other payables of RM0.69 million, mainly due to increase in trade payables which was in line with the purchases of materials towards the last quarter of the FYE 2022 to cater for project requirements in the FYE 2023;

(d) increase in net contract balances of RM0.53 million due to timing difference with higher deposit received arising from the increased number of residential projects to be commenced in the FYE 2023 compared to invoices issued and revenue recognised for installation works performed; and

(e) income tax paid of RM0.33 million.

For the FYE 2022, the negative operating cashflow was mainly due to bulk purchases of materials (mainly solar panels, mounting structures and inverters) in anticipation of additional sales as our Group observed increasing inquiries for potential customers which subsequently led to new projects secured in the FYE 2023.

Net cash used in investing activities

For the FYE 2022, we recorded a net cash outflow of RM0.22 million from our investing activities, mainly attributable to the cash payment of RM0.25 million mainly for the renovation of our existing headquarter of RM0.15 million and purchase of 1 unit of motor vehicle (passenger car) of RM0.09 million.

Net cash from financing activities

For the FYE 2022, we recorded a net cash inflow of RM0.63 million from our financing activities, due to the following:

(a) drawdown of a term loan of RM0.35 million for our working capital purposes;

(b) drawdown of invoice financing facility of RM0.95 million for our working capital purposes; and

(c) proceeds from issue of new ordinary shares which increased our share capital by RM0.40 million.

The net cash inflow from our financing activities was offset by the following:

(a) payment of dividends of RM0.68 million, in respect of the FYE 2022; and

(b) repayment of borrowings of RM0.40 million which includes term loans and lease liabilities as well as its corresponding interest expenses.

FYE 2023

Net cash from operating activities

For the FYE 2023, we recorded net operating cash inflow of RM1.14 million after taking into consideration our operating profit of RM2.02 million and the following working capital changes:

(a) increase in inventories of RM1.47 million as our Group purchased more materials such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2023 to cater for increasing upcoming project requirements in the FYE 2024,

(b) decrease in trade and other receivables of RM0.26 million, due to the decrease in other receivables for lower advanced payments to suppliers following the delivery of the inverters in the FYE 2023 and this was offset by the increase in trade receivables for invoices billed to customers in line with the increase in revenue recorded in the FYE 2023;

(c) increase in trade and other payables of RM0.19 million, mainly due to increase in trade payables which was in line with the purchases of materials towards the last quarter of the FYE 2023 to cater for project requirements in the FYE 2024;

(d) increase in net contract balances of RM0.58 million due to timing difference with higher deposit received arising from the increased number of residential projects to be commenced in the FYE 2024 compared to invoices issued and revenue recognised for installation works performed; and

(e) income tax paid of RM0.44 million.

Net cash used in investing activities

For the FYE 2023, we recorded a net cash outflow of RM0.04 million from our investing activities, mainly attributable to cash payment of RM0.05 million for additions of property, plant and equipment (comprising computer and software, office equipment and furniture and fittings).

Net cash from financing activities

For the FYE 2023, we recorded a net cash inflow of RM0.03 million from our financing activities, due to the drawdown of a term loan of RM2.00 million for our working capital purposes.

The net cash inflow from our financing activities was offset by the following:

(a) payment of dividends of RM0.20 million, in respect of the FYE 2023; and

(b) repayment of borrowings of RM1.77 million which includes term loans, invoice financing and lease liabilities as well as its corresponding interest expenses.

FYE 2024

Net cash from operating activities

For the FYE 2024, we recorded net operating cash inflow of RM18.06 million after taking into consideration our operating profit of RM8.99 million and the following working capital changes:

(a) increase in inventories of RM3.32 million as our Group purchased more materials such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2024 to cater for increasing upcoming project requirements in next financial year;

(b) increase in trade and other receivables of RM2.36 million, mainly due to the increase in trade receivables for invoices billed to customers in line with the increase in revenue recorded in the FYE 2024;

(c) increase in trade and other payables of RM5.93 million, due to increase in trade payables which was in line with higher purchases of materials and subcontractors' costs incurred to support our revenue growth in the FYE 2024, and increase in other payables for higher accrued bonus and statutory contributions collectively RM0.98 million in the FYE 2024 and higher accrued project expenses of RM0.20 million such as structural calculation costs;

(d) increase in net contract balances of RM10.13 million due to timing difference with higher deposit received arising from the increased number of residential projects to be commenced in next financial year compared to invoices issued and revenue recognised for installation works performed; and

(e) income tax paid of RM1.43 million and interest received of RM0.12 million.

Net cash used in investing activities

For the FYE 2024, we recorded a net cash outflow of RM0.44 million from our investing activities, mainly attributable to:

(a) cash payment of RM0.31 million mainly for renovation on Penang branch office of RM0.11 million and office equipment of RM0.09 million and furniture; and

(b) placement of fixed deposits with a licensed bank with more than 3 months to maturity of RM0.20 million.

Net cash used in financing activities

For the FYE 2024, we recorded a net cash outflow of RM1.33 million from our financing activities, due to the following:

(a) payment of dividends of RM0.36 million, in respect of the FYE 2024; and

(b) repayment of borrowings of RM0.97 million which includes term loans and lease liabilities as well as its corresponding interest expenses.

FYE 2025

Net cash from operating activities

For the FYE 2025, we recorded net operating cash inflow of RM14.46 million after taking into consideration our operating profit of RM23.49 million and the following working capital changes:

(a) increase in inventories of RM2.82 million as our Group purchased more inventories such as solar panels, mounting structures and inverters towards the end of the FYE 2025 to cater for increasing upcoming project needs in the next financial year;

(b) increase in trade and other receivables of RM1.99 million, mainly due to the increase in other receivables for the prepayment for professional fees relating to our Listing;

(c) decrease in trade and other payables of RM1.32 million, due to the decrease in trade payables attributable to our Group's improved payments to our suppliers in FYE 2025 and this was partially offset by the increase in other payables mainly due to higher accrued bonus and statutory contributions as at 30 June 2025;

(d) increase in net contract balances of RM0.84 million due to deposit received arising from the increased number of residential projects to be commenced in the FYE 2026; and

(e) income tax paid of RM3.94 million.

Net cash used in investing activities

For the FYE 2025, we recorded a net cash outflow of RM2.33 million for our investing activities, attributable to:

(a) cash payment of RM2.55 million mainly attributable to progress payments of RM1.70 million for the renovation, furniture and fittings of RM0.35 million and office equipment of RM0.32 million purchased for our new headquarter in Selangor; and

(b) placement of fixed deposits with a licensed bank with more than 3 months to maturity of RM0.31 million.

The net cash outflow from our investing activities was offset by the interest received from cash placed in short-term money market fund and fixed deposits with licensed banks of RM0.52 million.

Net cash used in financing activities

For the FYE 2025, we recorded a net cash outflow of RM5.88 million for our financing activities, due to the following:

(a) payment of dividends of RM4.14 million, being RM1.64 million in respect of the FYE 2024 and RM2.50 million in respect of the FYE 2025; and

(b) repayment of borrowings of RM1.73 million which includes term loans and lease liabilities as well as its corresponding interest expenses.

12.4 BORROWINGS

We utilise banking facilities such as term loans, bank overdraft and trade facilities to finance the working capital. In addition, we also utilise hire purchase to finance the purchase of motor vehicles which are classified under lease liabilities. Further, lease liabilities also arise from our rental obligation for our offices which is the financial obligation for the payments required by leases and discounted to present value.

All of our borrowings (excluding lease liabilities arising from rented offices) are secured, interest-bearing and denominated in RM. Our total outstanding borrowings as at 30 June 2025 stood at RM1.20 million, details of which are set out below:

	Purpose	Tenure	Interest rate (% per annum)	Audited as at 30 June 2025 (RM'000)
Interest bearing short-term borrowings, payable within 1 year:				
Term loans	For working capital purposes	5 years	3.50 to 11.15	609
Interest bearing long-term borrowings, payable after 1 year:				
Term loans	For working capital purposes	5 years	3.50 to 11.15	591
			Total borrowings	**1,200**
Pro forma gearing (times) After the Public Issue and utilisation of the proceeds raised from our Public Issue(1)				0.02

Note:

(1) Computed based on our Pro Forma Combined Statements of Financial Position after the Public Issue and utilisation of the proceeds raised from our Public Issue.

Our pro forma gearing ratio is expected to decrease from 0.07 times (before the Public Issue) to 0.02 times (after the Public Issue) due to the increase in shareholders' funds arising from the issuance of new Shares pursuant to the Public Issue. Thereafter, the gearing ratio will remain at 0.02 times (after the utilisation of proceeds).

The following table sets out the maturities of our term loans and lease liabilities:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Invoice financing				
Within the next 12 months	954	-	-	-
Term loans:				
Within the next 12 months	287	668	701	609
After the next 12 months	1,024	2,126	1,426	591
Lease liabilities (excluding lease liabilities arising from rented offices):				
Within the next 12 months	27	28	78	-
After the next 12 months	105	77	263	-

As at the LPD, we do not have any borrowings which are non-interest bearing and/or in foreign currency.

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 Directors will continue to guarantee the banking facilities extended to our Group.

We have not defaulted on payments of principal sums and/or interests in respect of any of our borrowings throughout Financial Years Under Review and up to the LPD. We also do not encounter any seasonality in our borrowings trend and there is no restriction on our committed banking facilities.

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

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

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12.5 TYPES OF FINANCIAL INSTRUMENTS USED, TREASURY POLICIES AND OBJECTIVES

As at the LPD, save as disclosed in Section 12.4 and 12.10.1, we do not have or utilise any other financial instruments or have any other treasury policies.

All our financial instruments are used for working capital purposes including the payment to our suppliers for the purchases of materials.

As at the LPD, save for the invoice financing which is based on fixed rates, all our term loans with licensed financial institutions are based on base financing rate plus or minus a rate which varies depending on the type of facility.

12.6 MATERIAL CAPITAL COMMITMENTS, CAPITAL INVESTMENTS AND DIVESTITURES, MATERIAL LITIGATION AND CONTINGENT LIABILITY

12.6.1 Material capital commitments

As at the LPD, save as disclosed below, we do not have any other material capital commitments:

	To be funded from our internally generated fund	To be funded from proceeds of our Public Issue
	RM'000	**RM'000**
Approved and contracted for:		
- Renovation costs of our new headquarter in Selangor(1)	188	-
Approved and not contracted for:		
- Renovation costs of New Branch Offices(2)	-	900
	188	**900**

Notes:

(1) *Relates to the renovation costs of our new headquarter in Selangor of RM1.88 million. As at the LPD, RM1.69 million has been paid. As such, the remaining renovation costs payable of RM0.19 million has been recorded as a material commitment as at the LPD and will be settled by our internally generated funds.*

(2) *Further details of the renovation costs of New Branch Offices are set out in Section 4.9 of this Prospectus.*

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12.6.2 Capital investments and divestitures

Our Group's capital investments for the Financial Years Under Review and up to the LPD are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 July 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
At cost:					
Computer and software	35	16	28	43	-
Office equipment	45	31	91	313[(8)]	1
Furniture and fittings	-	3	53	347[(8)]	1
Signboard	5	-	-	-	-
Motor vehicles	90[(1)]	-	288[(4)]	153[(7)]	-
Renovation	148[(2)]	-	114[(5)]	1,697[(8)]	-
Premises	404[(3)]	48	184[(6)]	5,962[(9)]	-
Total	**727**	**98**	**758**	**8,515**	**2**

Notes:

(1) Purchased 1 unit of motor vehicle (passenger car) for business purposes.

(2) Renovation for our previous headquarter located at Ara Damansara, Selangor.

(3) Right-of-use assets arising from the rental obligation for our previous headquarter located at Ara Damansara, Selangor.

(4) Purchased 1 unit of motor vehicle (passenger car) for business purposes.

(5) Renovation for our rented Penang branch office located at Bukit Mertajam, Pulau Pinang.

(6) Right-of-use assets mainly arising from the rental obligation for our new rented Penang branch office located at Bukit Mertajam, Pulau Pinang.

(7) Purchased 2 units of motor vehicles (commercial van) for business purposes.

(8) Purchase of office equipment, furniture and fittings and renovation mainly for our new headquarter in Selangor.

(9) Right-of-use assets mainly arising from the rental obligation for our new headquarter in Selangor and our new rented Johor branch office located at Taman Austin Perdana, Johor Bahru, Johor.

The investments set out above were financed by our Group's internally generated funds and banking facilities.

Our Group's capital divestitures for the Financial Years Under Review and up to the LPD are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025	1 July 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
At cost[(1)]:					
Office equipment	-	-	-	44[(5)]	-
Furniture and fittings	-	-	-	17[(5)]	-
Motor vehicles	-	-	50[(3)]	-	-
Renovation	-	-	-	12[(5)]	-
Premises	125[(2)]	-	50[(4)]	453[(6)]	-
Total	**125**	**-**	**100**	**526**	**-**

Notes:

(1) *Refers to the initial acquisition cost of the assets.*

(2) *Arising from lease modification arising from the consolidation of few tenancies located at Ara Damansara, Selangor into one tenancy agreement.*

(3) *Disposal of 1 unit of motor vehicle (passenger car).*

(4) *Arising from early termination of lease contract for our previous Penang branch office. Our Group relocated to the existing Penang branch office located at Bukit Mertajam, Pulau Pinang in June 2024.*

(5) *Disposal of office equipment, furniture and fittings and renovation of our previous headquarter since our Group shifted to the new headquarter in Selangor.*

(6) *Mainly arising from the early termination of our previous headquarter.*

12.6.3 Material litigation

Neither we nor our subsidiaries are engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

12.6.4 Contingent liability

As at the LPD, there are no contingent liabilities incurred by us or our subsidiaries, which upon becoming enforceable, may have a material effect on our business and financial.

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.

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12.7 KEY FINANCIAL RATIOS

The key financial ratios of our Group for the Financial Years Under Review are as follows:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Average trade receivables turnover period (days)(1)	16	12	14	9
Average trade payables turnover period (days)(2)	21	17	31	19
Average inventories turnover period (days)(3)	94	90	84	80
Current ratio (times)(4)	1.55	2.00	1.45	1.82
Gearing ratio (times)(5)	1.42	1.08	0.28	0.05

Notes:

(1) *Computed based on average trade receivables as at the respective financial year end divided by the total revenue of the respective financial years, and multiplied by 365 days.*

(2) *Computed based on average trade payables as at the respective financial year end divided by total cost of sales of the respective financial years, and multiplied by 365 days.*

(3) *Computed based on the average inventories as the respective financial year end divided by actual purchases of materials (excluding inventories movement) of the respective financial years, and multiplied by 365 days.*

(4) *Computed based on total current assets divided by total current liabilities as at the respective financial year end.*

(5) *Computed based on total interest-bearing borrowings (excluding lease liabilities arising from rented offices) divided by total equity as at the respective financial year end.*

12.7.1 Trade receivables turnover

Our average trade receivables' turnover period (in days) for the Financial Years Under Review is stated as below:

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Opening trade receivables as at 1 July	491	783	990	3,227
Closing trade receivables as at 30 June	783	990	3,227	2,471
Average trade receivables	637	887	2,109	2,849
Revenue	14,701	26,644	56,276	111,426
Average trade receivables turnover period (days)	**16**	**12**	**14**	**9**

The normal credit period granted by our Group to our customers are between cash term and 30 days from the date of our invoice. We use ageing analysis to monitor the credit quality of our trade receivables. There is no effect on our average turnover days over the Financial Years Under Review.

The trade receivables during the Financial Years Under Review were outstanding balances due from customers for the completed installation works as at each financial year end. Our average trade receivables turnover periods for the Financial Years Under Review were 16 days, 12 days, 14 days and 9 days, respectively which were within the credit period granted to our customers of up to 30 days.

The ageing analysis of our trade receivables as at 30 June 2025 is as follows:

	Trade receivables as at 30 June 2025		**Amount collected subsequent from 1 July 2025 up to LPD**		**Balance trade receivables as at the LPD**
	RM'000	**Percentage of trade receivables (%)**	**RM'000**	**Percentage collected (%)**	**RM'000**
	(a)	**(a)/total of (a)**	**(b)**	**(b)/total of (a)**	**(c) = (a)-(b)**
Neither past due nor impaired	749	30.31	749	30.31	-
Past due but not impaired:					
• 1 to 30 days	240	9.71	178	7.20	62
• 31 to 60 days	459	18.58	194	7.85	265
• 61 to 90 days	243	9.83	77	3.12	166
• More than 90 days	780	31.57	171	6.92	609
	1,722	69.69	620	25.09	1,102
Total	**2,471**	**100.00**	**1,369**	**55.40**	**1,102**

As at the LPD, RM1.10 million of the outstanding trade receivables of RM2.47 million as at 30 June 2025 has yet to be collected.

Our Group's management closely monitors the recoverability of the overdue trade receivables on a regular basis, and when appropriate, provide for specific impairment of these trade receivables. As at 30 June 2025, an allowance for impairment losses amounting to RM0.38 million (i.e. individual impairment) has been made for the trade receivables. The individual impairment mainly consists impairment made for 32 individual customers as these amounts were long outstanding for more than 365 days as at 30 June 2025. The Board is of the view that the remaining trade receivables are recoverable and save for those impairments made during the Financial Years Under Review, there is no further provision for impairment required after taking into consideration our Group's relationships with the customers as well as our efforts made to improve collections with various credit control measures to reduce the potential exposure on credit risk. Such efforts include follow-ups calls, email and issuance of letter of reminders to customers. Our Group maintains good relationship with our customers who continue to engage us for O&M services post completion of the installation and commission of their solar PV systems.

Our Group has not encountered any major disputes with our debtors. No further allowance for impairment was provided as there were no doubtful receivables other than those impaired for the Financial Years Under Review.

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12.7.2 Trade payables turnover

Our average trade payables' turnover period (in days) for the Financial Years Under Review is stated as below:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Opening trade payables as at 1 July	345	817	941	5,317
Closing trade payables as at 30 June	817	941	5,317	1,662
Average trade payables	581	879	3,129	3,490
Cost of sales	9,978	19,018	36,517	68,477
Average trade payables turnover period (days)	**21**	**17**	**31**	**19**

The normal credit terms granted by suppliers to our Group ranges from cash term to 90 days from the date of supplier's invoice.

Our trade payables turnover periods for the Financial Years Under Review were between 17 days and 31 days which were within the credit terms granted by our suppliers.

Our Group's trade payables turnover period rose to 31 days in the FYE 2024 from 17 days in the FYE 2023 due to higher purchases of materials towards the end of the FYE 2024 for new projects in the ensuing financial year.

In the FYE 2025, our average trade payables turnover periods decreased to 19 days in the FYE 2025 from 31 days in the FYE 2024 due to improved payments to our suppliers.

The ageing analysis of our trade payables as at 30 June 2025 is as follows:

	Trade payables as at 30 June 2025		Amount paid subsequent from 1 July 2025 up to LPD		Balance trade payables as at the LPD
	RM'000	Percentage of trade payables (%)	RM'000	Percentage paid (%)	RM'000
	(a)	(a)/total of (a)	(b)	(b)/total of (a)	(c) = (a)-(b)
Neither past due nor impaired	1,621	97.53	1,621	97.53	-
Past due but not impaired:					
• 1 to 30 days	-	-	-	-	-
• 31 to 60 days	15	0.90	-	-	15
• 61 to 90 days	-	-	-	-	-
• More than 90 days	26	1.57	2	0.12	24
	41	2.47	2	0.12	39
Total	**1,662**	**100.00**	**1,623**	**97.65**	**39**

As at the LPD, we have paid RM1.62 million or 97.65% of our trade payables as at 30 June 2025. As at the LPD, there are no disputes in respect of our trade payables and we are not aware of any legal action initiated by our suppliers to demand for payment.

12.7.3 Inventory turnover

Our average inventory turnover period (in days) for the Financial Years Under Review is stated as below:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Opening inventories as at 1 July	1,310	2,744	4,209	7,531
Closing inventories as at 30 June	2,744	4,209	7,531	10,348
Average inventories	2,027	3,477	5,870	8,940
Actual purchases of materials (excluding inventories movement) during the Financial Years Under Review	7,905	14,081	25,426	40,779
Average inventories turnover period (days)	**94**	**90**	**84**	**80**

Our materials mainly comprise solar panels, mounting structures, inverters, energy meters and solar ventilation systems. Our Group practices first-in-first-out method in computing the cost of inventories. The costs of materials include invoiced value of materials purchased and expenditure incurred in acquiring inventories and bringing the inventories to our warehouse. Our Group adopts the first-in-first-out method as our inventory management method to align with the pricing strategy for our solar PV solutions which is mainly quoted based on the current purchase price of the solar panels, mounting structures and inverters at the point of time. Our Group generally practices the inventories holding period for approximately 90 days to cater for the increasing upcoming project requirements in future periods. In the FYE 2022, our average inventory turnover days was 94 days which was marginally higher than our general practice of 90 days for inventories holding period. Our Group purchased more materials such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2022 to cater for more upcoming projects in the FYE 2023.

The lower inventories turnover days of 84 days in the FYE 2024 (FYE 2023: 90 days) as our Group utilised the inventories in the FYE 2024 at a rate faster than our purchases in the FYE 2024.

In the FYE 2025, the lower inventories turnover days of 80 days in the FYE 2025 (FYE 2024: 84 days) as our Group utilised the inventories in the FYE 2025 at a rate faster relative to our purchases in the FYE 2025.

During the Financial Years Under Review and up to the LPD, our Group did not have any inventories that were impaired.

12.7.4 Current ratio

Our current ratio as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025 are as follows:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Current assets	6,480	8,731	30,784	41,940
Current liabilities	4,183	4,360	21,268	23,012
Net current assets	2,297	4,371	9,516	18,928
Current ratio (times)	**1.55**	**2.00**	**1.45**	**1.82**

Our current ratio ranged from 1.45 times to 2.00 times as at the end of the respective Financial Years Under Review.

Our current ratio increased from 1.55 times as at 30 June 2022 to 2.00 times as at 30 June 2023 mainly due to higher inventories in the FYE 2023 of RM1.47 million as our Group purchased more inventories such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2023 to cater for increasing upcoming project requirements in the FYE 2024 as well as fixed deposits with licensed banks of RM1.00 million in the FYE 2023.

Our current ratio decreased from 2.00 times as at 30 June 2023 to 1.45 times as at 30 June 2024 mainly due to:

(a) higher contract liabilities which increased by RM10.13 million to RM12.29 million as at 30 June 2024 (as at 30 June 2023: RM2.16 million) primarily due to higher deposit payments arising from the increased number of residential projects for the FYE 2024 for which our Group had not performed the installation works; and

(b) higher trade payables which increased by RM4.38 million to RM5.32 million as at 30 June 2024 (as at 30 June 2023: RM0.94 million), which was in line with higher purchases of materials and subcontractors' costs incurred to support our revenue growth in the FYE 2024.

The overall reduction in current ratio from 2.00 times as at 30 June 2023 to 1.45 times as at 30 June 2024 was partially cushioned by:

(a) higher cash and cash equivalents which increased by RM17.30 million as at 30 June 2024 resulting from higher internally generated funds as a result of business growth in the FYE 2024; and

(b) higher inventories which increased by RM3.32 million as at 30 June 2024 as our Group purchased more inventories such as solar panels, mounting structures and inverters towards the last quarter of the FYE 2024 to cater for increasing upcoming project requirements in next financial year.

In the FYE 2025, our current ratio improved from 1.45 times as at 30 June 2024 to 1.82 times as at 30 June 2025 was due to the increase in current assets of RM11.16 million is higher than the increase in current liabilities of RM1.74 million as at 30 June 2025. The increase in current assets was contributed by the higher inventories to cater for increasing upcoming project needs in the next financial year, higher other receivables from prepayment for professional fees relating to our Listing and higher cash and cash equivalents resulting from higher internally generated funds as a result of business growth in the FYE 2025.

Nevertheless, the current ratio of more than 1 time 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 holding of cash and cash equivalents are enough to meet immediate payment obligations for the current liabilities.

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12.7.5 Gearing ratio

Our gearing ratio as at 30 June 2022, 30 June 2023, 30 June 2024 and 30 June 2025 are as follows:

	Audited			
	As at 30 June			
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Total loans and borrowings (excluding lease liabilities arising from rented offices)	2,397	2,899	2,468	1,200
Equity attributable to owner	1,690	2,694	8,829	21,933
Gearing ratio (times)	**1.42**	**1.08**	**0.28**	**0.05**

Our gearing ratio ranged from 0.05 times to 1.42 times as at the end of the respective Financial Years Under Review.

Our gearing ratio decreased from 1.42 times as at 30 June 2022 to 1.08 times as at 30 June 2023 and decreased further to 0.28 times as at 30 June 2024, attributable to the increased equity as a result of higher retained earnings recorded (as at 30 June 2022: RM1.19 million; as at 30 June 2023: RM2.19 million; as at 30 June 2024: RM8.33 million).

Our gearing ratio continued to decrease from 0.28 times as at 30 June 2024 to 0.05 times as at 30 June 2025, attributable to the increased equity as a result of higher retained earnings recorded (as at 30 June 2024: RM8.33 million and 30 June 2025: RM21.43 million) as well as the decreased loans and borrowings as a result of scheduled payments during the FYE 2025.

12.8 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 of this Prospectus.

12.9 IMPACT OF INFLATION

Our Group is of the view that the current inflation rate does not have a material impact on our business, financial condition or results of our operation. However, any significant increase in future inflation may adversely affect our Group's operations and performance if we are unable to pass on the higher costs to our customers.

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

12.10.1 Impact of foreign exchange rates

Our purchases of materials denominated in local and foreign currencies are as follows:

	FYE 2022		FYE 2023		FYE 2024		FYE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Purchases of materials denominated in:								
RM	585	7.40	610	4.33	1,659	6.52	3,908	9.58
USD	7,320	92.60	13,471	95.67	18,982	74.66	28,112	68.94
RMB	-	-	-	-	4,785	18.82	8,759	21.48
Total actual purchases of materials (excluding inventories movement)	**7,905**	**100.00**	**14,081**	**100.00**	**25,426**	**100.00**	**40,779**	**100.00**

For the FYE 2022 to FYE 2025, our purchases of materials from our foreign suppliers were denominated in USD and RMB which collectively contributed between 90.42% and 95.67% of our total purchases. A depreciation of the RM against the foreign currencies will lead to higher costs of purchases for our Group. In the event that we are unable to pass the increase in cost to our customers in a timely manner, our financial performance may be adversely affected due to the reduced GP margin from higher cost of materials.

In order to mitigate the risk, we will continuously monitor the foreign currency fluctuation. However, despite our efforts to minimise the foreign currency risk, there can be no assurance that any future significant fluctuation in foreign currency will not have a material adverse impact on the financial performance of our Group.

Our Group has also in the past entered into forward contracts to hedge our exposure against fluctuations in foreign currencies for the purchases of materials. As at the LPD, there are no outstanding balance from the forward contracts. Presently, our Group continues to utilise hedging instruments such as forward contracts on a discretionary basis (i.e. when the foreign currency rate is not favourable to our Group).

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12.10.2 Impact of interest rates

Interest coverage ratio measures the number of times a company can make its interest payments with its EBIT. The interest coverage ratios for the Financial Years Under Review are as follows:

	Audited			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
	RM'000	RM'000	RM'000	RM'000
Total loans and borrowings (including lease liabilities) as at 30 June	2,776	3,236	2,845	7,035
EBIT	1,198	1,750	8,805	22,506
Finance costs	125	185	149	210
Interest coverage ratio (times)[(1)]	9.58	9.46	59.09	107.17

Note:

(1) Computed based on EBIT divided by finance costs.

Our interest coverage ratio was between 9.46 times and 107.17 times for the Financial Years Under Review which indicates that we have been able to generate sufficient EBIT to meet our interest servicing obligations.

Our financial results for the Financial Years Under Review were not materially affected by fluctuations in interest rates. However, any major increase in interest rates would raise the cost of borrowings and finance costs for our working capital, which may have an adverse effect on our performance.

12.10.3 Impact of commodity prices

Our materials mainly consist of solar panels, inverters, mounting structures and solar ventilation systems. Therefore, our material prices may fluctuate based on the change in silicon prices. Nevertheless, these materials that we usually purchase are widely available from a large base of foreign and local suppliers. Notwithstanding, in the event there is an increase in commodity prices, it may have an adverse impact on our GP margin.

It is our strategy to always provide sufficient buffer in our budgeted cost which allows better planning for increased price of materials. The buffer in our budgeted project cost has been sufficient to contain the price fluctuations in commodity prices for the Financial Years Under Review.

12.11 ORDER BOOK

Details of our order book are as follows:

Project details	As at 30 June 2025	As at the LPD
	RM' 000	RM' 000
Residential	36,981	27,999
Commercial and industrial	7,230	3,132
Total	**44,211**	**31,131**

The above order book relates to the contract value of projects secured as at the LPD, for which our Group has yet to commence works for newly secured project and remaining unrecognised revenue for ongoing projects as at the LPD. This order book will be recognised as revenue in the FYE 2026, based on the expected progress of each project.

Our order book of RM31.13 million as at the LPD represents 0.60 times of our average revenue of RM52.26 million, calculated based on our audited revenues for the Financial Years Under Review.

12.12 TREND INFORMATION

Based on our track record for the past Financial Years Under Review, including our segmental analysis of revenue and profitability, we wish to highlight the following:

(a) more than 90.00% of our revenue was derived from residential projects. We expect that this segment to continue contributing significantly to our revenue in the future;

(b) all our revenue is derived from Malaysia. We expect this trend to continue;

(c) the main components of our cost of sales are purchases of materials and subcontractors' costs which accounted for more than 70.00% of our total cost of sales during the Financial Years Under Review. We expect this trend to continue; and

(d) we achieved an average GP margin of 33.60% for the Financial Years Under Review. Moving forward, our GP margin will depend on, amongst others, our continued ability to manage our costs efficiently and price our services competitively.

As at the 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 Section 12.2 of this Prospectus;

(b) 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 Section 12.2 of this Prospectus;

(c) known trends, demands, commitments, events or uncertainties that have resulted in a substantial increase in our Group's revenue save for those that had been discussed in Section 12.2 of this Prospectus; and

(d) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not necessarily indicative of the future financial performance and position other than those discussed in Section 12.2 of this Prospectus.

Our Board is optimistic about the future prospects of our Group given the positive outlook of the solar PV industry in Malaysia as set out in the IMR Report in Section 8 of this Prospectus, our Group's competitive advantages as set out in Section 7.15 of this Prospectus and our Group's intention to implement the business strategies as set out in Section 7.16 of this Prospectus.

12.13 DIVIDEND POLICY

Our Company does not have any formal dividend policy. As our Company is an investment holding company, our ability to pay dividends is dependent upon the dividends we receive from our subsidiaries, present or future. Save for compliance with the solvency requirement under the Act, which is applicable to all Malaysian companies, and consent from our financiers as set out in the respective facility agreements, there are no legal, financial, or economic restrictions on the ability of our existing subsidiaries to transfer funds in the form of cash dividends, loans or advances to us.

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of our Board.

Dividends declared and paid by our subsidiaries, during the Financial Years Under Review were as follows:

	FYE 2022	FYE 2023	FYE 2024[(1)]	FYE 2025[(2)]	1 July 2025 up to the LPD
	RM'000	RM'000	RM'000	RM'000	RM'000
Dividends declared	675	200	514	4,100	5,000
Dividends paid during	675	200	363	4,143	5,000
Dividend in specie	-	-	108	-	-
Dividend payable	-	-	43	-	-

Notes:

(1) RM0.51 million declared in the FYE 2024 in respect of the FYE 2024 of which:

(a) RM0.36 million was paid in cash in the FYE 2024;

(b) RM0.11 million of the dividend in specie for offsetting the amount owing by a Director (i.e., Lim Tzer Haur); and

(c) RM0.04 million was paid in cash in December 2024.

(2) RM1.60 million declared in the FYE 2025 in respect of the FYE 2024 was paid in cash in September 2024 and RM2.50 million declared in the FYE 2025 in respect of the FYE 2025 was paid in cash in December 2024.

The dividends above were satisfied via internally generated funds. The dividends will not affect the execution and implementation of our future plans or business strategies.

As at the LPD, there is no outstanding dividend declared and remained unpaid. Subsequent to the LPD, no dividend was declared, made or paid by our Group. Our Group does not intend to declare and pay any dividend prior to our Listing.

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12.14 CAPITALISATION AND INDEBTEDNESS

The table below summarises our capitalisation and indebtedness as at 31 July 2025 and after adjusting for the effects of the Public Issue including the utilisation of the proceeds raised from the Public Issue.

	Unaudited	I	II
	As at 31 July 2025[1]	After our IPO	After I and utilisation of proceeds
	RM'000	RM'000	RM'000
Capitalisation			
Share capital	4,729	48,749	47,101
Total capitalisation	**4,729**	**48,749**	**47,101**
Indebtedness			
Current			
Secured and guaranteed			
Term loans	591	591	591
Unsecured and unguaranteed			
Lease liabilities[2]	625	625	625
	1,216	1,216	1,216
Non-current			
Secured and guaranteed			
Term loans	557	557	557
Unsecured and unguaranteed			
Lease liabilities[2]	5,384	5,384	5,384
	5,941	5,941	5,941
Total indebtedness	**7,157**	**7,157**	**7,157**
Total indebtedness (excluding lease liabilities arising from rented offices)	**1,148**	**1,148**	**1,148**
Total capitalisation and indebtedness	**11,886**	**55,906**	**54,258**
Gearing ratio[3]	**0.24**	**0.02**	**0.02**

Notes:

(1) *After adjusting for the Acquisition.*

(2) *Unsecured and unguaranteed lease liabilities comprising lease liabilities arising from rented offices.*

(3) *Gearing ratio is calculated based on total indebtedness (excluding lease liabilities arising from rented offices) divided by total capitalisation.*

VERDANT SOLAR HOLDINGS BERHAD
[Registration No.: 202401050517 (1596361-V)]
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022

TGS TW PLT

CHARTERED ACCOUNTANTS

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants
Unit E-16-2B,
Level 16, Icon Tower (East)
No.1, Jalan 1/68F, Jalan Tun Razak
50400 Kuala Lumpur.
Tel : +603 9771 4326
Email: tgsaudit@tgs-tw.com
www.tgs-tw.com

Date: 9 September 2025

The Board of Directors
Verdant Solar Holdings Berhad
Level 9, Menara Dana 13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

Reporting Accountants' Opinion on the Financial Information (as defined herein) contained in the Accountants' Report of Verdant Solar Holdings Berhad ("Verdant Solar" or the "Company")

Opinion

We have audited the accompanying combined financial statements ("Financial Information") of Verdant Solar and its combining entities (collectively known as "Verdant Solar Group") which comprise the combined statements of financial position as at 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022, and the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of Verdant Solar Group for the financial years ended 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022, and material accounting policy information and other explanatory notes to the combined financial statements as set out in this report.

This Financial Information has been prepared for inclusion in the prospectus of Verdant Solar Group in connection with the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad. This report is prepared for the purpose of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia and for no other purpose.

In our opinion, the accompanying Financial Information gives a true and fair view of the combined financial position of the combining entities as at 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022, and of their financial performance and of their cash flows for the financial years ended 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards and Paragraph 10.04 of Chapter 10, Part II Division 1, Equity of the Prospectus Guidelines as issued by the Securities Commission Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Financial Information* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the combining entities in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Responsibilities of the Directors for the Financial Information

The Directors of the Company are responsible for the preparation of the Financial Information of the combining entities 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 Financial Information of the combining entities that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Information of the combining entities, the Directors are responsible for assessing the combining entities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the combining entities or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' responsibilities for the audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the Financial Information of the combining entities as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Information.

Reporting Accountants' responsibilities for the audit of the Financial Information (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:

- Identify and assess the risks of material misstatement of the Financial Information of the combining entities, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the combining entities' internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the combining entities' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountants' report to the related disclosures in the Financial Information of the combining entities or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the combining entities to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Information of the combining entities, including the disclosures, and whether the Financial Information of the combining entities represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the combining entities audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the combining entities as a basis for forming an opinion on the financial statements of the combining entities. We are responsible for the direction, supervision and review of the audit work performed for purpose of the combining entities audit. We remain solely responsible for our audit opinion.

tgs TW

Reporting Accountants' responsibilities for the audit of the Financial Information (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on distribution and use

This report is made solely to the Company to comply with Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of the Company to be issued in relation to the listing of and quotation for the entire issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for no other purposes. We do not assume responsibility to any other person for the content of this report.

Other matter

The significant event occurring after the end of the financial year ended 30 June 2025 is disclosed in Notes 1(d) and 30 to the combined financial statements.

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

KUAN JUN XIAN
03758/06/2027 J
Chartered Accountant

KUALA LUMPUR
9 September 2025

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022

		Audited			
	Note	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	8,778,348	1,283,824	777,860	862,115
Deferred tax assets	5	63,839	-	-	-
		8,842,187	1,283,824	777,860	862,115
Current assets					
Inventories	6	10,347,956	7,531,182	4,209,542	2,744,387
Trade receivables	7	2,471,180	3,226,923	990,242	783,382
Other receivables	8	2,922,681	387,419	391,041	943,781
Fixed deposits with licensed banks	9	513,739	203,486	1,000,000	-
Cash and cash equivalents	10	25,684,082	19,434,461	2,140,529	2,008,784
		41,939,638	30,783,471	8,731,354	6,480,334
Total assets		50,781,825	32,067,295	9,509,214	7,342,449
EQUITY AND LIABILITIES					
EQUITY					
Share capital	11(a)	10	-	-	-
Invested equity	11(b)	500,000	500,000	500,000	500,000
Retained earnings		21,433,625	8,329,327	2,193,646	1,190,228
Total equity		21,933,635	8,829,327	2,693,646	1,690,228
LIABILITIES					
Non-current liabilities					
Loans and borrowings	12	591,389	1,425,765	2,126,288	1,024,293
Lease liabilities	13	5,246,398	496,844	316,572	404,706
Deferred tax liabilities	5	-	47,533	12,552	39,692
		5,837,787	1,970,142	2,455,412	1,468,691
Current liabilities					
Loans and borrowings	12	608,662	700,523	667,659	1,241,085
Lease liabilities	13	588,474	221,005	125,901	106,479
Trade payables	14	1,662,406	5,316,580	940,870	816,875
Other payables	15	4,324,804	2,021,509	449,229	384,505
Contract liabilities	16	13,134,120	12,292,966	2,164,338	1,585,273
Tax payable		2,691,937	715,243	12,159	49,313
		23,010,403	21,267,826	4,360,156	4,183,530
Total liabilities		28,848,190	23,237,968	6,815,568	5,652,221
Total equity and liabilities		50,781,825	32,067,295	9,509,214	7,342,449

The accompanying notes form an integral part of the combined financial statements.

VERDANT SOLAR HOLDINGS BERHAD

(Incorporated in Malaysia)

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022

		Audited			
	Note	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Revenue	17	111,426,016	56,275,830	26,643,471	14,700,981
Cost of sales		(68,477,481)	(36,516,778)	(19,017,721)	(9,977,422)
Gross profit		42,948,535	19,759,052	7,625,750	4,723,559
Other income		1,463,449	336,160	75,371	54,764
Administrative expenses		(19,027,133)	(9,647,670)	(4,791,099)	(2,916,463)
Selling and distribution expenses		(1,802,369)	(1,335,682)	(859,657)	(483,372)
Other expenses		(155,337)	(133,056)	(197,682)	(111,107)
Net loss on impairment of financial assets		(210,558)	(12,260)	(91,448)	(41,930)
Profit from operation		23,216,587	8,966,544	1,761,235	1,225,451
Finance costs	18	(209,941)	(148,738)	(185,224)	(124,939)
Profit before tax	19	23,006,646	8,817,806	1,576,011	1,100,512
Taxation	20	(5,802,348)	(2,168,625)	(372,593)	(273,018)
Profit for the financial years		17,204,298	6,649,181	1,203,418	827,494
Total comprehensive income for the financial years attributable to:					
Owners of the Company		17,204,298	6,649,181	1,203,418	827,494
Earnings per share:					
Basic (sen)	21	2.10	0.81	0.15	0.10
Diluted	21	*	*	*	*

* There are no dilutive earnings per share as the combining entities do not have any dilutive instruments for the financial years.

The accompanying notes form an integral part of the combined financial statements.

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022

	Note	Share capital RM	Invested equity RM	Retained earnings RM	Total equity RM
At 1 July 2021		-	100,010	1,037,920	1,137,930
Profit for the financial year, representing total comprehensive income for the financial year		-	-	827,494	827,494
Transactions with owners:					
Issuance of ordinary shares	11(b)	-	399,990	-	399,990
Dividends to owners of the combining entities	22	-	-	(675,186)	(675,186)
At 30 June 2022		-	500,000	1,190,228	1,690,228
At 1 July 2022		-	500,000	1,190,228	1,690,228
Profit for the financial year, representing total comprehensive income for the financial year		-	-	1,203,418	1,203,418
Transaction with owners:					
Dividends to owners of the combining entities	22	-	-	(200,000)	(200,000)
At 30 June 2023		-	500,000	2,193,646	2,693,646
At 1 July 2023		-	500,000	2,193,646	2,693,646
Profit for the financial year, representing total comprehensive income for the financial year		-	-	6,649,181	6,649,181
Transaction with owners:					
Dividends to owners of the combining entities	22	-	-	(513,500)	(513,500)
At 30 June 2024		-	500,000	8,329,327	8,829,327

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022 (CONT'D)

	Note	Share capital RM	Invested equity RM	Retained earnings RM	Total equity RM
At 1 July 2024		-	500,000	8,329,327	8,829,327
Profit for the financial year, representing total comprehensive income for the financial year		-	-	17,204,298	17,204,298
Transactions with owners:					
Issuance of ordinary shares	11(a)	10	-	-	10
Dividends to owners of the combining entities	22	-	-	(4,100,000)	(4,100,000)
At 30 June 2025		10	500,000	21,433,625	21,933,635

The accompanying notes form an integral part of the combined financial statements.

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022

		Audited			
	Note	**30.6.2025 RM**	**30.6.2024 RM**	**30.6.2023 RM**	**30.6.2022 RM**
Cash flows from operating activities					
Profit before tax		23,006,646	8,817,806	1,576,011	1,100,512
Adjustments for:					
Depreciation of property, plant and equipment		679,665	229,045	182,654	97,959
Loss/(Gain) on disposal of property, plant and equipment		29,002	(31,700)	-	-
Property, plant and equipment written off		113,536	-	-	-
Rental concession		(60,000)	-	-	(920)
Gain on early termination of lease contract		(6,557)	(649)	-	(2,107)
Allowance for expected credit losses on trade receivables		210,558	12,260	91,448	41,930
Interest expenses		209,941	148,738	185,224	124,939
Interest income		(710,943)	(161,684)	(11,194)	(26,598)
Unrealised loss/(gain) on foreign exchange		12,799	(19,766)	(1,810)	7,735
Operating profit before working capital changes		23,484,647	8,994,050	2,022,333	1,343,450
Changes in working capital:					
Inventories		(2,816,774)	(3,321,640)	(1,465,155)	(1,433,966)
Receivables	A	(1,990,077)	(2,353,810)	254,432	(1,128,899)
Payables	B	(1,318,668)	5,926,318	188,661	694,321
Contract balances		841,154	10,128,628	579,065	531,697
		(5,284,365)	10,379,496	(442,997)	(1,336,847)
Cash generated from operations		18,200,282	19,373,546	1,579,336	6,603
Tax paid		(3,937,433)	(1,430,560)	(436,887)	(328,390)
Tax refund		407	-	-	-
Interest paid		-	(334)	(3,667)	(4,000)
Interest received		190,693	122,079	2,814	316
Net cash from/(used in) operating activities		14,453,949	18,064,731	1,141,596	(325,471)
Cash flows from investing activities					
Acquisition of property, plant and equipment	C	(2,552,309)	(305,550)	(50,440)	(247,849)
Proceeds from disposal of property, plant and equipment		15,000	31,700	-	-
Placements of fixed deposits with licensed bank more than 3 months to maturity		(310,253)	(203,486)	-	-
Interest received		520,250	39,605	8,380	26,282
Net cash used in investing activities		(2,327,312)	(437,731)	(42,060)	(221,567)
Cash flows from financing activities					
Dividends paid	D	(4,142,280)	(362,729)	(200,000)	(675,186)
Interest paid		(209,941)	(148,404)	(181,557)	(120,939)
Repayments of lease liabilities	E	(595,838)	(153,434)	(116,671)	(57,987)
Drawdowns of term loans		-	-	2,000,000	350,000
Repayments of term loans		(926,237)	(667,654)	(517,014)	(225,055)
Drawdown of invoice financing		-	-	-	954,422
Repayment of invoice financing		-	-	(954,422)	-
Proceeds from issuance of ordinary shares		10	-	-	399,990
Net cash (used in)/from financing activities		(5,874,286)	(1,332,221)	30,336	625,245

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022 (CONT'D)

		Audited			
	Note	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Net increase in cash and cash equivalents		6,252,351	16,294,779	1,129,872	78,207
Cash and cash equivalents at beginning of the financial years		19,434,461	3,140,524	2,008,784	1,930,577
Effect of exchange translation differences on cash and cash equivalents		(2,730)	(842)	1,868	-
Cash and cash equivalents at end of the financial years		25,684,082	19,434,461	3,140,524	2,008,784
Cash and cash equivalents at end of the financial years comprises:					
Cash and cash equivalents		25,684,082	19,434,461	2,140,529	2,008,784
Fixed deposits with licensed banks		513,739	203,486	1,000,000	-
Less: Bank overdraft	12	-	-	(5)	-
		26,197,821	19,637,947	3,140,524	2,008,784
Less: Fixed deposits with a licensed bank with more than 3 months to maturity	9	(513,739)	(203,486)	-	-
		25,684,082	19,434,461	3,140,524	2,008,784

NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS

		Audited			
	Note	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
A. Increase/(Decrease) in receivables					
Total movement of receivables		1,990,077	2,245,319	(254,432)	1,128,899
Add: Dividend paid	**D**	-	108,491	-	-
Total increase/(decrease) in receivables		1,990,077	2,353,810	(254,432)	1,128,899
B. Decrease/(Increase) in payables					
Total movement of payables		1,360,948	(5,968,598)	(188,661)	(694,321)
Add: Dividend payable	**D**	-	42,280	-	-
Less: Dividend paid	**D**	(42,280)	-	-	-
Total decrease/(increase) in payables		1,318,668	(5,926,318)	(188,661)	(694,321)
C. Acquisition of property, plant and equipment					
Total additions		8,514,715	757,965	98,399	727,149
Less: Acquired through lease arrangements		(5,962,406)	(452,415)	(47,959)	(479,300)
Total cash payment		2,552,309	305,550	50,440	247,849
D. Dividends paid					
Total dividends declared		4,100,000	513,500	200,000	675,186
Less: Receivables	**A**	-	(108,491)	-	-
Add/(Less): Payables	**B**	42,280	(42,280)	-	-
Total dividends paid		4,142,280	362,729	200,000	675,186

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

COMBINED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEARS ENDED 30 JUNE 2025, 30 JUNE 2024, 30 JUNE 2023 AND 30 JUNE 2022 (CONT'D)

NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

		Audited			
	Note	**30.6.2025 RM**	**30.6.2024 RM**	**30.6.2023 RM**	**30.6.2022 RM**
E. Cash outflows for leases as a lessee					
Included in net cash from/(used in) operating activities:					
Payment relating to short term leases	19	4,391,994	2,113,168	763,244	378,567
Payment relating to low-value assets	19	9,776	6,122	9,868	2,634
		4,401,770	2,119,290	773,112	381,201
Included in net cash (used in)/from financing activities:					
Payment of lease liabilities		595,838	153,434	116,671	57,987
Payment on interest of lease liabilities		111,025	15,743	15,896	8,932
		706,863	169,177	132,567	66,919
		5,108,633	2,288,467	905,679	448,120

The accompanying notes form an integral part of the combined financial statements.

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL INFORMATION

1. Corporate information

(a) Introduction

This report has been prepared solely to comply with the Prospectus Guidelines - Equity issued by the Securities Commission Malaysia and for inclusion in the prospectus of Verdant Solar ("the Company") in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "the Listing") and should not be relied upon for any other purposes.

(b) Background

The Company was incorporated on 28 November 2024 as a private limited liability company under the name of Verdant Solar Holdings Sdn. Bhd. and domiciled in Malaysia. On 7 February 2025, the Company was converted to public limited liability company and assumed its present name.

The registered office of the Company is located at Third floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company was located at A-1-22, Eve Suite, Jalan PJU 1A/41, Ara Damansara, 47301 Petaling Jaya, Selangor Darul Ehsan. With effect from 7 May 2025, the Company's principal place of business has been relocated to Level 9, Menara Dana 13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

(c) Principal activities

The Company's principal activity is investment holding.

The details of the subsidiary as of the date of this report are as follows:

Name of company	Effective interest %	Date of incorporation	Principal activities
Verdant Solar Sdn. Bhd. ("VSSB")	100	15 May 2015	Sale and installation service of solar photovoltaic system in residential, commercial and industrial industries, trading of other related products and provision of operations and maintenance services.

1. **Corporate information (Cont'd)**

(c) **Principal activities (Cont'd)**

The details of the subsidiary as of the date of this report are as follows: (Cont'd)

Name of company	Effective interest %	Date of incorporation	Principal activities
Held through VSSB:			
Verdant Energy Sdn. Bhd. ("VESB")	100	28 December 2018	Engaged in the business of power generation using renewable energy technology and further development.

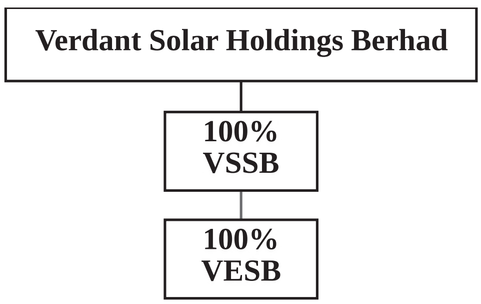
(d) **Acquisition**

The Verdant Solar Group has been formed pursuant to the completion of the acquisition of its subsidiaries by the Company prior to the listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad.

The Company entered into a conditional share sale and purchase agreement on 3 February 2025 to acquire the entire equity interest in VSSB for a total purchase consideration of RM4,729,327 to be satisfied by the issuance of 675,618,143 ordinary shares in the Company at an issue price of RM0.007 per share.

The acquisition was completed on 20 August 2025 and consolidated using merger method of accounting.

Following the completion of the acquisitions of VSSB, the group structure of the Company is as follows:



1. **Corporate information (Cont'd)**

(e) **Auditors**

The combined financial statements of Verdant Solar Group for the financial period/years ended 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022 reflect the financial information of Verdant Solar, VSSB and VESB.

The relevant financial years of the audited financial statements used for the purpose of the combined financial statements ("Relevant Financial Period/Years") and the auditors are as follows:

Company	Relevant Financial Period/Years	Auditors
Verdant Solar	FPE 30 June 2025	TGS TW PLT
VSSB	FYE 30 June 2025	TGS TW PLT
	FYE 30 June 2024	TGS TW PLT
	FYE 30 June 2023	TGS TW PLT
	FYE 30 June 2022	TGS TW PLT
VESB	FYE 30 June 2025	TGS TW PLT
	FYE 30 June 2024	TGS TW PLT
	FYE 30 June 2023	TGS TW PLT
	FYE 30 June 2022	TGS TW PLT

FPE - Financial Period Ended
FYE - Financial Year Ended

The audited financial statements of Verdant Solar, VSSB and VESB for the Relevant Financial Period/Years reported above were not subject to any qualification or modification.

2. **Basis of preparation**

(a) **Statement of compliance**

The combined financial statements of the combining entities have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

The combined financial statements consist of the financial statements of combining entities as disclosed in Note 1(c) to this report, which were under common control throughout the reporting 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.

2. **Basis of preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

The combined financial statements of the combining entities have been prepared under the historical cost convention, unless otherwise indicated in the combined financial statements.

Adoption of amended standards

During the financial years, the combining entities have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial years:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the amendments to MFRSs did not have any significant impact on the combined financial statements of the combining entities.

Standards issued but not yet effective

The combining entities have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the combining entities:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 1 Amendments to MFRS 7 Amendments to MFRS 9 Amendments to MFRS 10 Amendments to MFRS 107	Annual Improvements - Volume 11	1 January 2026

2. **Basis of preparation (Cont'd)**

(a) **Statement of compliance (Cont'd)**

Standards issued but not yet effective (Cont'd)

The combining entities have not applied the following new and amendments to MFRSs that have been issued by the MASB but are not yet effective for the combining entities: (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The combining entities intend to adopt the above new and amendments to MFRSs when they become effective.

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the combined financial statements of the combining entities.

(b) **Functional and presentation currency**

These combined financial statements are presented in Ringgit Malaysia ("RM"), which is the combining entities' functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) **Significant accounting judgements, estimates and assumptions**

The preparation of the combining entities' combined financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements

The following are the judgements made by management in the process of applying the combining entities' accounting policies that have the most significant effect on the amounts recognised in the combined financial statements:

<u>Satisfaction of performance obligations in relation to contracts with customers</u>

The combining entities are required to assess each of their 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 combining entities recognise revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the combining entities' performance as the combining entities perform;
(b) the combining entities do not create an asset with an alternative use to the combining entities and have an enforceable right to payment for performance completed to date; and
(c) the combining entities' 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 of time, the combining entities assess each contract with customers to determine when the performance obligation of the combining entities under the contract is satisfied.

<u>Determining the lease term of contracts with renewal and termination options - combining entities as lessee</u>

The combining entities determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain not to be exercised.

The combining entities have several lease contracts that include extension and termination options. The combining entities apply judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the combining entities reassess the lease term if there is a significant event or change in circumstances that is within their control and affect their abilities to exercise or not to exercise the option to renew or to terminate.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements (Cont'd)

Determining the lease term of contracts with renewal and termination options - combining entities as lessee (Cont'd)

The combining entities include the renewal period as part of the lease term for leases of premises with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment

The combining entities regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

Deferred tax assets

Deferred tax assets are recognised for all unutilised business losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unutilised business losses, unabsorbed capital 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.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The combining entities estimate the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the combining entities' products, the combining entities might be required to reduce the value of their inventories.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Determination of transaction prices

The combining entities are required to determine the transaction price in respect of each of their contracts with customers. In making such judgement, the combining entities assess the impact of any variable consideration in the contract due to discounts or penalties.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the combining entities use the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the combining entities would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate 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 combining entities estimate the incremental borrowing rate using observable inputs when available and are required to make certain entity-specific estimates.

Provision for expected credit loss of financial assets at amortised costs

The combining entities review the recoverability of their receivables at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The combining entities use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the combining entities' past history and existing market conditions at the end of each reporting period.

The combining entities use a provision matrix to calculate expected credit loss for trade and other receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the combining entities' historical observed default rates. The combining entities will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate.

2. **Basis of preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The combining entities recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. **Material accounting policies**

The combining entities apply the material accounting policies set out below, consistently throughout all periods presented in the combined financial statements, unless otherwise stated.

(a) **Basis of consolidation**

Common control business combination outside the scope of MFRS 3

A business combination involving entities under common control is a business combination in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, and accordingly the accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

In applying merger accounting, combined financial statements items of the combining entities or businesses for the reporting years in which the common control combination occurs, and for any comparative years disclosed, are included in the financial statements of the entity as if the combination had occurred from the date when the combining entities first came wider the control of the controlling party or parties prior to the common control combination.

A single uniform set of accounting policies is adopted by the entity. Therefore, the entity recognised the assets, liabilities and equity of the combining entities or business at the carrying amounts in the combined financial statements of the controlling party or parties to the common control combination.

3. **Material accounting policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

Common control business combination outside the scope of MFRS 3 (Cont'd)

The carrying amounts are included as if such combined financial statements had been prepared by the controlling party, including adjustments required for conforming the entity's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the combining entities or businesses, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the entity.

The assets and liabilities are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On combination, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference 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 reserve.

(b) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the combining entities and their cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

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 over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Computer and software	20%
Office equipment	10% - 20%
Furniture and fittings	10% - 20%
Signboard	10%
Motor vehicles	20%
Renovation	10% - 20%
Premises	Over the lease term

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(c) **Leases**

(i) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the combining entities allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the combining entities are lessee, they have elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition exemption

The combining entities have elected not to recognise right-of-use ("ROU") assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The combining entities recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3. **Material accounting policies (Cont'd)**

(c) **Leases (Cont'd)**

(iii) Depreciation

The ROU assets under cost model are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful lives of the ROU assets or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Motor vehicles	20%
Premises	Over the lease term

(d) **Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on first-in first-out basis.

(e) **Contract liabilities**

Contract liabilities represent the combining entities' obligations to transfer goods or services to a customer for which the combining entities have received the consideration, or the amount is due, from the customers. Contract liabilities are recognised as revenue when the combining entities perform their obligations under the contracts.

(f) **Financial instruments**

At the reporting date, the combining entities carry both financial assets at fair value through profit or loss ("FVTPL") and amortised costs on the combined statements of financial position. The combining entities' financial asset at FVTPL includes short-term cash investment fund and financial assets at amortised costs include trade receivables, other receivables, fixed deposits with licensed banks, and cash and cash equivalents.

At the reporting date, the combining entities carry only financial liabilities at amortised costs on the combined statements of financial position. The combining entities' financial liabilities at amortised costs include loans and borrowings, trade payables and other payables.

3. **Material accounting policies (Cont'd)**

(g) **Revenue recognition**

(i) Revenue from contracts with customers

The combining entities recognise revenue from the following major source:

Sales and installation of solar panels, ventilators and parts, and operations and maintenance services

The combining entities sell and install solar panels, ventilators and parts, and provide operations and maintenance services to local customers. Such revenue is recognised at a point in time when control of the products has been transferred, being when the customers accept the delivery of goods and acknowledge on the completion of installation and other service documents. Revenue is recognised based on the price specified in the contract, net of any discounts and taxes.

Sales are made with a credit term of cash term to 30 days, which is consistent with market practice, therefore no element of financing is deemed present. A receivable is recognised when the customers accept delivery of the goods and acknowledge on the completion of installation documents.

The combining entities are restricted contractually from directing the solar energy system under construction for another use as they are being developed and has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

4. **Property, plant and equipment**

	Computer and software RM	Office equipment RM	Furniture and fittings RM	Signboard RM	Motor vehicles RM	Renovation RM	Premises RM	Total RM
Cost								
At 1 July 2021	60,122	46,950	18,126	-	128,190	56,047	125,595	435,030
Additions	35,195	45,064	-	4,950	89,981	147,859	404,100	727,149
Early termination of lease contract	-	-	-	-	-	-	(125,595)	(125,595)
At 30 June 2022	95,317	92,014	18,126	4,950	218,171	203,906	404,100	1,036,584
Additions	16,045	31,647	2,748	-	-	-	47,959	98,399
At 30 June 2023	111,362	123,661	20,874	4,950	218,171	203,906	452,059	1,134,983
Additions	27,809	90,896	52,824	-	287,938	114,084	184,414	757,965
Disposal	-	-	-	-	(50,000)	-	-	(50,000)
Early termination of lease contract	-	-	-	-	-	-	(50,086)	(50,086)
At 30 June 2024	139,171	214,557	73,698	4,950	456,109	317,990	586,387	1,792,862
Additions	42,666	312,724	346,769	-	152,880	1,697,270	5,962,406	8,514,715
Disposal	-	(43,776)	(17,041)	-	-	(11,897)	-	(72,714)
Written off	(3,099)	(4,146)	(1,085)	(4,950)	-	(169,409)	-	(182,689)
Early termination of lease contract	-	-	-	-	-	-	(452,765)	(452,765)
At 30 June 2025	178,738	479,359	402,341	-	608,989	1,833,954	6,096,028	9,599,409

4. **Property, plant and equipment (Cont'd)**

	Computer and software RM	Office equipment RM	Furniture and fittings RM	Signboard RM	Motor vehicles RM	Renovation RM	Premises RM	Total RM
Accumulated depreciation								
At 1 July 2021	16,208	6,033	3,095	-	65,638	6,469	41,865	139,308
Charge for the financial year	15,418	5,637	1,921	83	17,138	9,054	48,708	97,959
Early termination of lease contract	-	-	-	-	-	-	(62,798)	(62,798)
At 30 June 2022	31,626	11,670	5,016	83	82,776	15,523	27,775	174,469
Charge for the financial year	20,854	11,239	2,059	495	33,634	20,390	93,983	182,654
At 30 June 2023	52,480	22,909	7,075	578	116,410	35,913	121,758	357,123
Charge for the financial year	23,934	16,194	3,076	495	38,433	22,292	124,621	229,045
Disposal	-	-	-	-	(50,000)	-	-	(50,000)
Early termination of lease contract	-	-	-	-	-	-	(27,130)	(27,130)
At 30 June 2024	76,414	39,103	10,151	1,073	104,843	58,205	219,249	509,038
Charge for the financial year	29,738	40,505	22,965	412	110,332	96,780	378,933	679,665
Disposal	-	(15,905)	(9,238)	-	-	(3,569)	-	(28,712)
Written off	(3,099)	(577)	(1,085)	(1,485)	-	(62,907)	-	(69,153)
Early termination of lease contract	-	-	-	-	-	-	(269,777)	(269,777)
At 30 June 2025	103,053	63,126	22,793	-	215,175	88,509	328,405	821,061
Carrying amount								
At 30 June 2025	75,685	416,233	379,548	-	393,814	1,745,445	5,767,623	8,778,348
At 30 June 2024	62,757	175,454	63,547	3,877	351,266	259,785	367,138	1,283,824
At 30 June 2023	58,882	100,752	13,799	4,372	101,761	167,993	330,301	777,860
At 30 June 2022	63,691	80,344	13,110	4,867	135,395	188,383	376,325	862,115

4. **Property, plant and equipment (Cont'd)**

(a) Including in net carrying amount of property, plant and equipment are ROU assets as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Motor vehicles	-	351,266	101,761	135,395
Premises	5,767,623	367,138	330,301	376,325
	5,767,623	718,404	432,062	511,720

(b) Depreciation charge of ROU assets are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Motor vehicles	60,814	38,433	33,634	17,138
Premises	378,933	124,621	93,983	48,708
	439,747	163,054	127,617	65,846

(c) Additions to the ROU assets during the financial years are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Motor vehicles	-	287,938	-	89,981
Premises	5,962,406	184,414	47,959	404,100
	5,962,406	472,352	47,959	494,081

(d) Acquired under finance lease arrangements are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Motor vehicles	-	351,266	101,761	135,395

5. **Deferred tax assets/(liabilities)**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
At beginning of the financial years	(47,533)	(12,552)	(39,692)	(24,753)
Recognised in profit or loss	111,372	(34,981)	27,140	(14,939)
At end of the financial years	63,839	(47,533)	(12,552)	(39,692)

The components and movements of deferred tax assets/(liabilities) are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Property, plant and equipment	(26,755)	(87,594)	(49,670)	(54,863)
Provisions	90,594	40,061	37,118	15,171
	63,839	(47,533)	(12,552)	(39,692)

6. **Inventories**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Purchase materials	9,263,638	6,517,687	4,209,542	2,744,387
Goods-in-transit	1,084,318	1,013,495	-	-
	10,347,956	7,531,182	4,209,542	2,744,387
Recognised in profit or loss:				
Inventories recognised as cost of sales	41,490,421	24,319,532	13,888,699	7,438,008

7. **Trade receivables**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Trade receivables	2,848,657	3,393,842	1,144,901	846,593
Less: Allowance for expected credit losses ("ECLs")	(377,477)	(166,919)	(154,659)	(63,211)
	2,471,180	3,226,923	990,242	783,382

Trade receivables are non-interest bearing and are generally on cash term to 30 days (30.6.2024: cash term to 30 days, 30.6.2023: cash term to 30 days and 30.6.2022: cash term to 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for ECLs are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
At beginning of the financial years	166,919	154,659	63,211	21,281
Allowance for ECLs	210,558	12,260	91,448	41,930
At end of the financial years	377,477	166,919	154,659	63,211

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables:

	Gross amount RM	ECLs RM	Net amount RM
30.6.2025			
Not past due	748,690	-	748,690
Past due:			
Less than 30 days	239,701	-	239,701
31 to 60 days	459,326	-	459,326
61 to 90 days	242,644	-	242,644
More than 90 days	780,819	-	780,819
	2,471,180	-	2,471,180
Credit impaired:			
Individual impaired	377,477	(377,477)	-
	2,848,657	(377,477)	2,471,180

7. **Trade receivables (Cont'd)**

The following table provides information about the exposure to credit risk and allowance for ECLs for trade receivables: (Cont'd)

	Gross amount RM	ECLs RM	Net amount RM
30.6.2024			
Not past due	685,252	-	685,252
Past due:			
Less than 30 days	1,097,590	-	1,097,590
31 to 60 days	822,319	-	822,319
61 to 90 days	219,118	-	219,118
More than 90 days	402,644	-	402,644
	3,226,923	-	3,226,923
Credit impaired:			
Individual impaired	166,919	(166,919)	-
	3,393,842	(166,919)	3,226,923
30.6.2023			
Not past due	315,286	-	315,286
Past due:			
Less than 30 days	311,398	-	311,398
31 to 60 days	312,652	-	312,652
61 to 90 days	10,200	-	10,200
More than 90 days	40,706	-	40,706
	990,242	-	990,242
Credit impaired:			
Individual impaired	154,659	(154,659)	-
	1,144,901	(154,659)	990,242
30.6.2022			
Not past due	369,707	-	369,707
Past due:			
Less than 30 days	216,753	-	216,753
31 to 60 days	36,017	-	36,017
61 to 90 days	83,229	-	83,229
More than 90 days	77,676	-	77,676
	783,382	-	783,382
Credit impaired:			
Individual impaired	63,211	(63,211)	-
	846,593	(63,211)	783,382

8. **Other receivables**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Non-trade receivables	10,710	16,950	90,916	71,799
Deposits	329,443	77,337	68,097	50,337
Prepayment	508,985	-	94	94
Prepayment for Initial Public Offering expenses	1,810,590	-	-	-
Advances to suppliers	262,953	293,132	230,299	820,332
Staff advance	-	-	1,635	1,219
	2,922,681	387,419	391,041	943,781

Non-trade receivables are unsecured, non-interest bearing and repayable on demand.

Included in non-trade receivables of the combining entities is an amount of RMNil (30.6.2024: RMNil, 30.6.2023: RM87,705 and 30.6.2022: RM33,033) due from a Director of the combining entities who is also one of the shareholders of the combining entities.

Included in non-trade receivables of the combining entities is an amount of RMNil (30.6.2024: RMNil, 30.6.2023: RMNil and 30.6.2022: RM35,555) due from other shareholders of the combining entities.

9. **Fixed deposits with licensed banks**

The interest rate of fixed deposits with licensed banks ranged at 2.70% (30.6.2024: 2.70%, 30.6.2023: 2.70% and 30.6.2022: Nil%) per annum. The maturities of fixed deposits with licensed banks ranged at 12 months (30.6.2024: 12 months, 30.6.2023: 3 months and 30.6.2022: Nil).

Fixed deposits with licensed banks more than 3 months to maturity are amounting to RM513,739 (30.6.2024: RM203,486, 30.6.2023: RMNil and 30.6.2022: RMNil).

10. **Cash and cash equivalents**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Short-term cash investment fund	21,404,082	4,510,569	-	-
Cash and bank balances	4,280,000	14,923,892	2,140,529	2,008,784
	25,684,082	19,434,461	2,140,529	2,008,784

10. **Cash and cash equivalents (Cont'd)**

The short-term cash investment fund represents investment in highly liquid money market. This investment is readily convertible to known amount of cash and is subject to an insignificant risk of changes.

The foreign currency profile of cash and cash equivalents are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
United States Dollar ("USD")	20,670	20,095	44,914	-

11. **Share capital and Invested equity**

(a) **Share capital**

	Number of ordinary shares			
	30.6.2025 Units	30.6.2024 Units	30.6.2023 Units	30.6.2022 Units
Issued and fully paid				
At beginning of the financial years	-	-	-	-
Issuance of ordinary shares	100	-	-	-
At end of the financial years	100	-	-	-

	Amount			
	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Issued and fully paid				
At beginning of the financial years	-	-	-	-
Issuance of ordinary shares	10	-	-	-
At end of the financial years	10	-	-	-

11. **Share capital and Invested equity (Cont'd)**

(a) **Share capital (Cont'd)**

The Company was incorporated with a paid-up share capital of RM10 comprising 100 ordinary shares, which was subscribed by the initial subscriber's share on the date of its incorporation.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

(b) **Invested equity**

	Number of ordinary shares			
	30.6.2025	**30.6.2024**	**30.6.2023**	**30.6.2022**
	Units	**Units**	**Units**	**Units**
Issued and fully paid				
At beginning of the financial years	500,000	500,000	500,000	100,010
Issuance of ordinary shares	-	-	-	399,990
At end of the financial years	500,000	500,000	500,000	500,000

	Amount			
	30.6.2025	**30.6.2024**	**30.6.2023**	**30.6.2022**
	RM	**RM**	**RM**	**RM**
Issued and fully paid				
At beginning of the financial years	500,000	500,000	500,000	100,010
Issuance of ordinary shares	-	-	-	399,990
At end of the financial years	500,000	500,000	500,000	500,000

Invested equity comprised the aggregate number of issued and paid-up ordinary shares of VSSB.

On 22 October 2021, VSSB issued 150,000 new ordinary shares of RM1 each for a total cash consideration of RM150,000 for working capital purposes.

On 10 June 2022, VSSB issued 249,990 new ordinary shares of RM1 each for a total cash consideration of RM249,990 for working capital purposes.

12. **Loans and borrowings**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Total loans and borrowings				
Term loans	1,200,051	2,126,288	2,793,942	1,310,956
Invoice financing	-	-	-	954,422
Bank overdraft	-	-	5	-
	1,200,051	2,126,288	2,793,947	2,265,378
Non-current				
Secured				
Term loans	591,389	1,425,765	2,126,288	1,024,293
Current				
Secured				
Term loans	608,662	700,523	667,654	286,663
Invoice financing	-	-	-	954,422
Bank overdraft	-	-	5	-
	608,662	700,523	667,659	1,241,085
	1,200,051	2,126,288	2,793,947	2,265,378

The above credit facilities are secured by the followings:

(i) Letter of offer;
(ii) Credit Guarantee Corporation (M) Berhad ("CGC") Guarantee;
(iii) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP");
(iv) Guarantee by the Government of Malaysia under Bank Negara Malaysia's Fund for Small and Medium Enterprises - Targeted Relief and Recovery Facility;
(v) Guarantee by a Director of the combining entities; and
(vi) Guarantee by the shareholders of the combining entities.

The repayment terms of above credit facilities are as follows:

(i) Term loans are repayable by 60 (30.6.2024: 60 to 84, 30.6.2023: 60 to 84 and 30.6.2022: 60 to 84) monthly instalments.
(ii) Invoice financing is repayable by Nil (30.6.2024: Nil, 30.6.2023: Nil and 30.6.2022: not later than 120) days.
(iii) Bank overdraft facility is repayable on demand.

12. **Loans and borrowings (Cont'd)**

The average effective interest rates per annum are as follows:

	30.6.2025 %	30.6.2024 %	30.6.2023 %	30.6.2022 %
Term loans	3.50 - 11.15	3.50 - 11.15	3.50 - 11.15	3.50 - 10.15
Invoice financing	-	-	-	10.00
Bank overdraft	-	-	10.00 - 10.65	-

13. **Lease liabilities**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Non-current	5,246,398	496,844	316,572	404,706
Current	588,474	221,005	125,901	106,479
	5,834,872	717,849	442,473	511,185

The maturity analysis of lease liabilities at the end of the reporting period:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Within 1 year	797,260	245,064	138,168	121,368
Between 1 - 5 years	3,089,020	526,958	329,438	428,339
More than 5 years	2,961,000	-	-	-
	6,847,280	772,022	467,606	549,707
Less: Future finance charges	(1,012,408)	(54,173)	(25,133)	(38,522)
Present value of lease liabilities	5,834,872	717,849	442,473	511,185

The combining entities lease motor vehicles and premises. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

14. **Trade payables**

The normal trade credit terms granted to the combining entities ranged from cash term to 90 days (30.6.2024: cash term to 90 days, 30.6.2023: cash term to 90 days and 30.6.2022: cash term to 60 days) depending on the term of the contracts.

The foreign currency profile of trade payables are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Renminbi ("RMB")	498,084	1,129,646	-	-
USD	63,190	3,098,103	683,005	707,138
	561,274	4,227,749	683,005	707,138

15. **Other payables**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Non-trade payables	194,122	316,287	93,551	164,382
Accruals	4,130,682	1,705,222	355,678	220,123
	4,324,804	2,021,509	449,229	384,505

Included in non-trade payables of the combining entities is an amount of RMNil (30.6.2024: RM3,211, 30.6.2023: RM1,666 and 30.6.2022: RM20,000) due to a Director of the combining entities who is also one of the shareholders of the combining entities. These amounts are unsecured, non-interest bearing and repayable on demand except for RMNil (30.6.2024: RMNil, 30.6.2023: RM1,666 and 30.6.2022: RM20,000) charged at interest rate of 4.00% per annum.

Included in non-trade payables of the combining entities is an amount of RMNil (30.6.2024: RM42,280, 30.6.2023: RMNil and 30.6.2022: RMNil) due to other shareholders of the combining entities relating to dividend payables.

The foreign currency profile of other payables are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
USD	-	8,491	-	15,573

16. Contract liabilities

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Contract liabilities	13,134,120	12,292,966	2,164,338	1,585,273

Movements of contract liabilities during the financial years are as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
At beginning of the financial years	12,292,966	2,164,338	1,585,273	1,053,576
Addition during the financial years	99,752,436	65,671,148	26,976,182	14,827,489
Recognised as revenue during the financial years	(98,911,282)	(55,542,520)	(26,397,117)	(14,295,792)
At end of the financial years	13,134,120	12,292,966	2,164,338	1,585,273

The contract liabilities refer to refundable sales deposit received from customers for the installation works and operations and maintenance services which billings have been made to the customers before the services were provided to the customers. The contract liabilities will be set off against future revenue recognised with the combining entities.

17. Revenue

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Revenue from contracts with customers:				
Sales and installation of solar panels	110,338,342	55,455,560	26,392,716	14,274,747
Sales of ventilators and parts	642,334	678,060	246,165	426,234
Operations and maintenance services	445,340	142,210	4,590	-
	111,426,016	56,275,830	26,643,471	14,700,981
Timing of revenue recognition:				
At a point in time	107,440,219	56,275,830	26,643,471	14,700,981
Over time	3,985,797	-	-	-
	111,426,016	56,275,830	26,643,471	14,700,981

18. **Finance costs**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Interest expenses on:				
- Term loans	97,491	132,661	138,756	101,371
- Invoice financing	-	-	-	9,496
- Bank overdraft	1,425	-	26,905	1,140
- Lease liabilities	111,025	15,743	15,896	8,932
- Other payables	-	334	3,667	4,000
	209,941	148,738	185,224	124,939

19. **Profit before tax**

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Auditors' remuneration	73,000	35,000	15,000	12,000
Depreciation of property, plant and equipment	679,665	229,045	182,654	97,959
Loss/(Gain) on disposal on property, plant and equipment	29,002	(31,700)	-	-
Property, plant and equipment written off	113,536	-	-	-
Rental concession	(60,000)	-	-	(920)
Gain on early termination of lease contract	(6,557)	(649)	-	(2,107)
Allowance for ECLs on trade receivables	210,558	12,260	91,448	41,930
Interest income on:				
- Fixed deposits with licensed banks	(10,253)	(39,605)	(8,380)	(26,282)
- Cash and bank balances	(190,693)	(122,079)	(2,814)	(316)
- Short-term cash investment fund	(509,997)	-	-	-
Unrealised loss/(gain) on foreign exchange	12,799	(19,766)	(1,810)	7,735
Realised (gain)/loss on foreign exchange	(670,272)	133,056	197,682	103,372
Lease expenses relating to:				
- Short term leases (a)	4,391,994	2,113,168	763,244	378,567
- Low-value assets (a)	9,776	6,122	9,868	2,634
Wages subsidy (b)	-	(27,000)	-	(12,000)

(a) The combining entities lease various equipments, a parking lot and warehouse with contract terms of not more than one year/with value not more than RM20,000. These leases are short-term and/or low-value items. The combining entities have elected not to recognise ROU assets and lease liabilities for these leases.

(b) The combining entities were entitled to Daya Kerjaya programme and a wages subsidy programme introduced by the government of Malaysia during the financial years.

20. Taxation

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial years provision	5,659,437	2,133,644	398,923	290,826
Under/(Over) provision in prior financial years	254,283	-	810	(32,747)
	5,913,720	2,133,644	399,733	258,079
Deferred tax				
Origination and reversal of temporary differences	(78,612)	34,981	(27,140)	14,939
Over provision in prior financial years	(32,760)	-	-	-
	(111,372)	34,981	(27,140)	14,939
	5,802,348	2,168,625	372,593	273,018

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the combining entities is as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Profit before tax	23,006,646	8,817,806	1,576,011	1,100,512
At Malaysian statutory tax rate of 24% (30.6.2024, 30.6.2023 and 30.6.2022: 24%)	5,521,595	2,116,273	378,243	264,123
Change in tax rate for first and second tranches of chargeable income	-	-	(45,000)	(42,000)
Expenses not deductible for tax purposes	249,516	54,945	51,014	86,121
Income not subject to tax	(186,600)	(6,480)	(13,894)	(3,606)
Under/(Over) provision of tax expenses in prior financial years	254,283	-	810	(32,747)
Over provision of deferred tax in prior financial years	(32,760)	-	-	-
Movements of deferred tax assets not recognised	(3,686)	3,887	1,420	1,127
	5,802,348	2,168,625	372,593	273,018

20. Taxation (Cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Property, plant and equipment	-	-	(837)	(1,054)
Unutilised business losses	10,209	25,569	10,209	5,128
Unabsorbed capital allowances	1,239	1,239	1,239	620
	11,448	26,808	10,611	4,694

The expiry of the unutilised business losses is as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Year of assessment 2032	5,128	5,128	5,128	5,128
Year of assessment 2033	5,081	5,081	5,081	-
Year of assessment 2034	-	15,360	-	-
	10,209	25,569	10,209	5,128

However, the above amount is subject to approval by tax authority.

In accordance with the provision of Finance Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unutilised business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

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.

21. Earnings per share

Basic earnings per share

The basic earnings per share are calculated based on the profit for the financial years attributable to owners of the combining entities and the enlarged number of ordinary shares in issue during the financial years as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Profit attributable to owners of the combining entities	17,204,298	6,649,181	1,203,418	827,494
Number of enlarged ordinary shares (units)*	817,618,243	817,618,243	817,618,243	817,618,243
Basic earnings per ordinary share (sen)	2.10	0.81	0.15	0.10

* *Assumed to the number of enlarged ordinary shares after the completion of the acquisition of VSSB and Listing.*

Diluted earnings per share

There are no diluted earnings per share as the combining entities do not have any dilutive potential ordinary shares outstanding as at the end of the reporting date.

22. Dividends

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Dividends recognised as distribution to owners of the combining entities:				
VSSB				
In respect of financial year ended 30 June 2025				
An interim single-tier dividend of RM5.00 per ordinary share declared on 19 December 2024 and paid on 26 December 2024	2,500,000	-	-	-
In respect of financial year ended 30 June 2024				
An interim single-tier dividend of RM3.20 per ordinary share declared on 23 September 2024 and paid on 30 September 2024	1,600,000	-	-	-

22. Dividends (Cont'd)

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Dividends recognised as distribution to owners of the combining entities: (Cont'd)				
VSSB (Cont'd)				
In respect of financial year ended 30 June 2024 (Cont'd)				
An interim single-tier dividend of RM0.7250 per ordinary share declared on 20 December 2023 and paid on 27 December 2023	-	362,500	-	-
An interim single-tier dividend of RM0.3020 per ordinary share declared on 21 June 2024 and paid on:				
- 28 June 2024	-	108,491	-	-
- 31 December 2024	-	42,509	-	-
In respect of financial year ended 30 June 2023				
An interim single-tier dividend of RM0.2000 per ordinary share declared on 28 December 2022 and paid on 30 December 2022	-	-	100,000	-
An interim single-tier dividend of RM0.2000 per ordinary share declared and paid on 30 June 2023	-	-	100,000	-
In respect of financial year ended 30 June 2022				
An interim single-tier dividend of RM0.1428 per ordinary share declared and paid on 30 September 2021	-	-	-	14,282
An interim single-tier dividend of RM1.1805 per ordinary share declared and paid on 15 October 2021	-	-	-	118,058
An interim single-tier dividend of RM0.0571 per ordinary share declared and paid on 29 December 2021	-	-	-	14,282
An interim single-tier dividend of RM0.0571 per ordinary share declared and paid on 30 March 2022	-	-	-	14,282
An interim single-tier dividend of RM1.9999 per ordinary share declared and paid on 19 May 2022	-	-	-	500,000
An interim single-tier dividend of RM0.0286 per ordinary share declared and paid on 29 June 2022	-	-	-	14,282
	4,100,000	513,500	200,000	675,186

23. Staff costs

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Salaries, fees and other emoluments	12,936,927	6,551,578	3,061,349	1,931,863
Defined contribution plans	1,915,593	760,159	379,171	231,263
Social security contributions	110,966	63,177	34,827	21,979
Other benefits	1,550,079	961,606	441,050	193,336
	16,513,565	8,336,520	3,916,397	2,378,441

Included in staff costs is aggregate amount of remuneration received and receivable by the Director of the combining entities during the financial years as below:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Fees	36,000	36,000	36,000	48,000
Salaries and other emoluments	1,083,986	657,218	381,010	381,812
Defined contribution plans	108,746	64,977	44,791	42,789
Social security contributions	1,334	1,159	1,120	869
Other benefits	3,960	-	-	-
	1,234,026	759,354	462,921	473,470

24. Reconciliation of liabilities arising from financing activities

The table below shows the details changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes:

	At 1.7.2024 RM	Drawdowns RM	Repayments RM	Early termination RM	Others RM	At 30.6.2025 RM
Term loans	2,126,288	-	(926,237)	-	-	1,200,051
Lease liabilities	717,849	5,962,406	(595,838)	(189,545)	(60,000)	5,834,872
	2,844,137	5,962,406	(1,522,075)	(189,545)	(60,000)	7,034,923

24. Reconciliation of liabilities arising from financing activities (Cont'd)

The table below shows the details changes in the liabilities of the combining entities arising from financing activities, including both cash and non-cash changes: (Cont'd)

	At 1.7.2023 RM	Drawdowns RM	Repayments RM	Early termination RM	Others RM	At 30.6.2024 RM
Term loans	2,793,942	-	(667,654)	-	-	2,126,288
Lease liabilities	442,473	452,415	(153,434)	(23,605)	-	717,849
	3,236,415	452,415	(821,088)	(23,605)	-	2,844,137

	At 1.7.2022 RM	Drawdowns RM	Repayments RM	Early termination RM	Others RM	At 30.6.2023 RM
Term loans	1,310,956	2,000,000	(517,014)	-	-	2,793,942
Invoice financing	954,422	-	(954,422)	-	-	-
Lease liabilities	511,185	47,959	(116,671)	-	-	442,473
	2,776,563	2,047,959	(1,588,107)	-	-	3,236,415

	At 1.7.2021 RM	Drawdowns RM	Repayments RM	Early termination RM	Others RM	At 30.6.2022 RM
Term loans	1,186,011	350,000	(225,055)	-	-	1,310,956
Invoice financing	-	954,422	-	-	-	954,422
Lease liabilities	155,696	479,300	(57,987)	(64,904)	(920)	511,185
	1,341,707	1,783,722	(283,042)	(64,904)	(920)	2,776,563

25. Related party disclosures

(a) Identifying related parties

For the purposes of these combined financial statements, parties are considered to be related to the combining entities if the combining entities have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the combining entities and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the combining entities either directly or indirectly. The key management personnel comprise the Directors and management personnel of the combining entities, having authority and responsibility for planning, directing and controlling the activities of the combining entities directly or indirectly.

25. **Related party disclosures (Cont'd)**

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the combined financial statements, the significant related party transaction of the combining entities is as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Transaction with a company in which close family member of certain shareholders have interests:				
- Sales to	259,625	289,250	177,503	-

(c) Remuneration of key management personnel

Other than Directors' remuneration as disclosed in Note 23 to the combined financial statements, the key management personnels compensation during the financial years are as follow:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Salaries and other emoluments	1,992,450	995,205	493,385	404,737
Defined contribution plans	240,404	116,968	58,213	48,294
Social security contributions	6,670	5,311	3,454	2,617
Other benefits	39,781	25,155	3,888	1,011
	2,279,305	1,142,639	558,940	456,659

26. **Segment information**

(a) Business segments

For management purposes, the combining entities are predominantly involved in sales and installation of solar panels, ventilators and parts, and operations and maintenance services.

Management monitors the operating results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the combined financial statements.

Information about operating segments has not been reported separately as the combining entities' revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment.

26. **Segment information (Cont'd)**

(b) Geographic information

No disclosure on geographical segment information as the combining entities predominantly operates within Malaysia.

(c) Major customers

The combining entities have large and diversified customers base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the combining entities' revenue for the financial years ended 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022.

27. **Financial instruments**

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised costs.

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:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
At FVTPL				
Financial asset				
Short-term cash investment fund	21,404,082	4,510,569	-	-
At amortised costs				
Financial assets				
Trade receivables	2,471,180	3,226,923	990,242	783,382
Other receivables	340,153	94,287	160,648	123,355
Fixed deposits with licensed banks	513,739	203,486	1,000,000	-
Cash and cash equivalents	4,280,000	14,923,892	2,140,529	2,008,784
	7,605,072	18,448,588	4,291,419	2,915,521
	29,009,154	22,959,157	4,291,419	2,915,521

27. **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)

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
At amortised costs				
Financial liabilities				
Loans and borrowings	1,200,051	2,126,288	2,793,947	2,265,378
Trade payables	1,662,406	5,316,580	940,870	816,875
Other payables	4,324,804	2,021,509	449,229	384,505
	7,187,261	9,464,377	4,184,046	3,466,758

(b) Financial risk management objectives and policies

The combining entities' financial risk management policy is to ensure that adequate financial resources are available for the development of the combining entities' operations whilst managing their credit, liquidity and market risks. The combining entities operate within clearly defined guidelines that are approved by the Board and the combining entities' policy is not to engage in speculative transactions.

The following sections provide details regarding the combining entities' exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the combining entities if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The combining entities' exposure to credit risk arises principally from trade receivables, other receivables, fixed deposits with licensed banks, and cash and cash equivalents. There are no significant changes as compared to previous financial years.

The combining entities have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the combining entities assess whether any of the receivables are credit impaired.

27. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The gross carrying amounts of credit impaired receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when combining entities determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the combined statements of financial position as at the reporting date represent the combining entities' maximum exposure to credit risk.

There are no significant changes as compared to previous financial years.

Credit risk concentration

The combining entities have no significant concentration of credit risk as their exposure spread over a large number of customers.

(ii) Liquidity risk

Liquidity risk refers to the risk that the combining entities will encounter difficulty in meeting their financial obligations as they fall due. The combining entities' exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The combining entities' funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The combining entities finance their liquidity through internally generated cash flows and minimise liquidity risk by keeping committed credit lines available.

27. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for non-derivative 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 combining entities can be required to pay.

	On demand or within 1 year RM	1 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
30.6.2025					
Non-derivative financial liabilities					
Loans and borrowings	656,124	612,828	-	1,268,952	1,200,051
Lease liabilities	797,260	3,089,020	2,961,000	6,847,280	5,834,872
Trade payables	1,662,406	-	-	1,662,406	1,662,406
Other payables	4,324,804	-	-	4,324,804	4,324,804
	7,440,594	3,701,848	2,961,000	14,103,442	13,022,133
30.6.2024					
Non-derivative financial liabilities					
Loans and borrowings	784,458	1,522,277	-	2,306,735	2,126,288
Lease liabilities	245,064	526,958	-	772,022	717,849
Trade payables	5,316,580	-	-	5,316,580	5,316,580
Other payables	2,021,509	-	-	2,021,509	2,021,509
	8,367,611	2,049,235	-	10,416,846	10,182,226
30.6.2023					
Non-derivative financial liabilities					
Loans and borrowings	800,101	2,306,734	-	3,106,835	2,793,947
Lease liabilities	138,168	329,438	-	467,606	442,473
Trade payables	940,870	-	-	940,870	940,870
Other payables	449,229	-	-	449,229	449,229
	2,328,368	2,636,172	-	4,964,540	4,626,519
30.6.2022					
Non-derivative financial liabilities					
Loans and borrowings	1,317,578	1,057,398	78,963	2,453,939	2,265,378
Lease liabilities	121,368	428,339	-	549,707	511,185
Trade payables	816,875	-	-	816,875	816,875
Other payables	384,505	-	-	384,505	384,505
	2,640,326	1,485,737	78,963	4,205,026	3,977,943

27. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The combining entities are exposed to foreign currency risk on transactions that are denominated in currencies other than the functional currency of the combining entities. The currencies giving rise to this risk are primarily USD and RMB.

The carrying amounts of the combining entities' foreign currency denominated financial asset and financial liabilities at the end of the reporting period are as follows:

	Denominated in		
	USD	**RMB**	**Total**
	RM	**RM**	**RM**
30.6.2025			
Cash and cash equivalents	20,670	-	20,670
Trade payables	(63,190)	(498,084)	(561,274)
	(42,520)	(498,084)	(540,604)
30.6.2024			
Cash and cash equivalents	20,095	-	20,095
Trade payables	(3,098,103)	(1,129,646)	(4,227,749)
Other payables	(8,491)	-	(8,491)
	(3,086,499)	(1,129,646)	(4,216,145)
30.6.2023			
Cash and cash equivalents	44,914	-	44,914
Trade payables	(683,005)	-	(683,005)
	(638,091)	-	(638,091)
30.6.2022			
Trade payables	(707,138)	-	(707,138)
Other payables	(15,573)	-	(15,573)
	(722,711)	-	(722,711)

27. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the combining entities' profit before tax to a reasonably possible change in the USD and RMB exchange rates against RM, with all other variables held constant.

		Effect on profit before tax			
	Change in currency rate	**30.6.2025 RM**	**30.6.2024 RM**	**30.6.2023 RM**	**30.6.2022 RM**
USD	Strengthened 1% (30.6.2024, 30.6.2023, and 30.6.2022: 1%)	(425)	(30,865)	(6,381)	(7,227)
	Weakened 1% (30.6.2024, 30.6.2023, and 30.6.2022: 1%)	425	30,865	6,381	7,227
RMB	Strengthened 1% (30.6.2024, 30.6.2023, and 30.6.2022: 1%)	(4,981)	(11,296)	-	-
	Weakened 1% (30.6.2024, 30.6.2023, and 30.6.2022: 1%)	4,981	11,296	-	-

(b) Interest rate risk

The combining entities' fixed 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 combining entities' variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The combining entities manage their interest rate risk of their deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

27. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The combining entities manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The combining entities constantly monitor their interest rate risk by reviewing their debts portfolio to ensure favourable rates are obtained. The combining entities do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the combining entities' significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	30.6.2025	**30.6.2024**	**30.6.2023**	**30.6.2022**
	RM	**RM**	**RM**	**RM**
Fixed rate instruments				
Financial asset				
Fixed deposits with licensed banks	513,739	203,486	1,000,000	-
Financial liabilities				
Invoice financing	-	-	-	(954,422)
Lease liabilities	(5,834,872)	(717,849)	(442,473)	(511,185)
	(5,834,872)	(717,849)	(442,473)	(1,465,607)
Net financial (liabilities)/ asset	(5,321,133)	(514,363)	557,527	(1,465,607)
Floating rate instrument				
Financial liabilities				
Term loans	(1,200,051)	(2,126,288)	(2,793,942)	(1,310,956)
Bank overdraft	-	-	(5)	-
Other payables	-	-	(1,666)	(20,000)
Net financial liabilities	(1,200,051)	(2,126,288)	(2,795,613)	(1,330,956)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The combining entities do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

27. **Financial instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

Cash flow sensitivity analysis for floating rate instrument

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the combining entities' profit before tax by RM12,001 (30.6.2024: RM21,263, 30.6.2023: RM27,956 and 30.6.2022: RM13,310), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The combining entities entered into forward exchange contracts to manage their exposures to sales and purchase transactions that are denominated in RMB. The fair value of the foreign currency forward contracts has not been recognised in the combined financial statements as it is immaterial as at the end of the reporting date. The notional value of foreign currency forward contracts as at the end of the reporting years is as follows:

	30.6.2025	**30.6.2024**	**30.6.2023**	**30.6.2022**
	RM	**RM**	**RM**	**RM**
Foreign currency hedging contracts				
Notional value of contracts *	-	249,013	-	-

* *Equivalent to Nil (30.6.2024: RMB381,338, 30.6.2023: Nil and 30.6.2022: Nil)*

27. **Financial instruments (Cont'd)**

(c) Fair value of financial instruments (Cont'd)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

<u>Non-derivative financial instruments</u>

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

The following table summarises the methods used in determining the fair value of financial asset of the combining entities on a recurring basis at 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022:

Financial asset	**Fair value as at**					**Valuation techniques and key inputs**
	30.6.2025	**30.6.2024**	**30.6.2023**	**30.6.2022**	**Fair value**	
	RM	**RM**	**RM**	**RM**		
Short-term cash investment fund	21,404,082	4,510,569	-	-	Level 1	Quoted prices in active market by the licensed fund management company

28. **Capital commitment**

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Capital expenditure				
Authorised and contracted for:				
- Renovation	188,452	-	-	-

29. **Capital management**

The overall capital management objectives of the combining entities are to safeguard its ability to continue as a going concern so as to provide fair returns to owners and benefits to other stakeholders. In order to meet its objective, the combining entities always strive to maintain an optimal capital structure to reduce the cost of capital and sustain its business development.

The combining entities consider its total equity and total interest-bearing debts to be the key components of its capital structure and may, from time to time, adjust the dividend payouts, issue new shares, sell assets, raise or redeem debts, where necessary, to maintain an optimal capital structure. The combining entities monitor capital using a debt-to-equity ratio, which is calculated as total interest-bearing debts divided by total equity as follows:

	30.6.2025 RM	30.6.2024 RM	30.6.2023 RM	30.6.2022 RM
Loans and borrowings	1,200,051	2,126,288	2,793,947	2,265,378
Lease liabilities (excluding lease liabilities of rented premises)	-	341,047	105,086	131,679
Total interest-bearing debts	1,200,051	2,467,335	2,899,033	2,397,057
Total equity	21,933,635	8,829,327	2,693,646	1,690,228
Debt-to-equity ratio (times)	0.05	0.28	1.08	1.42

There were no changes in the combining entities' approach to capital management during the financial years.

The combining entities is not subject to any external imposed capital requirements.

30. **Subsequent event**

On 18 August 2025, VSSB had declared an interim single-tier dividend of RM10.00 per share amounting to RM5,000,000 and paid on 18 August 2025. This dividend is not reflected in the combined financial statements for the current financial year and will be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2026.

VERDANT SOLAR HOLDINGS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of the combining entities, do hereby state that, in the opinion of the Directors, the combined financial statements set out on pages 5 to 56 are drawn up in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the combined financial position of the combining entities as at 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022 and of their combined financial performance and cash flows for the financial years ended 30 June 2025, 30 June 2024, 30 June 2023 and 30 June 2022.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 9 September 2025.

LIM TZER HAUR	KEE TZE HUI

KUALA LUMPUR

VERDANT SOLAR HOLDINGS BERHAD
[Registration No.: 202401050517 (1596361-V)]
(Incorporated in Malaysia)

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

TGS TW PLT

CHARTERED ACCOUNTANTS

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants
Unit E-16-2B,
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The Board of Directors
Verdant Solar Holdings Berhad
Level 9, Menara Dana 13
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

Dear Sirs,

VERDANT SOLAR HOLDINGS BERHAD ("VERDANT GROUP" OR "THE COMPANY") REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

We have completed our assurance engagement to report on the compilation of Pro Forma Combined Statements of Financial Position of Verdant Solar Holdings Berhad and of its subsidiaries (collectively known as "the combining entities" or "Verdant Group") as at 30 June 2025.

The applicable criteria on the basis of which the Board of Directors of the Company have compiled the Pro Forma Combined Statements of Financial Position are set out in Note 1 of the Pro Forma Combined Statements of Financial Position, and in accordance with the requirements 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 ("Guidance Note") ("Applicable Criteria").

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

As part of this process, information about the combining entities' combined financial position has been extracted by the Directors from the audited statements of financial position of the combining entities as at 30 June 2025, on which was reported by us to the members of the combining entities on 9 September 2025 without any modification.

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

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

Our Independence and Quality Control

We are independent in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board of Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies *International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

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

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

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Combined Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Combined Statements of Financial Position.

The purpose of the Pro Forma Combined Statements of Financial Position included in the Prospectus is solely to illustrate the impact of a significant event or transaction or unadjusted financial information on the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Board of Directors of the Company in the compilation of the Pro Forma Combined Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:-

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Combined Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

Our Responsibility (Cont'd)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the combining entities, the event or transaction in respect of which the Pro Forma Combined Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Combined Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Combined Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria.

Other Matters

This report has been prepared solely for the purpose of inclusion in the Prospectus of Verdant Solar Holdings Berhad in connection with the Listing. It is not intended to be used for any other purposes. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully,

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

KUAN JUN XIAN
03758/06/2027 J
Chartered Accountant

Kuala Lumpur
9 September 2025

VERDANT SOLAR HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

The Pro Forma Combined Statements of Financial Position of the Verdant Group as at 30 June 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the notes accompanying to the Pro Forma Combined Statements of Financial Position.

	Note	As at 30 June 2025	Adjustments for Acquisitions/Material Subsequent Transaction	Proforma I After Acquisitions/ Material Subsequent Transaction	Adjustments for Public Issue	Proforma II After Public Issue	Adjustments for Utilisation of Proceeds	Proforma III After Utilisation of Proceeds
		RM	RM	RM	RM	RM	RM	RM
ASSETS								
Non-current assets								
Property, plant and equipment	3.01	-	8,778,348	8,778,348	-	8,778,348	-	8,778,348
Deferred tax assets	3.02	-	63,839	63,839	-	63,839	-	63,839
Total non-current assets		-		8,842,187		8,842,187		8,842,187
Current assets								
Inventories	3.03	-	10,347,956	10,347,956	-	10,347,956	-	10,347,956
Trade receivables	3.04	-	2,471,180	2,471,180	-	2,471,180	-	2,471,180
Other receivables	3.05	-	2,922,681	2,922,681	-	2,922,681	(1,810,590)	1,112,091
Fixed deposits with licensed banks	3.06	-	513,739	513,739	-	513,739	-	513,739
Cash and cash equivalents	3.07	10	20,684,072	20,684,082	44,020,000	64,704,082	(2,689,410)	62,014,672
Total current assets		10		36,939,638		80,959,638		76,459,638
Total assets		10		45,781,825		89,801,825		85,301,825

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

VERDANT SOLAR HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

The Pro Forma Combined Statements of Financial Position of the Verdant Group as at 30 June 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the notes accompanying to the Pro Forma Combined Statements of Financial Position. (Cont'd)

	Note	As at 30 June 2025	Adjustments for Acquisitions/Material Subsequent Transaction	Proforma I After Acquisitions/ Material Subsequent Transaction	Adjustments for Public Issue	Proforma II After Public Issue	Adjustments for Utilisation of Proceeds	Proforma III After Utilisation of Proceeds
		RM	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES								
EQUITY								
Equity attributable to owners of Verdant Solar Holdings Berhad:-								
Share capital	3.08	10	4,729,327	4,729,337	44,020,000	48,749,337	(1,648,706)	47,100,631
Merger deficit	3.09	-	(4,229,327)	(4,229,327)	-	(4,229,327)	-	(4,229,327)
(Accumulated losses)/Retained earnings	3.10	(38,137)	16,471,762	16,433,625	-	16,433,625	(2,851,294)	13,582,331
Total equity		(38,127)		16,933,635		60,953,635		56,453,635
LIABILITIES								
Non-current liabilities								
Loans and borrowings	3.11	-	591,389	591,389	-	591,389	-	591,389
Lease liabilities	3.12	-	5,246,398	5,246,398	-	5,246,398	-	5,246,398
Total non-current liabilities		-		5,837,787		5,837,787		5,837,787

VERDANT SOLAR HOLDINGS BERHAD
PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

The Pro Forma Combined Statements of Financial Position of the Verdant Group as at 30 June 2025 as set out below are provided for illustrative purposes only to show the effects of the transactions as mentioned in Note 2 to the Pro Forma Combined Statements of Financial Position on the assumption that these transactions were completed on 30 June 2025, and should be read in conjunction with the notes accompanying to the Pro Forma Combined Statements of Financial Position. (Cont'd)

	Note	As at 30 June 2025	Adjustments for Acquisitions/Material Subsequent Transaction	Proforma I After Acquisitions/ Material Subsequent Transaction	Adjustments for Public Issue	Proforma II After Public Issue	Adjustments for Utilisation of Proceeds	Proforma III After Utilisation of Proceeds
		RM	RM	RM	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)								
LIABILITIES (CONT'D)								
Current liabilities								
Loans and borrowings	3.11	-	608,662	608,662	-	608,662	-	608,662
Lease liabilities	3.12	-	588,474	588,474	-	588,474	-	588,474
Trade payables	3.13	-	1,662,406	1,662,406	-	1,662,406	-	1,662,406
Other payables	3.14	5,000	4,319,804	4,324,804	-	4,324,804	-	4,324,804
Amount due to a related party	3.15	33,137	(33,137)	-	-	-	-	-
Contract liabilities	3.16	-	13,134,120	13,134,120	-	13,134,120	-	13,134,120
Tax payable	3.17	-	2,691,937	2,691,937	-	2,691,937	-	2,691,937
Total current liabilities		38,137		23,010,403		23,010,403		23,010,403
Total liabilities		38,137		28,848,190		28,848,190		28,848,190
Total equity and liabilities		10		45,781,825		89,801,825		85,301,825
Issued ordinary share capital (Unit)	3.08	100	675,618,143	675,618,243	142,000,000	817,618,243	-	817,618,243
Net assets per share attributable to owners of Verdant Solar Holdings Berhad (RM)		(381.27)		0.03		0.07		0.07
Borrowings (excluding lease liabilities of rented offices)		-		1,200,051		1,200,051		1,200,051
Gearing ratio (times)		-		0.07		0.02		0.02

VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

1. BASIS OF PREPARATION

The Pro Forma Combined Statements of Financial Position of the Verdant Group has been prepared for illustrative purposes and on the assumptions that all the transactions mentioned as per Note 2 to the Pro Forma Combined Statements of Financial Position had taken place on 30 June 2025.

The Pro Forma Combined Statements of Financial Position have been prepared based on accounting policies and basis which are consistent with those disclosed in the audited combined financial statements of the combining entities for the financial year ended 30 June 2025 and in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Prospectus Guidelines, except for the adoption of the following new accounting policy:

Merger method of accounting

The Pro Forma Combined Statements of Financial Position are combined using the merger method as these companies are under the common control by the same party both before and after the acquisition of Verdant Solar Sdn. Bhd. ("VSSB") and its subsidiary, Verdant Energy Sdn. Bhd. ("VESB"). When the merger method is used, the difference between the cost of investment recorded by the Company and the share capital of the subsidiaries are accounted for as merger deficit in the Pro Forma Combined Statements of Financial Position.

VSSB and its subsidiary are regarded as a continuing entity resulting from the reorganisation exercise because the management of VSSB and VESB, which participated in the reorganisation exercise was under common control before and immediately after the reorganisation exercise. The Verdant Group has applied the merger method of accounting on a retrospective basis and restated its comparative as if the consolidation had taken place before the state of the earliest period presented in the financial statements.

2. LISTING SCHEME

(i) **Pro Forma I:**

Acquisitions

The Acquisitions entails acquiring the entire equity interest of VSSB and its subsidiary for total purchase consideration of RM4,729,327 to be satisfied via the issuance of 675,618,143 new shares at an issue price of RM0.0070 per share based on the net assets of VSSB and its subsidiary as at 30 June 2024 after adjusted for dividend declared by VSSB amounting to RM4,100,000.

The acquisitions were completed on 20 August 2025.

Material Subsequent Transaction

On 18 August 2025, VSSB had declared an interim single-tier dividend of RM10.00 per share amounting to RM5,000,000 and paid on 18 August 2025 in respect of financial year ended 30 June 2025.

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VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

2. **LISTING SCHEME (CONT'D)**

(ii) **Pro Forma II: Public Issue**

The Public Issue involves a public issue of 142,000,000 new ordinary shares in Verdant Solar Holdings Berhad at an IPO of RM0.31 per share.

In conjunction with the IPO, the Company would list and quote its entire enlarged issued share capital comprising 817,618,243 ordinary shares in Verdant Solar Holdings Berhad on the ACE Market of Bursa Malaysia Securities Berhad.

(iii) **Pro Forma III: Utilisation of Proceeds**

Gross proceeds from the Public Issue of RM44,020,000 are expected to be utilised as follows:

Details of use of proceeds	Estimated timeframe for the use of proceeds upon Listing	RM	% of total gross proceeds from the Public Issue
(a) Business expansion^			
i. Establishment of branch offices in Peninsular Malaysia	Within 36 months (1)	14,000,000	31.80%
ii. Expansion through strategic investments, merger and acquisition opportunities	Within 36 months (1)	10,000,000	22.72%
(b) Enhancement of digital infrastructure	Within 36 months (1)	3,800,000	8.63%
(c) Working capital	Within 24 months (1)	11,720,000	26.63%
(d) Listing expenses*	Within 1 month (1)	4,500,000	10.22%
Total proceeds		**44,020,000**	**100.00%**

(1) From the date of listing of the shares.

^ As at 2 September 2025, being latest practicable date, the combining entities has yet to enter into any tenancy agreement or contractual binding agreement in relation to the establishment of branch offices in Peninsular Malaysia and expansion through strategic investments, merger and acquisition opportunities. Accordingly, the utilisation of proceeds earmarked for the expansion of business are not reflected in the pro forma combined statements of financial position.

If the actual proceeds are lower than budgeted proceeds above, the deficit will be funded out of the portion allocated for our working capital. Conversely, if the actual proceeds are higher than budgeted proceeds above, the excess will be utilised for our working capital accordingly.

* The listing expenses are estimated at RM4,500,000 and will be set off against the share capital and profit or loss accordingly. The apportionment is disclosed in Notes 3.08 and 3.10.

VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

3.01 PROPERTY, PLANT AND EQUIPMENT

The movements in property, plant and equipment are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	8,778,348
As per Pro Forma I to III	8,778,348

3.02 DEFERRED TAX ASSETS

The movements in deferred tax assets are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	63,839
As per Pro Forma I to III	63,839

3.03 INVENTORIES

The movements in inventories are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	10,347,956
As per Pro Forma I to III	10,347,956

3.04 TRADE RECEIVABLES

The movements in trade receivables are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	2,471,180
As per Pro Forma I to III	2,471,180

VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. **EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

3.05 **OTHER RECEIVABLES**

The movements in other receivables are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	2,922,681
As per Pro Forma I to II	2,922,681
Pursuant to Utilisation of Proceeds	
- Listing expenses	(1,810,590)
As per Pro Forma III	1,112,091

3.06 **FIXED DEPOSITS WITH LICENSED BANKS**

The movements in fixed deposits with licensed banks are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	513,739
As per Pro Forma I to III	513,739

3.07 **CASH AND CASH EQUIVALENTS**

The movements in cash and cash equivalents are as follows:

	RM
As at 30 June 2025	10
Pursuant to Acquisitions	25,684,072
Pursuant to Material Subsequent Transaction	(5,000,000)
As per Pro Forma I	20,684,082
Pursuant to Public Issue	44,020,000
As per Pro Forma II	64,704,082
Pursuant to Utilisation of Proceeds	
- Listing expenses	(2,689,410)
As per Pro Forma III	62,014,672

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VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. **EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

3.08 **SHARE CAPITAL**

The movements in share capital are as follows:

	RM
As at 30 June 2025	10
Pursuant to Acquisitions	4,729,327
As per Pro Forma I	4,729,337
Pursuant to Public Issue	44,020,000
As per Pro Forma II	48,749,337
Pursuant to Utilisation of Proceeds	
- Listing expenses*	(1,648,706)
As per Pro Forma III	47,100,631

* The listing expenses of RM1,648,706 directly attributable to the Public Issue will be offset against share capital and the remaining listing expenses of RM2,851,294 that is attributable to the Listing will be expensed off to profit and loss.

3.09 **MERGER DEFICIT**

The movements in merger deficit are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	(4,229,327)
As per Pro Forma I to III	(4,229,327)

VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. **EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

3.10 **(ACCUMULATED LOSSES)/RETAINED EARNINGS**

The movements in (accumulated losses)/retained earnings are as follows:

	RM
As at 30 June 2025	(38,137)
Pursuant to Acquisitions	21,471,762
Pursuant to Material Subsequent Transaction	(5,000,000)
As per Pro Forma I to II	16,433,625
Pursuant to Utilisation of Proceeds	
- Listing expenses*	(2,851,294)
As per Pro Forma III	13,582,331

* The listing expenses of RM1,648,706 directly attributable to the Public Issue will be offset against share capital and the remaining listing expenses of RM2,851,294 that is attributable to the Listing will be expensed off to profit and loss.

3.11 **LOANS AND BORROWINGS**

The movements in loans and borrowings are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	
- Non-current liabilities	591,389
- Current liabilities	608,662
As per Pro Forma I to III	1,200,051

3.12 **LEASE LIABILITIES**

The movements in lease liabilities are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	
- Non-current liabilities	5,246,398
- Current liabilities	588,474
As per Pro Forma I to III	5,834,872

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VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. **EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

3.13 **TRADE PAYABLES**

The movements in trade payables are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	1,662,406
As per Pro Forma I to III	1,662,406

3.14 **OTHER PAYABLES**

The movements in other payables are as follows:

	RM
As at 30 June 2025	5,000
Pursuant to Acquisitions	4,319,804
As per Pro Forma I to III	4,324,804

3.15 **AMOUNT DUE TO A RELATED PARTY**

The movements in amount due to a related party are as follows:

	RM
As at 30 June 2025	33,137
Pursuant to Acquisitions	(33,137)
As per Pro Forma I to III	-

3.16 **CONTRACT LIABILITIES**

The movements in contract liabilities are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	13,134,120
As per Pro Forma I to III	13,134,120

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VERDANT SOLAR HOLDINGS BERHAD

NOTES TO THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (CONT'D)

3. **EFFECTS ON THE PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

3.17 **TAX PAYABLE**

The movements in tax payable are as follows:

	RM
As at 30 June 2025	-
Pursuant to Acquisitions	2,691,937
As per Pro Forma I to III	2,691,937

VERDANT SOLAR HOLDINGS BERHAD

PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 9 September 2025

On behalf of the Board of Directors

LIM TZER HAUR	KEE TZE HUI
Director	Director

15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

(a) As at the date of this Prospectus, we have only 1 class of shares in our Company, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(b) Save for the new Shares to be issued under the Pink Form Allocations as disclosed in Section 4.3.1 of this Prospectus,

(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 shares of our Company or our subsidiaries; and

(ii) there is no scheme involving the directors and employees of our Group in the shares of our Company or our subsidiaries.

(c) Save for the new Shares issued for the Acquisition as disclosed in Section 6.1.2 of this Prospectus and to be issued pursuant the IPO as disclosed in Section 4.3.1 of this Prospectus, 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 3 years immediately preceding the LPD.

(d) Save for our IPO as disclosed in Section 4.3.1 of this Prospectus, there is no intention on the part of our Directors to further issue any Shares.

(e) As at the date of this Prospectus, we do not have any outstanding warrants, options, convertible debt securities or uncalled capital.

15.2 CONSTITUTION

The following provisions are extracted from our Company's 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. The following provisions extracted from our Company's Constitution are based on the Listing Requirements, the Act and the Depository Rules.

(a) Remuneration, voting and borrowing powers of Directors

<u>Clause 101 – Directors' remuneration</u>

Subject to the Act and the Listing Requirements, the fees of the Directors and any benefits payable to the Directors shall from time to time be determined by way of an ordinary resolution of the Company in a general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:-

(i) salaries payable to executive Director(s) may not include a commission on or percentage of turnover;

(ii) fees payable to non-executive Directors shall be a fixed sum and not by way of a commission on or percentage of profits or turnover;

(iii) fees of Directors and any benefits payable to Directors shall be subject to annual shareholders' approval at a general meeting; and

(iv) any fee paid to an Alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 102 – Reimbursement of expenses

(a) The Directors shall be entitled to be reimbursed for all travelling or expenses as may be incurred in attending meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director.

(b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any director's fees payable to him from time to time.

Clause 128 – Remuneration of chief executive, Executive Director, Managing Director

The remuneration of the chief executive, executive Director, managing Director or any person holding an equivalent position, shall, from time to time be fixed by the Directors and may be by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive a pension, gratuity or other benefits upon their retirement.

Clause 78 – Chairman's casting vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.

Clause 106 – Directors' borrowing powers

(a) Subject to the Act and the Listing Requirements, the Directors may exercise all the powers of the Company to do all or any of the following for any debt, liability, or obligation of the Company or of any related party (as defined in Section 7 of the Act):

(i) borrow money;

(ii) mortgage or charge its undertaking, property, and uncalled capital, or any part of the undertaking, property and uncalled capital;

(iii) issue debentures and other securities whether outright or as security;

(iv) lend and advance money or give credit to any person or company;

(v) guarantee and give guarantees or indemnities for the payment of money or the performance of contracts or obligations by any person or company; and/or

(vi) secure or undertake in any way the repayment of moneys lent or advanced to or the liabilities incurred by any person or company; and otherwise to assist any person or of any related party (as defined in Section 7 of the Act).

(b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

<u>Clause 120 – Votes by majority and chairman of the meeting to have a casting vote</u>

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes of the Directors present and a determination by a majority of Directors shall for all purposes be deemed a determination of the Directors. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote, except where at the meeting only two (2) Directors form a quorum, the chairman of the meeting at which only such a quorum is present, or only two (2) Directors are competent to vote on the question at issue shall not have a casting vote.

<u>Clause 123 – Restriction on voting</u>

Subject to the Act, a Director shall not participate in any discussion or vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly an interest and if he shall do so his vote shall not be counted. A Director shall, notwithstanding his interest, be counted in the quorum for any meeting where a decision is to be taken upon any contract or proposed contract or arrangement in which he is in any way interested.

<u>Clause 124 – Power to vote</u>

A Director may vote in respect of:

(i) any arrangement for giving the Director himself or any other Directors any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company;

(ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself or any other Director has assumed responsibility in whole or in part, under a guarantee or indemnity or by the deposit of a security;

(iii) any contract by the Director himself to subscribe for or underwrite shares or debentures of the Company; or

(iv) any contract or arrangement with any other company in which he is interested only as an officer of the Company or as a holder of shares or other securities in that company.

(b) Changes to share capital

Clause 56 – Power to increase capital

Subject to the Act, this Constitution, the Central Depositories Act, the Rules, the Listing Requirements, any other relevant authority for the time being in force, and the conditions, restrictions and limitations expressed in this Constitution, the Company in a general meeting may from time to time, increase its share capital by the creation of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital, voting or otherwise as the general meeting resolving upon such increase may direct.

Clause 57 – Issue of new shares to Members

Subject to any direction to the contrary that may be given by the Company in a general meeting and the Listing Requirements, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of the general meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may likewise also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to the shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution. Notwithstanding the above, the Directors shall not be required to offer any new ordinary shares for the time being unissued and not allotted and any new shares or other convertible securities from time to time to be created to the holders of the existing shares where the said shares or Securities are to be issued as consideration or part consideration for the acquisition of shares or assets by the Company.

For the avoidance of doubt, where the approval of Members is obtained in a general meeting for any issuance of shares or convertible securities, including approvals obtained for implementation of a scheme that involves a new issuance of shares or other convertible securities to employees of the Company and its subsidiaries and approval obtained under Sections 75 and 76 of the Act, such approval shall be deemed to be a direction to the contrary given in general meeting which will render the pre-emptive rights above inapplicable.

In any case and in respect of any issuance of shares or convertible securities, the pre-emptive rights of Members are strictly as contained in the Constitution and accordingly, the provisions of Section 85 of the Act in respect of pre-emptive rights to new shares, shall not apply and the Company is not required to offer new shares or convertible securities in proportion to the shareholdings of the existing Members.

Clause 59 – Power to alter capital

Subject to the provisions of this Constitution and the Act, the Company may alter its share capital in any one or more of the following ways by ordinary resolution:

(i) consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived;

(ii) convert all or any of its paid-up shares into stock and reconvert that stock into fully-paid shares:

(iii) subdivide its shares or any of its shares, such that whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

Clause 60 – Power to reduce capital

The Company may by special resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Act and the Applicable Laws.

Clause 61 – Purchase by the Company of its own shares

The Company may, subject to it obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, the Listing Requirements and the Applicable Laws, purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Act, the Listing Requirements and all Applicable Laws. The provisions of Clauses 59 and 60 herein above shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Clause. The cancellation of shares purchased shall not be deemed to be a reduction of share capital within the meaning of the Act.

(c) Transfer of securities

Clause 30 – Transfer in writing

Subject to this Constitution, the Central Depositories Act and the Rules, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by an instrument in writing in the form prescribed and approved by the Exchange upon which the Company is listed on the Exchange. The instrument shall have been executed by or on behalf of the transferor and the transferee, and the transferor shall remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.

<u>Clause 31 – Transfers of Securities</u>

Subject to the restriction imposed by this Constitution, the Listing Requirements, the Central Depositories Act and the Rules (with respect to transfer of Deposited Security), the transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such Deposited Securities.

<u>Clause 32 – No restriction on the transfer of fully paid Securities</u>

Subject to this Constitution, the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.

<u>Clause 33 (a) – Refusal to register</u>

The Central Depository may, in its absolute discretion, refuse to register any transfer of Deposited Security that does not comply with the Central Depositories Act and/or the Rules.

(d) Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

<u>Clause 7 – Allotment of shares</u>

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the provisions of this Constitution, the Act, any Applicable Laws, and to the provisions of any resolution of the Company, the Board may issue, allot or grant rights to subscribe for or otherwise dispose of such shares to such persons at such price, on such terms and conditions, with such preferred, deferred and/or other special rights and subject to such restrictions and at such times as the Board may determine but the Board in making any issue of shares shall comply with the following conditions:

(i) in the case of shares, other than ordinary shares, no special rights shall be attached until the same has been expressed in this Constitution and in the resolution creating the same;

(ii) no shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in general meetings;

(iii) every issue of shares or options to employees and/or Directors of the Company and/or its subsidiaries under an employee share option scheme shall be approved by the Members in general meeting;

(iv) no Director shall participate in a scheme that involves a new issuance of shares or options unless the Members in a general meeting have approved the specific allotment to be made to such Director; and

(v) except in the case of an issue of Securities on a pro-rata basis to all Members, or, pursuant to a back-to-back placement or a Dividend Reinvestment Scheme undertaken in compliance with the Listing Requirements, there shall be no issuance and allotment of Securities to a Director, major shareholder, chief executive or person connected with any Director, major shareholder or chief executive (hereinafter referred to as the "interested Director", "interested major shareholder", "interested chief executive" or "interested person connected with a Director, major shareholder or chief executive" respectively) unless the Members in a general meeting have approved of the specific allotment to be made to such aforesaid interested Director, interested major shareholder, interested chief executive or interested person connected with a Director, major shareholder or chief executive, as the case may be. In this Constitution, "major shareholder", "chief executive", "person connected with any Director, major shareholder or chief executive" and "Dividend Reinvestment Scheme" shall have the meaning ascribed thereto in the Listing Requirements.

Clause 8 – Rights of preference shareholders

Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not unless with the consent of the existing preference shareholders at a class of meeting issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:

(i) the same rights as ordinary shareholders as regards to receiving notices, reports and audited accounts and attending general meetings of the Company; and

(ii) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.

Clause 10 – Variation of class rights

Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with:

(i) the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the Members in that class; or

(ii) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting, the provisions of this Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy at least one-third of the number of the issued shares of the class (excluding any shares of that class held as treasury shares) and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one (1) vote for every such share held by him. For adjourned meetings, the quorum is one (1) person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 11 – Ranking of class rights

The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of such shares, as regards to participation in the profits or assets of the Company in some or in all respect be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

Clause 42 – Person entitled may receive dividends etc

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to receive and may give a discharge for all dividends and other moneys payable in respect of the shares as the registered holder would have been entitled to if he had not died or become bankrupt, but he shall not be entitled to receive notice of or to attend or vote at any meeting, or, save as aforesaid, to exercise any of the rights and privileges of a Member, unless and until he shall have become a Member in respect of the shares.

Clause 54 – Rights of stock holders

The holders of stock shall, according to the amount of the stock held by them, have the same rights, privileges and advantages with regards to dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, so that none of such rights, privileges or advantages (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such rights, privileges or advantages.

Clause 149 – Payments of dividends

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

15.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account/ CDS Account of that Depositor.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers, and privileges and be subject to all liabilities, duties, and obligations in respect of, or rising from, such Shares.

15.4 GENERAL INFORMATION

(a) Save for the Directors' remuneration as disclosed in Section 5.2.4 of this Prospectus, dividends paid to our Promoter as disclosed in Sections 5.1.5 and 12.13 of this Prospectus, 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 so paid or given, to any of our Promoter, Directors or substantial shareholders.

(b) None of our Directors or substantial shareholders has 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 procedures for application of our Shares are set out in Section 16 of this Prospectus.

(d) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15.5 MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contract which is not in the ordinary course of our Group's business within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

(a) SSA for the Acquisition, which was completed on 20 August 2025; and

(b) Underwriting Agreement dated 8 September 2025 entered into between our Company and Mercury Securities as Sole Underwriter for the underwriting of 65,881,000 Issue Shares for an underwriting commission of up to 2.50% of the total value of the 65,881,000 Issue Shares at our IPO Price.

15.6 EXCHANGE CONTROLS

All corporations in Malaysia are required to adopt a single-tier system. As such, all dividends distributed by Malaysian corporations under this system are not taxable. Further, the Malaysian Government does not levy withholding tax on dividends payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian corporations. There is no Malaysian capital gains tax arising from the disposal of listed shares. However, in the event the capital gain arising from the disposal of listed shares is revenue in nature, such gain can be subject to income tax.

As at the date of this Prospectus, we do not have any foreign subsidiary or associated company. As such, there are no law, decree, regulation or other requirement which may affect the repatriation of capital and remittance of profits by or to our Group.

15.7 CONSENTS

(a) The respective written consents of the Principal Adviser, Sponsor, Sole Underwriter, Sole Placement Agent, Solicitors, Company Secretary, Share Registrar, and Issuing House for the inclusion in this Prospectus of their names and all references in the form and context in which such names appear have been given before the issue of this Prospectus, and such consents have not subsequently been withdrawn;

(b) The written consent of the External Auditors and Reporting Accountants for the inclusion in this Prospectus of its name, Accountants' Report and Reporting Accountants' Report on the compilation of Pro Forma Combined Statements of Financial Position as at 30 June 2025 and all references thereto, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus, and such consent has not subsequently been withdrawn; and

(c) The written consent of the IMR for the inclusion in this Prospectus of its name and the IMR Report and all references thereto, in the form and context in which they are contained in this Prospectus have been given before the issue of this Prospectus, and such consent has not subsequently been withdrawn.

15.8 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(a) our Constitution;

(b) the audited financial statements of our Group for the Financial Years Under Review;

(c) the Accountants' Report as set out in Section 13 of this Prospectus;

(d) the Reporting Accountants' Report on the compilation of Pro Forma Combined Statements of Financial Position as at 30 June 2025 as set out in Section 14 of this Prospectus;

(e) the IMR Report as set out in Section 8 of this Prospectus;

(f) the material contracts as set out in Section 15.5 of this Prospectus; and

(g) the letters of consent as set out in Section 15.7 of this Prospectus.

15.9 RESPONSIBILITY STATEMENTS

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

Mercury Securities being our Principal Adviser, Sponsor, Sole Underwriter and Sole Placement Agent in relation to our IPO, acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARISED 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

Applications for our IPO Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., ON 29 SEPTEMBER 2025

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., ON 7 OCTOBER 2025

In the event there is any change to the timetable, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATIONS

16.2.1 Retail Offering

Application must accord with the terms of our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by our Eligible Persons	Pink Application Form only
Applications by the Malaysian Public: (a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16.2.2 Private Placement

Types of Application	Application Method
Applications by: (a) Selected investors	The Sole Placement Agent will contact the selected investors directly. They should follow the Sole Placement Agent's instructions.

The Elligible Person and selected investors 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 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. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16.3.2 Application by the 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;

(ii) Electronic Share Application; or

(iii) Internet Share Application.

16.3.3 Application by the Eligible Persons

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 subscribed to the allocated IPO Shares. Applicants must follow the notes and instructions on the said documents and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Company through the Human Resources or Finance Department.

The Eligible Persons who have made applications using the Pink Application Form may still apply for our IPO Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

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 printed therein or which are illegible will not be accepted.

The FULL amount payable is RM0.31 for each IPO Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NO. 683**" and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

(ii) **DELIVER BY HAND AND DEPOSIT** in the issuing house drop-in box provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan so as to arrive not later than 5.00 p.m. on 7 October 2025 or by such other time and date specified in any change to the time or date for the closing of the applications for our IPO shares.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

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 following Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn. Bhd., Public Bank Berhad and RHB Bank Berhad. 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 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 of this Prospectus below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO shares and the balloting results in connection therewith will be furnished by the Issuing House to the SC and Bursa Securities, at all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at www.mih.com.my within 1 Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Sole Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(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 registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(b) You may check your account on the 5th Market Day from the balloting date.

(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 Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(a) Our IPO Shares allotted to you will be credited into your CDS account.

(b) A notice of allotment will be despatched to you at your registered or correspondence address last 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.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603-7890 4700
Electronic Share Application	Participating Financial Institutions
Internet Share Application	Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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