TBK & SONS HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code : 1960

SHARE OFFER

Sole Sponsor

红日资本有限公司
RED SUN CAPITAL LIMITED

Joint Bookrunners and Joint Lead Managers

馬有成投資有限公司
Excellent Success Investments Limited

Lego Securities Limited
力高證券有限公司

红日资本有限公司
RED SUN CAPITAL LIMITED

山證國際
SHANXI SECURITIES INTERNATIONAL

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

TBK & Sons Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

SHARE OFFER

Number of Offer Shares	**:**	**250,000,000 Shares**
Number of Public Offer Shares	**:**	**25,000,000 Shares (subject to reallocation)**
Number of Placing Shares	**:**	**225,000,000 Shares (subject to reallocation)**
Maximum Offer Price	**:**	**Not more than HK$0.60 per Offer Share and expected to be not less than HK$0.50 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollar and subject to refund)**
Nominal Value	**:**	**HK$0.01 per Share**
Stock Code	**:**	**1960**

Sole Sponsor

紅日資本有限公司
RED SUN CAPITAL LIMITED

Joint Bookrunners and Joint Lead Managers

馬有成投資有限公司 Excellent Success Investments Limited

Lego Securities Limited 力高證券有限公司

紅日資本有限公司 RED SUN CAPITAL LIMITED

山證國際 SHANXI SECURITIES INTERNATIONAL

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies in Hong Kong" in Appendix VII to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be determined by agreement between the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on the Price Determination Date or such later date as may be agreed by the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters). The Offer Price will be not more than HK$0.60 per Offer Share and is expected to be not less than HK$0.50 per Offer Share, unless otherwise announced.

The Joint Lead Managers (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective institutional and professional investors and other investors during the book-building process and with the Company's consent, reduce the indicative Offer Price range stated in this prospectus and/or the number of Offer Shares being offered at any time on or prior to the morning of the last day for lodging applications under the Public Offer. In such case, a notice will be available at the website of the Stock Exchange at **www.hkexnews.hk** and the Company's website at **www.tbkssb.com.my**. Further details are set out in the sections headed "Structure and Conditions of the Share Offer" and "How to Apply for the Public Offer Shares" of this prospectus.

If, for any reason, the Offer Price is not agreed between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Company on or about Friday, 20 September 2019 or such later date as may be agreed by the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), the Share Offer will not become unconditional and will lapse immediately.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus and the Application Forms, including the risk factors set out in the section headed "Risk Factors" of this prospectus. The obligations of the Underwriters under the Underwriting Agreements are subject to termination by the Joint Lead Managers (for themselves and on behalf of the Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting — Underwriting arrangements and expenses" of this prospectus.

16 September 2019

If there is any change in the following expected timetable, the Company will issue an announcement to be published on the website of the Stock Exchange at ***www.hkexnews.hk*** *and the Company's website at* ***www.tbkssb.com.my****.*

	Date and time[(1)]
Public Offer Commerces and **WHITE** and **YELLOW** Application Forms available from	9:00 a.m. on Monday, 16 September 2019
Latest time to complete electronic applications under **HK eIPO White Form** service through the designated website **www.hkeipo.hk**[(2)]	11:30 a.m. on Thursday, 19 September 2019
Application lists of the Public Offer open[(3)]	11:45 a.m. on Thursday, 19 September 2019
Latest time for lodging **WHITE** and **YELLOW** Application Forms and giving **electronic application instructions** to HKSCC[(4)]	12:00 noon on Thursday, 19 September 2019
Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s)	12:00 noon on Thursday, 19 September 2019
Application lists of the Public Offer close[(3)]	12:00 noon on Thursday, 19 September 2019
Expected Price Determination Date on or before[(5)]	Friday, 20 September 2019
Announcement of the final Offer Price, indication of the levels of interest in the Placing, the levels of applications of the Public Offer, the basis of allotment and the results of applications in the Public Offer to be published on the Group's website at **www.tbkssb.com.my**[(6)] and the website of the Stock Exchange at **www.hkexnews.hk** on or before	Friday, 27 September 2019

	Date and time[1]
Announcement of results of allocations in the Public Offer (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in the paragraph headed "11. Publication of results" under the section "How to apply for the Public Offer Shares" in this prospectus including the website of the Company at **www.tbkssb.com.my**[6] and the Stock Exchange at **www.hkexnews.hk** from	Friday, 27 September 2019
Results of allocations in the Public Offer will be available at **www.tricor.com.hk/ipo/result** (alternatively: **www.hkeipo.hk/IPOResult**) with a "search by ID" function on	Friday, 27 September 2019
Despatch of **HK eIPO White Form** e-Auto Refund payment instructions and despatch/collection of refund cheques in respect of wholly or partially successful applications (if applicable) or wholly or partially unsuccessful applications pursuant to the Public Offer on or before[8][9]	Friday, 27 September 2019
Despatch/collection of Share certificates or deposit of the Share certificate into CCASS in respect of wholly or partially successful applications pursuant to the Public Offer on or before[7][8]	Friday, 27 September 2019
Dealings in the Shares on the Stock Exchange	9:00 a.m. on Monday, 30 September 2019

Notes:

1. All times and dates refer to Hong Kong local time, except as otherwise stated. Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus.

2. You will not be permitted to submit your application through the designated website at **www.hkeipo.hk**, after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

3. If there is a "black" rainstorm warning or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 19 September 2019, the application lists will not open on that day. For further details, please see the paragraph headed "10. Effect of bad weather on the opening of the application lists" under the section headed "How to Apply for the Public Offer Shares" in this prospectus.

4. Applicants who apply for Public Offer Shares by giving **electronic application instructions** to HKSCC should refer to the paragraph headed "6. Applying by giving electronic application instructions to HKSCC via CCASS" under the section headed "How to Apply for the Public Offer Shares" in this prospectus.

5. The Price Determination Date is expected to be on or before Friday, 20 September 2019 or such later date as may be agreed by the Company and the Joint Bookrunners. If, for any reason, the Offer Price is not agreed between the Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) on or about Friday, 20 September 2019 or such later date as may be agreed by the Company and the Joint Bookrunners, the Share Offer will not proceed and will lapse accordingly.

6. None of the website of the Company or any of the information contained therein forms part of this prospectus.

7. Share certificates will only become valid at 8:00 a.m. on Monday, 30 September 2019 provided that the Share Offer has become unconditional and the right of termination described in the paragraph headed "Underwriting — Underwriting arrangements and expenses — Grounds for termination" under the section "Underwriting" in this prospectus has not been exercised. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of Share certificates or prior to the Share certificates becoming valid certificates of title do so entirely at their own risk.

8. e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Public Offer and also in respect of wholly or partially successful applications in the event that the final Offer Price is less than the price payable per Offer Share on application. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque, if any. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque, if any.

9. Applicants who apply on **WHITE** Application Forms or through the **HK eIPO White Form** service for 1,000,000 or more Public Offer Shares and have provided all information required by the Application Form may collect any refund cheques and/or Share certificates (where applicable) in person from the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited, from 9:00 a.m. to 1:00 p.m. on Friday, 27 September 2019 or such other date as notified by the Company on the website of the Company at **www.tbkssb.com.my** or the Stock Exchange at **www.hkexnews.hk** as the date of despatch/collection of Share certificates/refund cheques/e-Auto Refund payment instructions. Applicants being individuals who are eligible for personal collection may not authorise any other person to collect on their behalf. Applicants being corporations which are eligible for personal collection must attend through their authorised representatives bearing letters of authorisation from their corporation stamped with the corporation's chop. Both individuals and authorised representatives of corporations must produce evidence of identity acceptable to the Company's Hong Kong Branch Share Registrar at the time of collection.

Applicants who apply on **YELLOW** Application Forms for 1,000,000 or more Public Offer Shares and have provided all information required by the Application Form may collect their refund cheques, if any, in person but may not collect their Share certificates as such Share certificates will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit to their or the designated CCASS Participants' stock account as stated in their Application Forms. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

Applicants who have applied for Public Offer Shares by giving electronic application instructions to HKSCC should refer to the paragraph headed "14. Despatch/collection of share certificates and refund monies" under the section headed "How to Apply for the Public Offer Shares" in this prospectus for details.

Applicants who have applied for less than 1,000,000 Public Offer Shares and any uncollected Share certificates and/or refund cheques will be despatched by ordinary post, at the applicants' risk, to the addresses specified in the relevant applications. Further information is set out in the paragraphs headed "13. Refund of application monies" and "14. Despatch/collection of share certificates and refund monies" under the section headed "How to Apply for the Public Offer Shares" in this prospectus.

The above expected timetable is a summary only. You should read carefully the sections headed "Structure and Conditions of the Share Offer" and "How to Apply for the Public Offer Shares" in this prospectus for details of the structure and conditions of the Share Offer, including the conditions of the Share Offer and the procedures for application for the Public Offer Shares.

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by the Company solely in connection with the Share Offer and the Offer Shares and does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security other than the Offer Shares offered by this prospectus pursuant to the Share Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer to sell or a solicitation of an offer to buy in any other jurisdiction or in any other circumstances.

No action has been taken to permit an offer of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus to make your investment decision. The Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not made in this prospectus must not be relied on by you as having been authorised by the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, advisers, officers, employees, agents or representatives or any other person involved in the Share Offer.

CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you and is qualified in its entirety, and should be read in conjunction with the full text of this prospectus. Information contained in the Group's website, located at www.tbkssb.com.my, does not form part of this prospectus. You should read the whole prospectus including the appendices to this prospectus before you decide to invest in the Offer Shares. There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are summarised in the section entitled "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

BUSINESS OVERVIEW

The Group is a civil and structural works contractor undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. The Group is registered with a CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), which is the highest possible contractor licence under the CIDB and allows the Group to undertake civil and structural works of unlimited tender/ contract value. According to the Frost & Sullivan Report, the Group's revenue for the year ended 30 June 2018 accounted for approximately 1.7% of the market share in civil works for the downstream oil and gas industry in Malaysia in the calendar year of 2018 in terms of revenue.

The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks, paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry. Civil and structural works within the oil and gas industry differs from civil construction work in other industries primarily due to the stringent health, safety, security and environmental requirements as well as a high quality standard. According to Frost & Sullivan, civil and structural works contractors in oil and gas are generally required to execute and manage contracting activities in compliance with Health, Safety, Security and Environment (HSSE) regulations issued by local authorities, project owners, and even EPCC contractors. Workers in civil and structural works for oil and gas facilities are usually required to pass training programmes including Oil & Gas Safety Passport (OGSP) and Confined Space Safety (CSS). Further, some project owners and EPCC contractors will set HSSE requirements for civil and structural works contractors as prerequisites for bidding, in which case bidders of civil and structural works for oil and gas facilities must submit a specific Site HSSE Plan including HSSE evaluation documents, copies of the procedure to be used, organisation chart, safety records over the last five years, etc. Depending on the requirements of the customers and the nature and complexity of the projects, the Group may act as a main contractor or subcontractor in providing these services.

Over the years, the Group has participated in a number of civil and structural works projects for customers such as (a) the national oil and gas company wholly-owned by the government of Malaysia; (b) international conglomerates in the energy and infrastructure sector; and (c) engineering, procurement, commissioning and contracting ("**EPCC**") contractors in the oil and gas industry. The Group's services, level of technical expertise and capabilities, service quality and timely delivery have been well recognised by its customers. The Group has established a strong track record in the timely delivery of projects with high quality and with good safety records. The Group has also received multiple accolades from its customers, including (a) the best subcontractor award in 2017 for ensuring all health, safety, security and environmental requirements having been met; (b) the completion of a civil and structural works project with over 500,000 man-hours without lost time injury ("**LTI**"); and (c) multiple safety awards awarded to the Group by one of the world's six largest publicly traded oil and gas companies.

During the Track Record Period and as at the Latest Practicable Date, the Group was involved in the civil and structural works in the RAPID project, a large-scale refinery and petrochemical integrated development project, owned and developed by the national oil company of Malaysia, in the state of Johor, Malaysia. In the year 2018, the national oil company of Malaysia announced a joint venture investment with the Saudi Arabian national petroleum and natural gas company, where each will share an equal 50% interest in the joint venture, to invest in the Pengerang Integrated Complex ("**PIC**"), which is a major phase of Pengerang Integrated Petroleum Complex ("**PIPC**"), in Johor, Malaysia, with the aim to position Malaysia as a leader in Asia's petrochemical products market. The RAPID project, which is a major part of PIC and PIPC, is expected to have a 300,000 barrels-per-day refinery and a petrochemical complex with a combined 3.6 million metric tons-per-year production capacity.

The Group had also undertaken certain other projects in live operating oil and gas plants during the Track Record Period. According to the Frost & Sullivan Report, the tightened environmental regulation for fuel, such as Euro 5 grade level, and safety standards have caused energy companies to upgrade their facilities and thus, a series of plans to upgrade the existing refinery facilities will continuously drive the demand for civil and structural works in the oil and gas industry in Malaysia. The Directors are therefore of the view that the proven track record of undertaking projects in live oil and gas plants by the Group will give strong advantages for the Group's future development, especially in upgrading facilities for oil and gas plants.

The following table sets forth a breakdown of the Group's revenue mainly by three different business streams for the years/periods indicated:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(unaudited)			
Civil works projects	3,366	10.1	90,021	67.8	107,687	73.6	86,650	74.9	130,132	82.3
Site preparation works projects	1,853	5.6	7,779	5.9	10,165	7.0	5,961	5.1	449	0.2
Building works projects	28,127	84.3	34,858	26.3	28,389	19.4	23,107	20.0	27,605	17.5
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

For each of the years ended 30 June 2016, 2017, 2018 and the nine months ended 31 March 2019, the Group's revenue attributable to variation orders amounted to approximately RM3.1 million, RM7.9 million, RM9.1 million and RM4.9 million, respectively, representing approximately 9.2%, 5.9%, 6.2% and 3.1% of the Group's total revenue, respectively.

The following table sets out the number of tenders submitted, number of contracts awarded and the Group's tender success rate during the Track Record Period:

	Year ended 30 June			Nine months ended 31 March
	2016	2017	2018	2019
Number of tenders submitted *(Notes 1)*	9	1	6	14
Number of tenders awarded	4	0	4	5
Success rate (%)	44.4	0.0	66.7	35.7

Note 1: One tender is pending for result as at the Latest Practicable Date.

CUSTOMERS

As a general practice, the Group is invited by its customers to submit a written tender or provide a quotation. The Group adopts a build-up cost model in determining its project fees and consider various factors including, among others, (i) the type and scope of works; (ii) geographical coverage of the work services; (iii) the estimated amount of time and materials required and the personnel to be involved; (iv) the payment terms; (v) reference price of similar projects previously completed by the Group; and (vi) any risk leading to extension of service period or additional manpower. The Group did not have any loss-making projects during the Track Record Period.

During the Track Record Period, the Group had maintained a stable group of customers, including the national oil company in Malaysia and international conglomerates in the energy and infrastructure sector located in Malaysia. During the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group's top five customers accounted for approximately 94.8%, 97.7%, 97.0% and 95.6% of the total revenue, respectively. The top five customers are not obligated in any way to continue to provide the Group with new businesses in the future at a level similar to that in the past or at all. The largest customer of the Group accounted for approximately 60.4%, 51.9%, 30.0% and 60.7% for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively. Despite the concentration of customers, the Directors consider that the Group is not reliant on any single customer for reasons set out in the section headed "Business — Customers" in this prospectus.

SUPPLIERS AND SUBCONTRACTORS

The Group's suppliers primarily supply sand, concrete, steel, wood and fuel to the Group. During the Track Record Period, the Group's major suppliers were generally located in Malaysia. The Group's top five suppliers (excluding subcontractors) accounted for approximately 67.0%, 74.2%, 64.2% and 60.5% of the total purchases for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively. The Group's top five subcontractors accounted for approximately 67.7%, 79.0%, 83.3% and 83.2% of the total subcontracting charges for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively.

COMPETITIVE LANDSCAPE OF CIVIL AND STRUCTURAL WORKS FOR DOWNSTREAM OIL AND GAS FACILITIES MARKET IN MALAYSIA

As estimated, there were more than 120 market participants engaged in the civil and structural works in the downstream oil and gas industry in Malaysia in 2018. The overall civil and structural works for downstream oil and gas facilities market in Malaysia is considered as relatively concentrated with top market participants mainly consisting of large EPCC contractors who are all listed companies. In 2018, the market size of civil and structural works for downstream oil and gas facilities market in Malaysia was approximately RM8.8 billion.

During the Track Record Period, the Group's civil and structural works services were provided to both PIPC Project and non-PIPC Project. PIPC has five phases of projects located in different areas of Pengerang, Johor and each phase requires three different categories of works, namely (i) civil construction, (ii) construction of buildings, and (iii) mechanical and electrical engineering. The aforesaid three categories of works have similar gross profit margins. Among the three categories of works, the Group only undertakes civil construction and construction of buildings. To the best knowledge, information and belief of the Directors, projects within the PIPC project in these three categories all have similar gross profit margins, but may be affected by various factors, including but not limited to, complexity and time schedule of each individual projects. The Group recorded revenue of approximately RM146.2 million for the year ended 30 June 2018 and accounted for approximately 1.7% of market in the civil and structural works for downstream oil and gas facilities market in Malaysia in the calendar year of 2018 in terms of revenue. Further, as the market size of civil and structural works for downstream oil and gas facilities done by civil and structural works contractors and subcontractors (including work outsourced by EPCC contractors and work awarded directly by project owners) was approximately RM1.6 billion in the calendar year of 2018, the Group had an estimated share of approximately 9.1% in this market segment.

COMPETITIVE STRENGTHS

The Directors believe the following competitive strengths contribute to the Group's continued success and potential growth: (i) award-winning contractor; (ii) expertise and capability to perform civil and structural works in live operating oil and gas plant for its customers; (iii) strong business relationship with key customers and business partners as well as subcontractors and suppliers; (iv) quality services provided in a cost-effective manner; (v) sizeable and stable pool of skilled labour; (vi) stable and experienced management team with substantial technical experience and expertise in the civil and structural works industry; and (vii) commitment to safety, quality and environment through well-established management systems. Please refer to the section headed "Business — Competitive strengths" in this prospectus for further details.

LICENCES AND PERMITS

As advised by the Malaysian Legal Advisers, the Group has obtained all material licences, permits and registration required for carrying on its business as a contractor undertaking civil and structural works projects. For further details of the licences and permits possessed by the Group, please refer to the section headed "Business — Licenses, permits and registration" in this prospectus.

SUMMARY OF FINANCIAL INFORMATION

The table below sets forth selected information and analysis from the combined statements of comprehensive income of the Group:

	Year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Revenue	33,346	132,658	146,241	115,718	158,186
Gross Profit	9,042	27,340	32,095	28,219	29,891
Profit before income tax	5,025	22,283	24,799	23,925	18,435
Profit for the year/period	3,704	17,157	18,323	17,835	11,887
Listing expenses	—	—	—	—	6,702

	Year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Non-IFRS Measures					
Net profit for the year/period	3,704	17,157	18,323	17,835	11,887
Add: Listing expenses	—	—	—	—	6,702
Adjusted net profit for the year/period *(Note)*	3,704	17,157	18,323	17,835	18,589

Note: Adjusted profit represents profit for the year/period excluding the listing expenses incurred. Adjusted net profit is not a measure of performance under IFRS. As a non-IFRS measure, adjusted profit is presented because the management believes such information will be helpful for investors in assessing the effect of listing expenses on the Group's net profit. The use of adjusted profit has material limitations as an analytical tool as it does not include all items that impact the Group's profit for the relevant year/period.

The overall revenue of the Group increased by approximately 298.5% from approximately RM33.3 million for the years ended 30 June 2016 to approximately RM132.7 million for the years ended 30 June 2017, which was primarily due to increase in revenue derived from the Group's civil works projects, site preparation works projects and building works projects. The increase was also due to the fact that the Group undertook more sizable projects and more PIPC projects of which the majority of work commenced in FY2017. Moreover, the Group first participated in PIPC projects through Project 3 in April 2015. The Directors consider that, with the quality of services delivered by the Group and its ability to meet tight work schedules, more opportunities became available to the Group and the Group was awarded with more PIPC projects and more sizable projects afterwards. The Directors believe the Group's business is sustainable since PIPC has scheduled completion in 2035 according to the Frost & Sullivan Report. The decrease in gross profit margin of the Group was mainly due to Project 7 with a relatively lower gross profit margin as more subcontracting charges were incurred for this project. The Group's revenue increased by approximately 10.2% from approximately RM132.7 million for the year ended 30 June 2017 to approximately RM146.2 million for the year ended 30 June 2018, which was mainly due to the increase in revenue derived from the Group's civil works projects, site preparation works projects and building works projects. The revenue of the Group increased from approximately RM115.7 million for the nine months ended 31 March 2018 to approximately RM158.2 million for the nine months ended 31 March 2019. The decrease in gross profit margin of the Group for the nine months ended 31 March 2019 was mainly due to an increase in subcontracting cost. The Group's profit for the year increased from approximately RM3.7 million for the year ended 30 June 2016 to approximately RM17.2 million for the year ended 30 June 2017 which was attributable to the increase in gross profit offset by the increase in administrative expenses. The Group's profit for the years ended 30 June 2017 and 2018 remained stable at approximately RM17.2 million and RM18.3 million, respectively. The Group's profit for the period decreased from approximately RM17.8 million for the nine months ended 31 March 2018 to approximately RM11.9 million for the nine months ended 31 March 2019 which was attributable to the listing expenses of approximately RM6.7 million recognised during the nine months ended 31 March 2019. For further details, please refer to the section headed "Financial Information — Comparison of results of operations" in this prospectus.

The following table sets forth a breakdown of the gross profit and gross profit margin by type of business segments during the Track Record Period:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*Gross profit margin (%)*	*RM'000*	*Gross profit margin (%)*	*RM'000*	*Gross profit margin (%)*	*RM'000* *(unaudited)*	*Gross profit margin (%)*	*RM'000*	*Gross profit margin (%)*
Civil works projects	840	25.0	16,365	18.2	22,104	20.5	19,783	22.8	23,406	18.0
Site preparation works projects	474	25.6	1,861	23.9	2,353	23.1	1,649	27.7	99	22.0
Building works projects	7,728	27.5	9,114	26.1	7,638	26.9	6,787	29.4	6,386	23.1
	9,042	27.1	27,340	20.6	32,095	21.9	28,219	24.4	29,891	18.9

The table below sets forth selected information from the combined statements of financial position of the Group:

	As at 30 June			As at 31 March
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Current assets	23,060	45,192	65,407	130,403
Current liabilities	20,889	29,024	35,721	81,288
Net current assets	2,171	16,168	29,686	49,115
Non-current assets	19,108	20,495	23,814	24,125
Non-current liabilities	10,391	8,618	7,132	9,835
Total equity	10,888	28,045	46,368	63,405

The increase in equity of the Group was mainly attributable to the profit for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019.

The table below sets forth selected information from the combined statements of cash flows of the Group:

	For the year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Cash flows before working capital changes	7,522	25,370	28,917	27,150	21,811
Net cash flow generated from/(used in) operating activities	2,004	14,957	25,210	16,604	(17,128)
Net cash flow (used in)/generated from investing activities	(3,291)	(10,115)	(9,684)	(8,614)	10,561
Net cash flow generated from/(used in) financing activities	734	(2,383)	(7,494)	(2,712)	12,105
Cash and cash equivalents at beginning of year/period	(5,265)	(5,818)	(3,359)	(3,359)	4,673
Cash and cash equivalents at end of year/ period	(5,818)	(3,359)	4,673	1,919	10,211
Analysis of cash and cash equivalents:					
Cash and bank balances	281	589	6,279	5,702	12,740
Bank overdrafts	(6,099)	(3,948)	(1,606)	(3,783)	(2,529)
	(5,818)	(3,359)	4,673	1,919	10,211

There was a net cash outflow from operating activities for the nine months ended 31 March 2019 which was largely attributable to the combined effect of (i) cash flows before working capital changes of approximately RM21.8 million; (ii) the increase in trade receivables, other receivables, deposits and prepayments of approximately RM23.3 million; and (iii) the increase in contract assets of approximately RM44.1 million. The Group will closely monitor the recoverability of the receivables and contract assets to improve its cash flow position.

The cash and cash equivalents, comprising bank balances and cash, improved from an overdraft position at approximately RM5.8 million as at 30 June 2016 to an overdraft position at approximately RM3.4 million as at 30 June 2017. The improvement was mainly attributable to net cash generated from operating activities of approximately RM15.0 million partly offset by the cash used in investing activities of approximately RM10.1 million and the cash used in financing activities of approximately RM2.4 million.

The cash and cash equivalents increased from an overdraft position at approximately RM3.4 million as at 30 June 2017 to a net cash position at approximately RM4.7 million as at 30 June 2018. The increase was mainly attributable to net cash generated from operating activities of approximately RM25.2 million partly offset by the cash used in investing activities of approximately RM9.7 million and cash used in financing activities of approximately RM7.5 million.

The cash and cash equivalents increased from approximately RM4.7 million as at 30 June 2018 to approximately RM10.2 million as at 31 March 2019. The increase was mainly attributable to the cash generated from investing activities of approximately RM10.6 million and cash generated from financing activities of approximately RM12.1 million partly offset by net cash used in operating activities of approximately RM17.1 million.

For further details, please refer to the section headed "Financial Information — Liquidity and capital resources" in this prospectus.

Key financial ratios

	As at/for the year ended 30 June			As at/for the nine months ended 31 March
	2016	**2017**	**2018**	**2019**
Current ratio (times)	1.1	1.6	1.8	1.6
Quick ratio (times)	1.1	1.6	1.8	1.6
Gearing ratio[1] (%)	183.4	64.3	26.4	31.1
Debt to equity ratio (%)	180.8	62.2	12.8	11.0
Return on equity (%)	34.0	61.2	39.5	N/A
Return on total assets (%)	8.8	26.1	20.5	N/A
Interest coverage (times)	7.0	26.7	23.0	24.1

Note 1: Gearing ratio is total debt (i.e. sum of all obligations under finance leases, borrowings and amounts due to Directors) divided by total equity and multiplied by 100%.

The Group recorded gearing ratio of approximately 183.4%, 64.3%, 26.4% and 31.1% as at 30 June 2016, 2017 and 2018 and 31 March 2019, respectively. The Group's net debt as at 30 June 2016, 2017 and 2018 and 31 March 2019 mainly consisted of bank borrowings. For further details on the Group's financial ratios, please refer to the section headed "Financial Information — Key financial ratios" in this prospectus.

SHAREHOLDING OF THE COMPANY

Immediately after the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme), TBKS International and Pre-IPO Investor will directly hold 600,000,000 Shares and 150,000,000 Shares, representing 60% and 15% of the enlarged issued share capital of the Company, respectively. TBKS International is an investment holding company, which is owned as to 70% and 30% by Mr. HT Tan and Mr. HP Tan, respectively. Mr. HT Tan is the Chairman and an executive Director while Mr. HP Tan is an executive Director and chief executive officer. Accordingly, Mr. HT Tan and Mr. HP Tan together with TBKS International are a group of Controlling Shareholders and will be deemed to be collectively interested in approximately 60% of the enlarged issued share capital of the Company in aggregate.

RISK FACTORS

There are a number of risks involved in the Group's operations and in connection with the Share Offer, many of which are beyond the Group's control. These risks can be categorised into (i) risks relating to the Group's business; (ii) risks relating to Malaysia; (iii) risks relating to the Share Offer; and (iv) risks relating to this prospectus.

The Directors believe that some of the major risks may have a material adverse effect on the Group, including but not limited to (i) the Group is exposed to concentration risk of heavy reliance on its largest and top five customers; (ii) as the Group from time to time engages subcontractors in works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of its subcontractors; (iii) failure to secure new projects through tender process may materially and adversely affect the Group's sustainability and financial performance; (iv) the Group's historical revenue and profit margin may not be indicative of its financial performance in the future; and (v) a significant portion of the Group's revenue was generated from PIPC projects, any decrease or loss of business relationship or failure to secure new projects associated with PIPC may adversely affect the Group's operations and financial performance.

A detailed discussion of the risk factors that the Directors believe are particularly relevant to the Group is set out in the section headed "Risk Factors" in this prospectus.

LEGAL AND REGULATORY COMPLIANCE

The Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, there was no non-compliance incident which constitute material impact non-compliance or systemic non-compliance and the Group has obtained all the approvals, permits, consents, licenses and registrations required for its business and operations in Malaysia and all of them are valid and subsisting.

LITIGATION, ARBITRATION AND POTENTIAL CLAIMS

During the Track Record Period and up to the Latest Practicable Date, the Directors are not aware of any litigation, arbitration or claim of material importance against any member of the Group and no litigation, arbitration or claims of material importance is known to the Group to be pending or threatened against any member of the Group. Save as disclosed in the section headed "Business — Workplace safety" in this prospectus, as at the Latest Practicable Date, the Group did not record any accident which may lead to potential employee's compensation and personal injury claims whereby a claim has not yet been filed or settled. The Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, the Group was not subject to any actual or threatened claims and neither the Group nor its Directors, shareholders, or company secretary was engaged in any litigation or arbitration proceedings of any material importance in Malaysia, whether in the form of winding up, bankruptcy or otherwise.

PRE-IPO INVESTMENT

On 12 September 2018, Mr. HT Tan, Mr. HP Tan, TBKS Investments and the Pre-IPO Investor entered into a subscription agreement pursuant to which the Pre-IPO Investor conditionally agreed to subscribe for 20 shares in TBKS Investments for an aggregate consideration of HK$25,000,000 which shall be settled in cash as to HK$10,000,000 and by way of the issue of a promissory note as to the balance of HK$15,000,000. The balance HK$15,000,000 was settled in full on 31 January 2019. On 28 September 2018, the subscription pursuant to the Subscription Agreement was completed and 20 shares were allotted and issued to the Pre-IPO Investor. For further details, please refer to section headed "History, Development and Reorganisation — Pre-IPO investment" in this prospectus.

RECENT DEVELOPMENT SUBSEQUENT TO THE TRACK RECORD PERIOD

Subsequent to the Track Record Period and up to the Latest Practicable Date, the Group has continued to focus on developing the Group's business of undertaking civil and structural works in the oil and gas industry. As at the Latest Practicable Date, the Group has nine projects on hand, which are expected to generate revenue of approximately RM179.6 million. As at the Latest Practicable Date, all existing projects have continued to contribute revenue to the Group and none of them have had any material interruption. The amount of revenue expected to be recognised is subject to change due to the actual progress and commencement and completion dates of the projects. Please refer to the section headed "Business — Projects" in this prospectus for more details.

Following the Track Record Period, the Group has been continuously approached by customers for submitting tenders or quotations for new projects, and the Group has identified thirteen tender opportunities with an aggregate tender sum of approximately RM1,438.2 million in relation to which the Group had submitted four tenders and is in direct negotiation for one of such contracts up to the Latest Practicable Date. The Group intends to submit tender for the remaining eight projects. In this regard, the Directors has been cautiously optimistic in preparing the tenders or quotations with an aim to expand its business.

On 24 December 2018, members of the Group declared dividends to their then shareholders by way of distribution-in-specie of the Distributed Lands in the aggregate sum of RM5.6 million which was settled on 19 July 2019.

The Group's results of operations for the year ended 30 June 2019 would be materially affected by the listing expenses as disclosed in the section headed "Financial Information — Listing expenses" in this prospectus. Due to the impact of the listing expenses, the net profit of the Group for the year ended 30 June 2019 would decrease as compared with that for the year ended 30 June 2018.

The Group has prepared unaudited preliminary financial information for the Group as of and for the year ended 30 June 2019, which is set forth in Appendix III to this prospectus.

LISTING EXPENSES

The Group's estimated listing expenses primarily consist of professional fees and underwriting commission, in relation to the Listing. Assuming the Offer Price of HK$0.55 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the listing expenses are estimated to be approximately HK$36.0 million, of which approximately HK$17.0 million is directly attributable to the issue of new Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standards. The remaining amount of approximately HK$15.5 million and HK$3.5 million would be chargeable to the consolidated statements of profit or loss and other comprehensive income for the year ended 30 June 2019 and the year ending 30 June 2020, respectively. The estimated listing expenses are subject to adjustments based on the actual amount incurred or to be incurred.

BUSINESS STRATEGIES, REASONS OF THE SHARE OFFER AND PROPOSED USE OF NET PROCEEDS

The Group's goals are to achieve sustainable growth and further strengthen its overall competitiveness and business growth in the construction industry in Malaysia by way of (i) enhancing working capital sufficiency to further develop the Group's businesses; (ii) financing the issue of performance bonds for future projects; (iii) acquiring additional machinery and equipment; (iv) strengthening its manpower and enhance project management capability; (v) financing the upfront expenditures of new projects; and (vi) selectively pursuing strategic cooperation, investments and acquisitions.

The Directors expect that development in the PIPC will continue to create demand for civil and structural works for oil and gas facilities in order to meet the growing demands from the oil and gas industry in Malaysia. The Directors envisage that there would be considerable business opportunities and growth drivers which justify the Group's expansion plan. Furthermore, the Listing and the Share Offer will provide the Group with access to capital market for future corporate finance exercise to assist in the Group's future business development and further strengthen and enhance its competitiveness. In addition, the Listing will expand and diversify the Group's shareholders base as it will allow institutional and professional investors in Hong Kong to easily participate in the equity of the Company, thereby establishing a solid institutional and professional shareholders base to the benefit of the Company and Shareholders as a whole. On operational level, the Directors consider that the Listing will enhance the Group's recruitment strategy to attract more talented staff.

The total amount of listing expenses will be borne by the Group including the underwriting fees in connection with the Share Offer. On the basis that the Offer Price is HK$0.55 (being the mid-point of the indicative range of the Offer Price), the Directors estimate that the net proceeds to be received from the Share Offer (after deducting underwriting fees, brokerage, the Stock Exchange trading fee and SFC transaction levy) by the Group will be approximately HK$101.5 million. The Directors presently intend to apply such net proceeds as follows:

	For the period from the Latest Practicable Date to 31 December 2019	For the six months ending 30 June 2020	31 December 2020	30 June 2021	Total	Approximate % of net proceeds
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	
To reserve more capital to satisfy the Group's potential customers' requirement for performance bond	10.4	—	—	—	10.4	10.2%
To expand the Group's workforce	1.7	5.0	4.9	4.0	15.6	15.4%
To acquire machinery	20.8	—	—	—	20.8	20.5%
To finance for the upfront expenditures of new projects	31.2	—	—	—	31.2	30.7%
To acquire business	—	—	15.6	—	15.6	15.4%
To set aside for working capital purpose	2.0	2.0	2.0	1.9	7.9	7.8%
Total	66.1	7.0	22.5	5.9	101.5	100.0%

Please refer to the section headed "Future Plans and Use of Proceeds — Business strategies, reasons of the Share Offer and proposed use of net proceeds" in this prospectus for details of the use of proceeds from the Share Offer in the event that the Offer Price is determined at the high-end or low-end of the indicative range.

DIVIDEND

The Company has not declared or paid any dividends during the Track Record Period and up to the Latest Practicable Date. Pursuant to the directors' resolutions of TBK passed on 24 December 2018, interim dividend of RM5.6 million was declared by TBK. The dividend payable to the Controlling Shareholders was settled on 19 July 2019 in the form of a distribution-in-specie of the Distributed Lands owned by the Group. The Directors consider that the Distributed Lands were held on freehold basis for agriculture use which are unrelated to the Group's business and operation and will not cause material disruption to the Group's business after the distribution-in-specie.

The Group currently intends to adopt, after Listing, a general dividend policy of declaring and paying dividends on an annual basis of approximately 10% of the Company's distributable profit for any particular financial year. Declaration of dividends is subject to the discretion of the Directors, depending on the Group's results of operations, working capital, cash position, future operations, and capital requirements, as well as any other factors which the Directors may consider relevant. As the payment of dividends are at the discretion of the Directors, there is no assurance that any particular dividend amount or any dividend at all, will be distributed. Such discretion is subject to the applicable laws and regulations including the Companies Law and the Articles of Association which also require the approval of the Shareholders. Historical dividend payments are not indicative of the Company's payment of any future dividends.

OFFER STATISTICS

The following table sets forth the statistics under the Share Offer:

	Based on the Offer Price of HK$0.50 per Offer Share	**Based on the Offer Price of HK$0.60 per Offer Share**
Market capitalisation of the Company at Listing *(Note 1)*	HK$500,000,000	HK$600,000,000
Unaudited pro forma adjusted combined net tangible assets of the Group as at 31 March 2019 per Share *(Note 2)*	HK$0.22	HK$0.24

Notes:

1. The calculation of market capitalisation is based on 1,000,000,000 Shares expected to be in issue immediately upon completion of the Share Offer and the Capitalisation Issue without taking into account any Shares that may be allotted or issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

2. The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 1,000,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue. It does not take into account any Shares which may be issued upon the exercise of any options that may be granted under the Share Option Scheme or any Share which may be allotted, issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchases of Shares.

3. No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2019. Had the distribution-in-specie of the Distributed Lands been completed on 31 March 2019, the unaudited pro forma adjusted combined net tangible assets of the Group would have been RM130,197,000 and RM118,240,000, respectively based on Offer Price of upper limit of HK$0.60 and lower limit of HK$0.50, respectively. The unaudited pro forma adjusted combined net tangible assets per Share would have been RM0.13 or HK$0.25 and RM0.12 or HK$0.23, respectively.

MATERIAL ADVERSE CHANGES

Save as disclosed in the paragraph headed "Recent development subsequent to the Track Record Period" in this section, the Directors confirmed that, up to the date of this prospectus, there has been no material adverse change, other than the impact of the listing expenses, in the financial, operational or trading position of the Group since 31 March 2019, being the end of the period reported on in the Accountants' Report.

Unless the context otherwise requires, the following expressions have the following meanings in this prospectus. Certain other terms are explained in the section headed "Glossary of Technical Terms" of this prospectus.

"Accountants' Report"	the accountants' report of the Group prepared by the Reporting Accountants set out in Appendix I to this prospectus
"affiliate(s)"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) and **GREEN** Application Form(s), individually or collectively, as the context may require to be used in connection with the Public Offer
"Articles of Association" or "Articles"	the articles of association of the Company adopted on 5 September 2019 and with effect from the Listing, and as amended from time to time, a summary of which is set out in Appendix V to this prospectus
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"Bumiputera"	(a) for Peninsular Malaysia — Malay individual or aborigine of Malay Peninsular; and (b) for Sarawak — a person who is a citizen and either belongs to one of these races (Bukitans, Bisayahs, Dusuns, Sea Dayaks, Land Dayaks, Kadayans, Kalabits, Kayans, Kenyahs (including Sabups and Sipengs), Kajangs (including Sekapans, Kejamans, Lahanans, Punans, Tanjongs and Kanowits), Lugats, Lisums, Malays, Melanos, Muruts, Penans, Sians, Tagals, Tabuns and Ukits) as indigenous to the State of Sarawak or is of mixed blood deriving exclusively from those races
"Business Day(s)" or "business day(s)"	a day on which banks in Hong Kong are generally open for business to the public and which is not (i) a Saturday, Sunday or public holiday in Hong Kong or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
"BVI"	the British Virgin Islands

"Capitalisation Issue"	the issue of 749,999,900 new Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of the Company referred to in the section headed "Statutory and General Information — Further information about the Group — 4. Written resolutions of all the Shareholders passed on 5 September 2019" in Appendix VI to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Law" or "Cayman Companies Law"	the Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands, as amended, modified or supplemented from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance" or "Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, modified or supplemented from time to time
"Company"	TBK & Sons Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability on 8 November 2018
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and in the case of the Company, refer to Mr. HT Tan, Mr. HP Tan and TBKS International
"Deed of Indemnity"	the deed of indemnity dated 5 September 2019 and executed by the Controlling Shareholders in favour of the Company (for itself and as trustee for each of the Company's subsidiaries), particulars of which are set out in the paragraph headed "Other information — 14. Tax and other indemnities" in Appendix VI in this prospectus
"Director(s)"	the director(s) of the Company
"Distributed Lands"	Title No. GRN 21093, Lot No. 4769 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan and Title No. GRN 21092, Lot No. 4768 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan
"EUR"	the lawful currency of the member states of the European Union
"Excellent Success"	Excellent Success Investments Limited, a licensed corporation under the SFO permitted to carry on Type 1 (dealing in securities) regulated activity, being one of the Joint Bookrunners and Joint Lead Managers to the Share Offer
"Frost & Sullivan"	Frost & Sullivan Limited, an industry consultant and an Independent Third Party
"Frost & Sullivan Report"	an independent market research report in respect of the oil and gas civil engineering industry in Malaysia, prepared by Frost & Sullivan which was commissioned by the Company
"General Rules of CCASS"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
"**GREEN** Application Form(s)"	the application form(s) to be completed by the **HK eIPO White Form** Service Provider
"Group"	the Company and its subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries pursuant to the Reorganisation, its present subsidiaries
"**HK eIPO White Form**"	the application for the Public Offer Shares to be issued in the applicant's own name by submitting applications online through the designated website of **HK eIPO White Form** at www.hkeipo.hk
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** service provider designated by the Company, as specified on the designated website at www.hkeipo.hk

"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HK$" or "Hong Kong dollar(s)" or "HKD" or "cents"	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong
"Hong Kong" or "HK"	The Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited, the branch share registrar and transfer office of the Company in Hong Kong
"IASB"	International Accounting Standards Board
"IFRSs"	International Financial Reporting Standards issued by IASB
"Independent Third Party(ies)"	individual(s) or company(ies) who is (or are) not a connected person (within the meaning of the Listing Rules) of the Company, any of its subsidiaries or any of their respective associates
"INR"	India Rupee, the lawful currency for the time being of India
"ISA"	International Standards on Auditing issued by the International Auditing and Assurance Standards Board
"Joint Bookrunners" or "Joint Lead Managers"	Excellent Success, Lego Securities, Red Sun Capital and Shanxi
"JPY"	Japanese yen, official currency of Japan
"Korea"	the Republic of Korea
"KRW"	Korean Won, the lawful currency of Korea
"Latest Practicable Date"	Monday, 9 September 2019, being the latest practicable date for the purpose of ascertaining certain information in this prospectus prior to its publication
"laws"	include all laws, rules, regulations, guidelines, opinions (whether formally published or not), notices, circulars, orders, judgements, decrees or rulings of any court, government, governmental or regulatory authority whether or not ejusdem generis with any of the foregoing (including, without limitation, the Stock Exchange) and "law" shall be construed accordingly
"Lego Securities"	Lego Securities Limited, a licensed corporation under the SFO permitted to carry on Type 1 (dealing in securities) regulated activity, being one of the Joint Bookrunners and Joint Lead Managers to the Share Offer
"Listing"	the listing of the Shares on the Main Board

"Listing Date"	the date on which dealings in the Shares on the Main Board first commence, which is expected to be on Monday, 30 September 2019
"Listing Division"	the listing division of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with GEM of the Stock Exchange
"Malaysian Legal Advisers"	Ben & Partners, the legal advisers to the Company as to Malaysian law
"Memorandum of Association" or "Memorandum"	the memorandum of association of the Company, adopted on 5 September 2019 and as amended from time to time, a summary of which is set out in Appendix V to this prospectus
"MIRB"	Malaysian Inland Revenue Board
"Mr. HP Tan"	Mr. Tan Han Peng, an executive Director and one of the Controlling Shareholders, younger brother of Mr. HT Tan
"Mr. HT Tan"	Mr. Tan Hun Tiong, an executive Director and one of the Controlling Shareholders, elder brother of Mr. HP Tan
"Nomination Committee"	the nomination committee of the Board
"Offer Price"	the final price per Offer Share (exclusive of any brokerage fee, SFC transaction levy and Stock Exchange trading fee) of not more than HK$0.60 per Offer Share and not less than HK$0.50 per Offer Share at which the Offer Shares are to be offered for subscription pursuant to the Share Offer, to be determined as further described in "Structure and Conditions of the Share Offer" in this prospectus
"Offer Shares"	collectively, the Public Offer Shares and the Placing Shares
"Peninsular Malaysia"	also known as West Malaysia and is the part of Malaysia which lies on the Malay Peninsula and surrounding islands, and consists of 11 states and two federal territories covering Central Malaysia, Southern Malaysia, Northern Region (Kedah, Penang, Perak and Perlis) and East Coast Region (Kelantan, Pahang and Terengganu)

"Petronas"	Petroliam Nasional Berhad, the national oil and gas company wholly-owned by the government of Malaysia
"PIPC"	Pengerange Integrated Petroleum Complex
"PIPC Projects"	projects of the Group within PIPC
"Placing"	the conditional placing by the Placing Underwriters on behalf of the Company for subscription by professional, institutional and other investors of the Placing Shares for cash at the Offer Price, as further described under the section headed "Structure and Conditions of the Share Offer" of this prospectus
"Placing Shares"	the 225,000,000 Shares being initially offered by the Company for subscription under the Placing subject to reallocation, as described under the section headed "Structure and Conditions of the Share Offer" of this prospectus
"Placing Underwriters"	the underwriters that are expected to enter into the Placing Underwriting Agreement to underwrite the Placing Shares
"Placing Underwriting Agreement"	the underwriting agreement expected to be entered into on or about Friday, 20 September 2019 by, among others, the Company, the Controlling Shareholders, the executive Directors, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Placing Underwriters relating to the Placing
"PRC" or "China"	the People's Republic of China which, for the purpose of this prospectus, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"Pre-IPO Investment"	the pre-IPO investment in the Group as set out in the section headed "History, Development and Reorganisation — Pre-IPO Investment" in this prospectus
"Pre-IPO Investor"	Victory Lead Ventures Limited, a company incorporated in the BVI on 26 June 2018 beneficially owned by Fuji Investment SPC, an Independent Third Party
"Prestasi Senadi"	Prestasi Senadi Sdn. Bhd., a company incorporated in Malaysia on 4 January 1993 and an indirect wholly-owned subsidiary of the Company after the Reorganisation and upon Listing
"Price Determination Agreement"	the agreement to be entered into between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and the Company on or around the Price Determination Date to fix the Offer Price

"Price Determination Date"	the date, expected to be on or about Friday, 20 September 2019 or such later date or time as may be agreed by the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), on which the Offer Price is fixed by agreement between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Company, on which the Offer Price is fixed for the purpose of the Public Offer
"Public Offer"	the offer of the Public Offer Shares for subscription by members of the public in Hong Kong for cash at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), payable in full on application, on and subject to the terms and conditions described in this prospectus and the Application Forms
"Public Offer Shares"	the 25,000,000 Shares (subject to reallocation) initially offered by the Company for subscription in the Public Offer, as described under the section headed "Structure and Conditions of the Share Offer" of this prospectus
"Public Offer Underwriters"	the underwriters of the Public Offer, whose names are set out under the section headed "Underwriting — Public Offer Underwriters" of this prospectus
"Public Offer Underwriting Agreement"	the underwriting agreement dated 13 September 2019 entered into among the Company, the Controlling Shareholders, the executive Directors, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Public Offer Underwriters relating to the Public Offer
"RAPID"	the Refinery and Petrochemical Integrated Development and other associated facilities, a major project in Malaysia
"Remuneration Committee"	the remuneration committee of the Board
"Reorganisation"	the corporate reorganisation of the Group conducted in preparation for the Listing, details of which are set out in the section headed "History, Development and Reorganisation" of this prospectus
"Red Sun Capital" or "Sole Sponsor"	Red Sun Capital Limited, a corporation licensed under the SFO and permitted to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, being the sole sponsor of the Listing, one of the Joint Bookrunners and Joint Lead Managers to the Share Offer
"RM" or "Malaysian Ringgit(s)"	Malaysian Ringgit, the lawful currency of Malaysia

"SFC" or "Securities and Futures Commission"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Shanxi"	Shanxi Securities International Limited, a licensed corporation under the SFO permitted to carry on Type 1 (dealing in securities) regulated activity, being one of the Joint Bookrunners and Joint Lead Managers to the Share Offer
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Share Offer"	the Public Offer and the Placing
"Share Option Scheme"	the share option scheme conditionally adopted by the Company on 5 September 2019, the principal terms of which are summarised under the paragraph headed "13. Share Option Scheme" in Appendix VI to this prospectus
"Shareholder(s)"	shareholder(s) of the Company from time to time
"Southern Malaysia"	refers to Johor Darul Ta'zim, Malacca and Negeri Sembilan Darul Khusus of West Malaysia
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Repurchases issued by the SFC, as amended, supplemented or otherwise modified from time to time
"TBK"	Tan Bock Kwee & Sons Sdn. Bhd., a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the Reorganisation and upon Listing
"TBKS Holding"	TBKS Holding Sdn. Bhd., a company incorporated in Malaysia on 25 October 2018 with limited liability and indirectly wholly-owned subsidiary of the Company after the Reorganisation and upon Listing
"TBKS Hong Kong"	TBKS Hong Kong Limited, a company incorporated in Hong Kong on 26 June 2018 with limited liability and indirectly wholly-owned subsidiary of the Company after the Reorganisation and upon Listing

"TBKS International"	TBK & Sons International Limited, a company incorporated in the BVI on 20 July 2018 with limited liability and owned by Mr. HT Tan and Mr. HP Tan as to 70% and 30% respectively and being one of the Controlling Shareholders
"TBKS Investments"	TBKS Investments (B.V.I.) Ltd, a company incorporated in the BVI with limited liability on 17 July 2018 and a direct wholly-owned subsidiary of the Company after the Reorganisation and upon Listing
"Track Record Period"	comprises the financial years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019
"Underwriters"	Public Offer Underwriters and the Placing Underwriters
"Underwriting Agreements"	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
"U.S." or "United States"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US$" or "USD"	United States dollars, the lawful currency of United States
"U.S. Securities Act"	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"**WHITE** Application Form(s)"	the application form(s) for use by the public who require(s) such Offer Shares to be issued in the applicant's or applicants' own name(s)
"**YELLOW** Application Form(s)"	the application form(s) for use by the public who require(s) such Offer Shares to be deposited directly into CCASS
"%"	per cent

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Certain figures used in this prospectus that are expressed in HK$ are calculated based on the conversion rate as at the Latest Practicable Date of RM1.00 = HK$1.90.

This glossary contains explanations of certain terms and definitions used in this prospectus in connection with the Group and the business. The terms and their meanings may not correspond to standard industry meaning or usage of those terms.

"bpd"	barrels per day
"building works projects"	the projects undertaken by the Group that the whole or substantial part of the works stipulated in the master contract(s) of such project(s) is categorised as building works whereas the works of the variation order(s) thereunder, if any, may be site preparation works, civil works and/or building works
"CAGR"	compound annual growth rate
"CIDB"	the Construction Industry Development Board of Malaysia
"civil and structural works"	site works comprising a structure, such as roads, water works, drainage, excavation works, site formation, or earthwork, but excluding building and its associated site works
"civil works projects"	the projects undertaken by the Group that the whole or substantial part of the works stipulated in the master contract(s) of such project(s) is categorised as civil works whereas the works of the variation order(s) thereunder, if any, may be site preparation works, civil works and/or building works
"downstream sector"	processing or refining of petroleum or manufacturing of petro-chemical products from petroleum
"EPCC"	engineering, procurement, commissioning and contracting
"m^2"	square metre
"m^3"	cubic metre
"Mpta"	million tonnes per annum
"site preparation works projects"	the projects undertaken by the Group that the whole or substantial part of the works stipulated in the master contract(s) of such project(s) is categorised as site preparation works whereas the works of the variation order(s) thereunder, if any, may be site preparation works, civil works and/or building works
"sq. ft."	square feet
"substructure"	substructure is the lower portion of the structure, usually located below the ground level and includes foundation and basement
"superstructure"	superstructure is the upper portion of the structure, usually located above the ground level and serves the purpose of the intended use of the structure such as educational, residential and commercial, etc.
"upstream sector"	exploring, exploiting, winning and obtaining petroleum whether onshore or offshore

FORWARD-LOOKING STATEMENTS

This prospectus contains certain forward-looking statements and information relating to the Company and the subsidiaries that are based on the beliefs of the management as well as assumptions made by and information currently available to the management. When used in this prospectus, the words ''aim'', ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''going forward'', ''intend'', ''may'', ''might'', ''ought to'', ''plan'', ''potential'', ''predict'', ''project'', ''seek'', ''should'', ''will'', ''would'' and the negative of these words and other similar expressions, as they relate to the Group or its management, are intended to identify forward-looking statements. Such statements reflect the current views of the management with respect to future events. Operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing by the Company which could affect the accuracy of forward-looking statements include, but are not limited to the following:

- the Group's business prospects;
- the Group's contracts on hand;
- future developments, trends and conditions in the industry and markets in which the Group operates;
- the Group's business strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which the Group operates;
- changes to the regulatory environment and general outlook in the industry and markets in which the Group operates;
- the effects of the global financial markets and economic crisis;
- the Group's financial position;
- the Group's ability to reduce costs;
- the Group's planned projects;
- the Group's dividend policy;
- the amount and nature of, and potential for, future development of the Group's business;
- various business opportunities that the Group may pursue: capital market developments;
- the Group's ability to source raw materials and relevant subcontractors;
- fluctuation in the prices of raw materials and subcontracting and the Group's ability to pass-through any increases in price to customers;
- the Group's ability to protect its intellectual property rights;

- the Group's ability to hire and retain talented employees;
- the actions and developments of the competitors and the Group's ability to compete under these actions and developments;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends; and
- other factors beyond the Group's control.

Subject to the requirements of applicable laws, rules and regulations, the Group does not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way the Group expects or at all.

Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to the cautionary statements in this section.

In this prospectus, statements of or references to the Group's intentions or those of the Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

In preparation for the Listing, the Company has obtained the following waivers from strict compliance with the relevant provisions of the Listing Rules and the Companies (WUMP) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

Rule 8.12 of the Listing Rules provides that a new applicant applying for a primary listing on the Stock Exchange must have a sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong. Since the core business, operations and major assets of the Group are located, managed and conducted in Malaysia, the executive Directors and members of senior management of the Group are and will continue to be based in Malaysia. All of the executive Directors are ordinarily based in Malaysia and the Company does not and, in the foreseeable future, will not have any management presence in Hong Kong for the purpose of satisfying the requirements under Rule 8.12 of the Listing Rules.

In view of this, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from the strict compliance with Rule 8.12 of the Listing Rules on the following conditions:

(a) the Company has appointed two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as the Company's principal channel of communication with the Stock Exchange and ensure that the Group complies with the Listing Rules at all times. The two authorised representatives are Mr. HP Tan, an executive Director, and Mr. Lam Wing Tai the company secretary of the Company. Mr. Lam Wing Tai is ordinarily resident in Hong Kong. Although Mr. HP Tan does not ordinarily reside in Hong Kong, he possesses or is eligible to apply for valid travel documents to visit Hong Kong and he has never been rejected for application of such travel documents. Each of the authorised representatives will be available to meet with the Stock Exchange within a reasonable time frame upon the request of the Stock Exchange and will be readily contactable by telephone, facsimile and email (if applicable). Each of the authorised representatives is authorised to communicate on behalf of the Company with the Stock Exchange. The Company will inform the Stock Exchange promptly in respect of any change in the authorised representatives;

(b) each of the authorised representatives has the means to contact all members of the Board promptly at all times as and when the Stock Exchange wishes to contact the Directors for any matters;

(c) all Directors will provide their mobile phone numbers, residential phone numbers, office phone numbers, fax numbers and email addresses to the Stock Exchange to ensure that they will be readily contactable when necessary to deal promptly with enquiries from the Stock Exchange. Each of the Directors is authorised to communicate on the Company's behalf with the Stock Exchange;

(d) all Directors have confirmed that they possess or are eligible to apply for valid travel documents to visit Hong Kong for business purposes and they have never been rejected for application of such travel documents, and they would be able to come to Hong Kong and meet with the Stock Exchange upon reasonable notice; and

(e) in compliance with Rule 3A.19 of the Listing Rules, the Company has appointed Red Sun Capital as the compliance adviser for the period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date. Red Sun Capital, in addition to the authorised representatives, will act as a channel of communication with the Stock Exchange.

FINANCIAL INFORMATION INCLUDED IN THIS PROSPECTUS (RULES 4.04(1) AND 13.49(1) OF THE LISTING RULES, AND SECTION 342(1) OF AND PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WUMP) ORDINANCE)

Rule 4.04(1) of the Listing Rules provides that the Accountant's Report contained in this prospectus must include, inter alia, the results of the Company in respect of each of the three years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

Rule 13.49(1) of the Listing Rules provides that the Company is required to publish its preliminary results for each financial year not later than three months after the end of its financial year.

Section 342(1) of the Companies (WUMP) Ordinance requires all prospectuses to include an accountant's report which contains the matters specified in the Third Schedule to the Companies (WUMP) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (WUMP) Ordinance, the Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the Company during each of the three years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown between the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance, the Company is required to include in this prospectus a report by its auditor with respect to (i) the profits and losses of the Company in respect of each of the three financial years immediately preceding the issue of this prospectus; and (ii) the assets and liabilities of the Company at the last date to which the financial statements of the Company were made up.

Section 342A(1) of the Companies (WUMP) Ordinance provides that the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from strict compliance with the relevant requirements under the Companies (WUMP) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Pursuant to the relevant requirements set forth above, the Company is required to (i) produce three full years of audited accounts for the years ended 30 June 2017, 2018 and 2019; and (ii) publish the Company's preliminary results for the year ended 30 June 2019 no later than three months after the end of the financial year (i.e. 30 September 2019). However, an application was made to the Stock Exchange for a waiver from strict compliance with Rules 4.04(1) and 13.49(1) of the Listing Rules.

The Stock Exchange has granted the waiver from strict compliance with Rules 4.04(1) and 13.49(1) of the Listing Rules on the following conditions:

(i) the Shares be listed on the Stock Exchange on or before 30 September 2019;

(ii) the Company must obtain a certificate of exemption from the SFC on strict compliance with relevant Companies (WUMP) Ordinance requirements;

(iii) the financial information for the latest financial year ended 30 June 2019 and a commentary on the results for the year must be included in this prospectus. The financial information to be included must: (a) follow the same content requirements as for a preliminary results announcement under Rule 13.49; and (b) be agreed with the Company's reporting accountant following their review under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants; and

(iv) the Company not be in breach of its constitutional documents or laws and regulations of Cayman Islands, where the Company is incorporated, or other regulatory requirements regarding its obligation to publish preliminary result announcement.

An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance and a certificate of exemption has been granted by the SFC under section 342A of the Companies (WUMP) Ordinance on the conditions that:

(i) the particulars of the exemption be set forth in this prospectus; and

(ii) this prospectus be issued on or before 16 September 2019 and the Shares be listed on the Stock Exchange on or before 30 September 2019, i.e. three months after the latest financial year-end.

The application to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) and 13.49(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance were made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interest of the investing public given the followings:

(i) there would not be sufficient time for the Company and its reporting accountant to complete the audit work on the full financial information for the year ended 30 June 2019 for inclusion in this prospectus. If the financial information is required to be audited up to 30 June 2019, the Company and its reporting accountant would have to undertake a considerable amount of work to prepare the financial information to be included in this prospectus and to update the relevant disclosures in this prospectus regarding the Track Record Period from the years ended 30 June 2016, 2017, 2018, and the nine months ended 31 March 2019, to the years ended 30 June 2017, 2018, and 2019 which would be unduly burdensome;

(ii) the Accountants' Report and unaudited preliminary financial information of the Group for the year ended 30 June 2019 together with the commentary on the financial information that is no less than the content requirements for a preliminary results announcement under Rule 13.49 of the Listing Rules are set forth in Appendix III to this prospectus. Furthermore, the unaudited preliminary financial information of the Group for the year ended 30 June 2019 has been agreed with the reporting accountant following their review under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants. As such, the disclosure in the prospectus already provides potential investors with all material information that is necessary for the potential investors to make an informed assessment of the prospects, financial position and management of the Group, and strict compliance with Rule 13.49(1) would not be meaningful; and

(iii) there has been no material adverse change in the Group's financial and trading positions or prospects since 31 March 2019 and up to the date of this prospectus and there is no event since 31 March 2019 and up to the date of this prospectus which would materially affect the information shown in the Accountants' Report.

The Directors confirmed that all information necessary for the public to make an informed assessment of the prospects, financial position and management of the Company has been disclosed in this prospectus, and that, as such, the granting of the certificate of exemption from strict compliance with the requirements under section 342(1) in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (WUMP) Ordinance will not prejudice the interest of the investing public. Furthermore, the Directors and the Sole Sponsor, after conducting due diligence, confirmed that there had not been any material adverse change in the financial or trading positions or prospects of the Group since 31 March 2019 and up to the date of this prospectus, and that there is no event since 31 March 2019 and up to the date of this prospectus which will materially affect the information shown in the Accountants' Report set out in Appendix I to this prospectus, the section headed "Financial information" of this prospectus and other parts of this prospectus.

Potential investors should consider carefully all the information set out in this prospectus and, in particular, should consider and evaluate the following risks and uncertainties associated with an investment in the Company before making any investment decision in the Shares. The Group's business, financial condition and results of operations could be materially and adversely affected by any of these risks and uncertainties. The trading price of the Shares could decline due to any of these risks, and you may lose all or part of your investment.

There are certain risks involved in the Group's business and operations and in connection with the Share Offer. These risks can be categorised as: (i) risks relating to the Group's business; (ii) risks relating to Malaysia; (iii) risks relating to the Share Offer; and (iv) risks relating to this prospectus.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group is exposed to concentration risk of heavy reliance on its largest and top five customers

A significant portion of the Group's revenue was derived from a small number of customers during the Track Record Period. During the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the revenue generated from the Group's top five customers accounted for approximately 94.8%, 97.7%, 97.0% and 95.6% of its total revenue, respectively, while the revenue generated from the largest customer accounted for approximately 60.4%, 51.9%, 30.0% and 60.7% of the Group's total revenue for the same period respectively. The Group may continue to have a concentration of customers in the future.

There is no assurance that the financial position of the Group's major customers will remain healthy in the future and that the Group will be able to receive payments from such customers on time. Any deterioration in the businesses of the Group's major customers could lead to delay and/or default in their payments to the Group. If the Group's major customers fail to make timely payments to the Group, the Group's cash flows and financial position may be materially and adversely affected.

A significant portion of the Group's revenue was generated from PIPC projects, any decrease or loss of business relationship or failure to secure new projects associated with PIPC may adversely affect the Group's operations and financial performance

The Group generated a significant portion of revenue from PIPC projects which are secured from a number of project owners and/or EPCC contractors during the Track Record Period. For each of the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019, the revenue generated from PIPC projects accounted for approximately 86.9%, 81.1%, 72.9% and 79.0% of its revenue, respectively.

The Group does not enter into any long-term service agreement with project owners and/or EPCC contractors of PIPC projects and the Group's services are provided on a project-by-project basis. As such, there is no assurance that the project owners and/or EPCC contractors of PIPC projects will continue to retain the Group upon completion of the existing projects or that they will maintain the current level of business with the Group or engage the Group in the future. If there is a significant decrease in number of projects or size of projects in terms of contract value awarded by project owners and/or EPCC contractors of PIPC projects, and if the Group is unable to obtain sufficient projects with comparable size as replacement, the business, results of operations and financial condition of the Group may be materially and adversely affected.

Failure to secure new projects through tender process may materially and adversely affect the Group's sustainability and financial performance

It is customary in the civil and structural works industry that civil and structural works projects are awarded to contractors on a project-by-project basis through a tender process where the tenders of all bidders will be considered and assessed by the project awarding company.

In line with the industry practice, the Group's projects are primarily secured through a tender process. The Group's ability to secure new projects from its existing or new customers is uncertain and is largely dependent on, among others, how favourable terms are compared to those offered by other contractors who have also submitted their tenders. Notwithstanding the Group's past relationship and work experience with its existing customers, the final outcome of each tender process is beyond the Group's control. There is also no guarantee that the Group's existing customers will award new projects to the Group.

The Group cannot assure you that it will be able to secure future business from its existing customers, or that the Group will be able to develop business relationships with new customers. The Group is unable to forecast the number of projects it may secure in the future. The Group's revenue may fluctuate from period to period depending on the actual volume of its business. If the Group fails to secure projects in the tender process, the Group's business, results of operations, sustainability and prospects would be materially and adversely affected.

The amount of revenue that the Group is able to derive from a project may be higher or lower than the original contract sum due to factors such as recoverability of contract assets

The aggregate amount of revenue that the Group is able to derive from a project may be different from the original contract sum specified in the relevant contract for the project due to factors such as recoverability of contract assets. As such, there is no assurance that the amount of revenue derived from the Group's projects will not be substantially different from the original contract sum as specified in the relevant contracts.

Contract assets include retention money (generally 5% to 10% of progress payment) and works performed but not yet certified and billed. While the Group estimates the amount of loss allowance for expected credit losses on contract assets based on reasonable and supportable forward-looking information that is available without undue cost or effort, there is no assurance that the Group will be able to recover the full amount of contract assets. Further details in relation to the Group's contract assets are set out in the section headed "Financial Information" in this prospectus.

As at the Latest Practicable Date, the Group had nine projects on hand that have commenced but not yet completed, which are expected to generate revenue of approximately RM179.6 million. The Group expects that these projects will contribute revenue to the Group in the coming three years. Further details are set out in the section headed "Business — Projects on hand" of this prospectus. Due to the reasons mentioned above, there is no assurance that the actual amount of revenue to be recognized from such contracts on hand will not be substantially different from the original contract sum as specified in the relevant contracts.

As the Group from time to time engages subcontractors in works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of its subcontractors

As common in the civil and structural works industry, the Group engages subcontractors to undertake some of the project works. For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, subcontracting charges incurred by the Group amounted to approximately RM3.1 million, RM57.9 million, RM68.2 million and RM83.2 million, respectively. Subcontracting may expose the Group to risks associated with non-performance, delayed performance or sub-standard performance by the subcontractors, in the event of subcontracting works to subcontractors. The Group is ultimately responsible to the customers for the works completed by the subcontractors. As a result, the Group may experience deterioration in the quality or delivery of the works, incur additional costs due to managing and supervising subcontractors' performance and remedying the delays, defects or substandard materials, defective equipment, services or supplies caused by the subcontractors. The Group also has limited control over the availability of its subcontractors labour force and may not be able to find suitable subcontractor in a timely manner. Such events could impact the profitability, financial performance and reputation, or result in litigation or damage claims of the Group.

If the subcontractors violate any laws, rules or regulations in relation to health, safety and environmental matters, the Group may expose itself as liable to prosecutions by relevant authorities, and may become liable to claims for losses and damages if such violations cause any personal injuries or death or damage to properties. In the event that there is any violation, whether substantial or minor in nature, of any laws, rules or regulations, occurred at sites for which the Group is responsible, the operations and hence the financial position of the Group may be adversely affected.

In projects for Customer I or any projects associated with Customer I, any of the subcontractors' poor performance in work progress and/or failure to comply with quality, safety and/or environmental requirements will also affect adversely the scoring of the performance rating kept by Customer I and thereby, decreasing the tender score in the submitted tenders for future contracts. In a worst case scenario, the non-performance of the subcontractors can lead to the Company's removal, suspension, downgrading or demotion from the approved contractors list of Customer I.

Fluctuations in raw material prices may adversely affect the Group's business

The Group's work process requires reliable sources of large quantities of raw materials. In particular, concrete plays a prominent role in most of the civil and structural works that the Group sources from third parties. The Group generally procures raw materials and parts and components for project only after the Group have secured a service contract for a project, and since the Group cannot alter the prices of signed contracts unless the customer requests a change in design or specification, the Group bears the risk associated with raw material cost fluctuations during a contract period. The price of concrete is subject to frequent price fluctuations and is also sensitive to supply disruptions, general economic conditions, and many other factors that are beyond the Group's control.

The Group expects the volatility and uncertainty of concrete prices to continue. Although the Group does attempt to reflect concrete and other raw material price fluctuations in the contract prices of its service, there can be no assurance that the Group will be able to reflect all increases in raw material costs in the contract prices of its service on a timely basis or at all. The Group does not currently employ any additional commodity risk management strategies or engage in any hedging transactions to minimise its risks relating to fluctuations in the price of raw materials. If the Group is unable to reflect increases in the price of raw materials in the contract prices of its service, the operating results may be materially and adversely affected.

Any material underestimation of the Group's tender price or overruns of the Group's actual costs may materially and adversely affect its financial condition and results of operations

The Group secures most of its projects through a tender process where the Group faces intense competition from other bidders. The Directors believe the price of the Group's tender as well as other terms the Group offers are amongst the most crucial factors in the assessment of the project awarding company. While the Group strives to be competitive in all the tenders it submits, the profitability of the Group's project depends on the price of its tender and hence it is important that the Group's estimated tender price shall not deviate materially from the actual costs to be incurred.

The Group determines its tender price based on its estimation of time, resources to be deployed and costs to be incurred plus a profit margin. There is no assurance that the actual time and costs involved would not exceed its estimation. Depending on the nature and complexity of a particular project, most civil and structural works projects last for at least three to 24 months in general, and the process may be prolonged due to unforeseen factors. There is no assurance that the Group can estimate with absolute certainty, when the Group submits its tender, the amount of resources to be deployed and the total costs to be incurred.

Furthermore, civil and structural works projects are subject to certain factors that are beyond the Group's control, including adverse weather conditions, labour shortage, variations in labour and equipment productivity, shortage and/or price fluctuations of raw materials, natural disasters, as well as unforeseen changes and developments in the project conditions. Any delay in completing the project would inevitably increase the risk of cost overruns. If the Group is unable to adjust the contract value for additional costs incurred, such additional costs would be absorbed by the Group. In addition, the Group may from time to time be required to perform additional work or adjust the scope of work under its contracts. Should there be any cost underestimations or overruns or the Group fails to recover the additional costs arising from any change in work scope required by its customers, the Group may result in lower profits or even a loss despite any buffer the Group may have built into the contract value to safeguard against cost overruns.

The Group depends on third parties to deliver certain raw materials, components and services that meet its quality standards in a timely manner to provide its service

The Group procures raw materials, such as concrete and sand, which account for a significant proportion of the cost of sales, mainly from external suppliers. The Group currently sources almost all of its materials domestically from a few suppliers operating primarily in Malaysia, while the Group's externally supplied parts and components are generally sourced through local distributors. The Group has no long-term contractual arrangements with most of its suppliers. Any sudden shortage of raw materials supply, increase in demand, price movements, or other factors internal to its contract suppliers may result in an interruption in such supply of raw materials and components. From time to time, the Group may reject materials that do not meet its quality standards or other specifications. Such shortage of supply or rejection of materials may affect the Group's project schedule, and the Group may have to source supplies from alternative suppliers at a higher price, which may delay the project. This, in turn, may result in the Group having to pay compensation to its customers and adversely affecting its reputation. In particular, to the extent that the Group is dependent on a sole supplier or a limited number of suppliers for a critical input, it will be difficult to replace such supplier. Any of the foregoing events could cause a delay in the Group's delivery and an increase in its costs, which may have a material adverse effect on its business, financial condition and results of operations.

Any delay of the Group's projects will materially affect its reputation and financial performance

The Group normally receives progress payments from its customers based on the site works done and milestone payments upon its achievement of key milestones as stipulated in its project contracts. Civil and structural works projects are subject to certain factors that are beyond the Group's control, including adverse weather conditions, labour shortage, shortage and/or price fluctuations of raw materials, natural disasters, as well as unforeseen changes and developments in the project conditions. Factors that are beyond the Group's control can lead to its delay and even failure in completing certain milestones of the civil and structural project. Should the Group fail or delay in reaching its milestones and/or completing the project in a timely manner, its billings, revenue, operational cash flows and financial performance as well as its reputation in the construction industry may be adversely affected. Furthermore, the Group may also be liable to pay its customers liquidated damages as stipulated in the contracts and may be subject to litigation claims for damages.

Failure to receive progress or milestone payments or retention fees on time or in full may materially and adversely affect the Group's liquidity position

The Group normally receives progress payments from its customers based on the site works done, or milestone payments from its customers based upon the Group's achievement of key milestones of the project as stipulated in the project contract. Furthermore, the Group's customers generally retain up to 10% of the total contract sum as retention fees. The retention fees are generally returned to the Group in full upon expiry of the defects liability period if there are no material quality issues with its works during such period. In most of the Group's contracts, the defects liability period is approximately 12 months following the completion of the project, depending on the type of civil and structural works the Group undertake. As such, if the Group fails to achieve any key milestone as stipulated in the project contract on time, it will not receive any milestone payments until it achieves such milestone, which may materially and adversely affect the Group's cash flows and financial position. Should the Group's customers fail to or delay in making progress payments or milestone payments, or in releasing retention fees, the Group may need to recognise such default payment as bad debts and its cash flow position and working capital may be materially and adversely affected.

The Group's gross trade receivables amounted to approximately RM8.8 million, RM12.7 million, RM10.3 million and RM31.2 million as at 30 June 2016, 2017 and 2018 and 31 March 2019, respectively. The Group's allowance for impairment losses amounted to approximately RM40,000, RM91,000, RM0.2 million and RM0.2 million as at 30 June 2016, 2017 and 2018 and 31 March 2019 as a result of the business growth during the Track Record Period. There may be increase in allowance for impairment losses as a result of the Group's business growth which in turn will affect the financial performance of the Group. During the Track Record Period, the Group's average trade receivables turnover days were approximately 91.1 days, 29.5 days, 28.8 days and 36.0 days, respectively. For more information on the Group's trade and retention money, please refer to the section headed "Financial Information — Certain selected statements of financial position line items" in this prospectus.

The Group may fail to obtain, or may experience material delays in obtaining requisite certificates, licences, permits or governmental approvals for its operations and as a result, its business and financial results may be adversely affected

The Group is required to obtain and maintain various certificates, licences, permits and governmental approvals. Please refer to the section headed "Business — Licenses, permits and registration" in this prospectus for the details of the registrations of the Group. There is no assurance that it will be able to adapt to the latest regulatory changes that may come into effect from time to time or that it will not encounter other material delays or difficulties in fulfilling the necessary conditions to obtain and/or renew all necessary certificates, licences, permits and governmental approvals for its operations in a timely manner, or at all, in the future. If the Group fails to obtain or renew, or encounter significant delays in obtaining or renewing, the necessary certificates, licences, permits or governmental approvals, the Group will be unable to continue with its business and its financial results may be adversely affected.

Cash flows of the Group's civil and structural works projects may fluctuate

The civil and structural works industry is capital intensive. Before the Group receives the majority of its contractual payments from its customers, the Group generally needs to incur a substantial amount of net cash outflows at the early stage of its projects for labour costs and set-up expenditure, such as payment for rental deposits of equipment and machineries and subcontracting charges, material costs and performance bonds. Progress payments or milestone payments will only be paid after the Group's works completed are certified by its customers or authorised persons employed by them. Accordingly, the cash inflows and cash outflows for a particular project may fluctuate from time to time as the civil and structural works progress.

If, at any time, the Group becomes engaged in a number of projects that require substantial initial set-up costs while the Group has significantly lower cash inflows from other projects, its cash flow position may be adversely affected.

The amount of revenue derived from a project may be higher or lower than the initial contract sum due to factors such as variation orders

The aggregate amount of revenue that the Group is able to derive from a project may be different from the initial contract sum set out in the relevant project contracts due to factors such as variation orders (including addition, modification or cancellation of certain contract works) requested by the Group's customers in the course of the project implementation. Accordingly, there is no assurance that the amount of revenue derived will not be substantially lower than the initial contract sum as set out in the relevant project contracts.

Moreover, variation works carried out under variation orders which are of the same or similar nature to those works as stated in the relevant project contracts are generally valued at the rate set out in the original project contract for such item of work. However, if the variation works are not of the same or similar nature to those works as set out in the relevant project contracts, the parties would have to agree on a new rate for the variation works to be done. Should the Group fail to reach an agreement on such new rate with its customers (or their authorised representatives), they may be contractually entitled to fix the new rate unilaterally. Since variation works are usually carried out before the rate of such variation works is agreed, if the Group fails to reach an agreement with its customers on the rate of such variation works, contractual disputes with customers may arise, which may adversely affect the Group's results of operation, liquidity and financial position.

Any defects liability claim may affect the Group's financial performance

The Group's customers generally require a defects liability period under the usual terms of its project contracts, during which the Group is responsible for rectifying all defective works, if any. During the Track Record Period, the Directors confirmed that the Group did not incur any cost for rectifying defective works during the defects liability period and there were no such request from its customers. The defects liability period is normally 12 months after the issuance of the provisional certificate or for such other period as the Group's customers may specify in the project contracts, depending on the nature and the scale of the entire project. Therefore, the Group may be subject to claims due to defects in relation to its works that are existing but have not yet been found, developed or are visible at the time of completion. In the event that there are any significant claims against the Group for defects liability or any default or failure in relation to its works, its financial performance may be adversely affected.

The Group's historical revenue and profit margin may not be indicative of its financial performance in the future

During the Track Record Period, the Group recorded revenue of approximately RM33.3 million, RM132.7 million, RM146.2 million and RM158.2 million for the years ended 30 June, 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively. For each of the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group recorded gross profit margin of approximately 27.1%, 20.6%, 21.9% and 18.9%, respectively. As at the Latest Practicable Date, the Group had nine ongoing projects with a expected revenue of approximately RM179.6 million to be generated. However, such trend of the Group's historical financial information merely reflected past performance of its business only.

The Group's future performance will depend on, among other things, its ability to secure new projects and control its costs and will be subject to the risks set out in this section. Therefore. the Group's historical performance does not have any positive implication or may not necessarily reflect the Group's financial performance in the future. In addition, the Group's profit margin may fluctuate from project to project due to a number of factors, such as quantity of work orders received from customers, the accuracy of the Group's estimate of costs when determining the tender price, the complexity, duration and size of the project, subcontracting charges and the pricing strategy. There is no guarantee that the Group will be able to command a similar level of gross profit margin in the future as some of the factors affecting the Group's profitability such as quantity of work orders received from customers are beyond the Group's control. Nor can the Group assure you that it will be able to secure sufficient projects of favourable size and quantity, maintain its current turnover and profit levels in the future or attain growth rates similar to those achieved by it during the Track Record Period.

The Group's business is labour intensive and it may be unable to secure a stable supply of labour at affordable wages

Civil and structural works industry is labour intensive. There is a constant shortage of local workers with appropriate skills in Malaysia. The Group relies on foreign workers to carry out parts of its projects. The Group is subject to labour quota restrictions in relation to foreign workers imposed by the Malaysian government and the Group may encounter difficulty in obtaining or renewing the necessary working permits and documents for its foreign staff and workers.

During the Track Record Period, the Group had not encountered any difficulties in recruiting labour to work for its projects. However, there is no assurance the Group will be able to secure a stable supply of labour at affordable wages. Should the Group fails to recruit appropriate skilled workers in Malaysia, the Group's civil and structural works capacities and capabilities together with its operations and financial performance may be adversely affected. The labour costs associated with both local or foreign workers have been increasing in the recent years. Should there be any shortage of labour or significant increase in the Group's labour costs, the Group may be unable to complete its projects within budget and in a timely manner, and as a result, the Group's business, financial conditions and results of operations may be adversely affected.

The Group may be unable to obtain adequate financing to fund its capital requirements

The Group had in the past funded its capital expenditures primarily by cash generated from operations and through credit facilities. There can be no assurance that cash generated from operations will be sufficient to fund the Group's future development and expansion plans. For the Group to grow and remain competitive, the Group may require new capital in the future. There can be no assurance that such additional financing will be available to the Group on reasonable terms or at all. The Group's ability to obtain additional capital in the future is subject to a variety of uncertainties beyond its control, including market conditions, credit availability and interest rates. If the Group is unable to raise sufficient capital in the future on commercially acceptable terms, the Group may have to abandon, delay, or postpone certain of its planned capital expenditures. The Group's inability to finance its planned capital expenditures could adversely affect the Group's business, financial condition, results of operations. In addition, the terms and amount of capital raised through issuing equity securities may significantly dilute the interests of shareholders.

The Group's operations are subject to inherent operational risks and occupational hazard on work sites

Work sites are potentially dangerous workplaces, especially for customers engaged in the oil and gas industry. The Group's civil and structural works projects routinely place its employees and others in close proximity with heavy duty civil and structural works machineries and equipment, and moving motor vehicles. The Group has implemented safety policies and standardised construction methods and technologies. Despite that, the Group is still subject to risks surrounding these activities, such as failure in machineries and equipment, site accidents, geological catastrophes, fire and explosions. These hazards can cause personal injury or fatalities, as well as damage to or destruction of property and equipment. As at the Latest Practicable Date, the Group had nil outstanding accidents resulting in personal injury claims and/or employees' compensation claims. For details of work injuries of the employees or employees of the subcontractors during the Track Record Period and up to the Latest Practicable Date, please refer to the section headed "Business — Occupational health and safety" in this prospectus.

The Group cannot guarantee that material workplace accidents or fatal accidents will not occur in the future despite its safety policies and measures. Even if such accidents were not caused by the Group's fault or negligence, such accidents may still cause the Group to incur substantial costs and damage to the Group's reputation. Damage to the Group's reputation as a result of workplace accidents, whether or not the Group's fault, may lead to negative publicity and may cause the Group to lose future business, which may materially and adversely affect its business and results of operations.

The Group recorded net cash used in operating activities of approximately RM17.1 million for the nine months ended 31 March 2019. If the Group records net cash outflow from operating activities in the future, its liquidity and financial condition may be materially and adversely affected

The Group recorded net cash used in operating activities of approximately RM17.1 million for the nine months ended 31 March 2019 which represents the combined effect of (i) cash flows before working capital changes of approximately RM21.8 million, comprised primarily of profit before income tax expense of RM18.4 million and adjustment for depreciation of property, plant and equipment of approximately RM2.6 million; (ii) the net working capital change of approximately RM32.5 million, which was primarily attributable to a combined effect of (a) the increase in trade receivables, other receivables, deposits and prepayments of approximately RM23.3 million; (b) the increase in contract assets of approximately RM44.1 million; and (c) increase in trade and other payables of approximately RM35.0 million. For further details. please refer to the section headed ''Financial Information — Liquidity and capital resources'' in this prospectus.

The Group's cash inflow from operating activities is principally derived from the receipts from the provision of civil and structural works in the oil and gas industry in Malaysia. Any net cash outflows from operating activities will adversely affect the Group's liquidity and its ability to further develop the business. The Group may need to utilise external financing in case of net cash outflows from operating activities but the Group cannot ensure that it will be able to secure such alternative sources of funds at commercially reasonable terms or at all. If the Group cannot source sufficient financing to fund net cash outflows from operating activities, its business, liquidity, financial condition, results of operations and prospects may be adversely affected.

The Group may be unable to attract and retain key members of senior management and technical staff, which may adversely affect its business, financial performance, results of operations and growth prospects

The Group has a proven track record of undertaking large-scale and complex civil and structural works projects. The Directors believes that the Group's proven capabilities as well as its performance and success are, to a large extent, attributable to the extensive industry knowledge and experience of the Group's executive Directors, senior management team and technical staff, including those in charge of project management, technical aspect, risk management, safety, quantitative surveying and accounting and financial management.

The Group's continued success is dependent, to a large extent, on the ability to attract and retain the services of its executive Directors, senior management team and technical staff with the requisite industry expertise. The Directors believes that an experienced management team as well as dedicated staff members will contribute significantly to the Group's future growth. However, the Group cannot assure you that the Group will be able to retain the services of its executive Directors, members of senior management, technical staff or other key personnel, or attract and retain high-quality personnel with the necessary skills, knowledge and qualifications, in the future. If any of the Group's key management or technical personnel leaves the Group, and the Group is unable to recruit a suitable replacement with comparable experience and qualifications to join in a timely basis, the Group's business, financial performance, results of operations and growth prospects could be materially and adversely affected.

Demand for the Group's services is directly and indirectly affected by trends in oil and gas prices

The Group is a civil and structural works contractor with a long history of undertaking civil and structural works in the oil and gas industry in Malaysia. Demand for civil and structural works in the oil and gas industry is dependent on oil and gas exploration and production activity and capital expenditures of oil and gas producers, which in turn are largely dependent on current prices of, and future trends in, global oil and gas prices. Given the Group's heavy reliance on the Group's customers in the oil and gas industry, the revenue may be particularly sensitive to changes in global oil and gas prices. Oil and gas prices can fluctuate for a number of reasons, including and without limitation the following:

- changes in demand driven by growth in major economies;
- significant adoption of petroleum-alternative fuels;
- Organisation of the Petroleum Exporting Countries market activities;
- civil or political unrest in oil producing regions; and
- changes or breakdowns in oil supply infrastructure and production capacity.

A prolonged decline in global oil and gas prices, for these or other reasons, could directly or indirectly reduce the demand from customers for the Group's services and have a material adverse effect on its business, financial condition, and results of operations.

The Group expects to incur additional depreciation expenses and staff costs associated with its expansion plan, which may adversely affect its profitability, results of operations and financial condition

In carrying out the Group's expansion plan, the Group expects to incur additional depreciation expenses arising from acquiring machines and equipment. For details of the Group's expansion plan, please refer to the section headed "Business-Business Strategies" in this prospectus. Based on the Group's depreciation policy, the Group estimates that an additional amount of approximately RM1.2 million will be incurred as depreciation expenses per annum. Such additional depreciation expenses may have a negative effect on the Group's profitability, financial condition and results of operations.

The Group's operations are subject to weather conditions and other operating hazards

Most of the Group's civil and structural works are conducted outdoors and may be materially and adversely affected by adverse weather conditions. The Group may experience project delays caused by inclement weather or extreme temperatures, which could result in its inability to meet key milestones set forth in the Group's project contracts. The Group's civil and structural works contracts with its customers generally contain an express provision for project postponement. In addition, natural disasters and other operating hazards, such as typhoons, earthquakes, floods, landslide or fires may interrupt the Group's works and construction projects.

These events may cause substantial damage to the Group's projects, such as disruptions of projects which may increase its difficulties from technical or mechanical perspectives or in sourcing materials for replacement. It could be costly and time-consuming to repair such damage and the Group's operations could therefore be disrupted. Any significant delay or interruption could impair the Group's ability to meet its contractual obligations and cause the Group to be liable for damages, which could in turn adversely affect the Group's business and results of operations.

The Group's risk management and internal control policies and procedures may not fully protect the Group against various risks inherent in its business operations

The Group has established risk management and internal control policies and procedures that the Directors believe are appropriate for its business operations. Notwithstanding the Group's efforts to continuously enhance its risk management and internal control measures, the Group cannot guarantee that its risk management and internal control mechanism will be adequate or effective to protect the Group against various risks inherent in its business operations. Any failure to address any potential risks and internal control deficiencies could materially and adversely affect the Group's business and results of operations.

The Group's risk management and internal control policies and procedures depend on the implementation by its employees, labour force and subcontractors. The Group cannot guarantee that its employees, labour force or subcontractors will, in their respective capacity, adhere to the Group's risk management and internal control policies and procedures. The implementation of such policies and procedures may involve human errors or mistakes. The Group is unable to guarantee that its risk management and internal control policies and procedures will effectively prevent the occurrence of such errors or mistakes. If the Group fails to timely adopt, implement and modify its risk management and internal control policies and procedures, the Group's business and results of operations could be materially and adversely affected.

The Group may be involved in claims or other proceedings in its ordinary course of business

The Group may be involved in claims and litigations in the ordinary course of its business for, among others, defective or allegedly defective civil and structural works and services, personal injuries or fatalities, payment disputes, breach of contract and delay in completing projects. The Group may also be subject to litigation relating to compliance with applicable laws and regulations including those relating to employment, occupational health and safety, environmental protection and other aspects under which the Group operates. If the Group was found liable on such claims, the Group could be liable for significant damages and subject to government sanctions, including fines and the suspension or loss of operational licences, certificates and permits which may not be covered sufficiently by the Group's insurance or insurance taken by its customers or main contractors, money retained from the Group's subcontractors or indemnity offered by its subcontractors or at all.

The Group may also be subject to lengthy and expensive litigation and arbitration proceedings if such claims are not resolved through negotiations that may divert its management's attention and resources and be disruptive to its normal business operations. The Group cannot assure that it will not be subject to future claims or that if any such claims were successful, the Group's business and results of operations would not be materially and adversely affected.

The Group might also suffer from negative publicity resulting from legal claims and proceedings. If the Group fails to effectively remedy or reverse any negative publicity, the Group may suffer from reputation damage, which may have an adverse effect on its ability to maintain solid relationships with its existing customers, develop new customers and secure new construction projects. In addition, the remedial measures the Group may have to take may be costly, and may not generate the desired results.

Negative publicity or damage to the Group's business reputation may have a potential adverse impact on its business

The Group values and relies on its reputation to maintain and grow its business operations. The Group's reputation is one of the crucial factors for being awarded tenders and obtaining business from customers. Negative publicity associated with the Group's operations could result in loss of business. The Group conducts business with a number of counterparties, including customers, suppliers and subcontractors. If any of such counterparties is not satisfied with the Group, and/or raises any complaints or allegations relating to the Group or the Group's operations, whether justified or not, the Group's reputation and customer's perception of its brand may be damaged, which may in turn adversely affect the Group's business and results of operations.

The Group's insurance policies may be insufficient or inadequate to cover all risks of loss or potential claims associated with its business operations

The Group purchases and maintains insurance policies as required under the relevant laws and regulations and in accordance with the needs of the Group's business. However, there is no assurance that the Group's current insurance coverage is sufficient for all the risks and losses associated with its business operations or adequately protect the Group against all liabilities arising from claims and litigation against the Group. The Group may still be liable for losses or potential claims which are not insured adequately or at all. Should any significant property damage or personal injury occur in the worksites or to the employees due to accidents, natural disasters, or similar events which are not wholly or sufficiently covered by insurance, the Group's business may be adversely affected, potentially leading to a loss of assets, lawsuits, employee compensation obligations, or other forms of economic loss.

The Group's insurers review the policies and insurance premium payable by the Group each year based on the Group's insurance claim track record and the prevailing industry conditions. There is no assurance that the Group can renew the policies on similar or other acceptable terms or at all. If the Group is liable for uninsured losses or losses that far exceed the limits of its policy coverage, or the insurance premium payable by the Group increases significantly, the Group's business, financial position, results of operations and prospects may be materially and adversely affected.

RISK FACTORS RELATING TO MALAYSIA

Social, political, regulatory economic and legal developments, as well as any changes in Malaysian government policies, could materially and adversely affect the Group's business and operating results

The Group's business, prospects, financial condition and results of operations may be adversely affected by social, political, regulatory and economic developments in Malaysia. Uncertainties in these areas include, but not limited to, the risks of war, regional conflicts, terrorism, extremism, nationalism, nullification of contracts, changes in interest rates, imposition of capital controls, changes in government policies or introduction of new rules or regulations concerning civil and structural works contractors, environmental or transportation regulations and methods of taxation. Any negative developments may adversely affect the Group's business, financial condition, results of operations and prospects.

The Group's primary market is Malaysia. As Malaysia is expected to remain as the Group's core market and place of operation in the foreseeable future, negative developments in the Malaysian economy may have a material adverse effect on business. Although the overall Malaysian economic environment (in which the Group predominantly operates) appears to be positive, there can be no assurance that this will continue to prevail in the future.

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

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

The Group calculates the amount of taxes and makes payment thereof in accordance with the applicable tax laws. The Group may be subject to additional taxes or penalty if MIRB has a different view from it with respect to its self-assessed tax payables in its filed tax returns. As the Group may be subject to tax audit and investigation by MIRB from time to time, in the event that MIRB imposes additional tax or penalty on the Group, its profit margin may decrease and consequently its financial results may be adversely affected.

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

The Central Bank of Malaysia has, in the past, intervened in the foreign exchange market to stabilise the Malaysian ringgit, and it pegged the Malaysian ringgit to the United States dollar in September 1998. On 21 July 2005, the Central Bank of Malaysia adopted a managed float system which benchmarked the Malaysian ringgit to a currency basket to ensure that the Malaysian ringgit remains close to its fair value. The Group cannot assure you that the Malaysian government will not impose more restrictive or additional foreign exchange controls. Any imposition, variation or removal of exchange controls may lead to less independence in the Malaysian government's conduct of its domestic monetary policy and increased exposure of the Malaysian economy to the potential risks and vulnerability of external developments in the international markets.

Furthermore, fluctuations in the Malaysian ringgit's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on the Group's business, financial condition and results of operations. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into USD or HKD, of the Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect the Group's ability to pay dividends or satisfy other foreign exchange requirements.

The Group's principal subsidiaries are incorporated in Malaysia and their main assets are located in Malaysia. It could be difficult to enforce a foreign judgment against the Malaysian subsidiaries, the Directors or the management in Malaysia

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

RISKS RELATING TO THE SHARE OFFER

There has been no prior public market for the Shares

Prior to the Share Offer, there was no public market for the Shares. The initial Offer Price range to the public for the Shares was the result of negotiations among the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters), and the Offer Price may differ significantly from the market price for the Company's Shares following the Share Offer. The Company has applied to list and deal in its Shares on the Stock Exchange. However, a listing on the Stock Exchange does not guarantee that an active market for the Shares will develop following the Share Offer or in the future. If an active market for the Shares does not develop after the Share Offer, the market price and liquidity of the Shares may be materially and adversely affected. There can be no assurance as to the ability of the Shareholders to sell their Shares, or as to the prices at which Shareholders would be able to sell their Shares. Consequently, Shareholders may not be able to sell their Shares at prices equal to or greater than the price paid for their Shares in the Share Offer.

The Share price may be highly volatile, which may result in substantial losses for investors purchasing Shares in the Share Offer

The price and trading volume of the Shares may be highly volatile. Factors such as variations in the Group's revenues, earnings, or cash flows, and announcements of new investments, strategic alliances or acquisitions, or fluctuations in market prices for raw materials, could cause the market price of the Shares to change substantially. Any such developments may result in large and sudden changes in the volume and price at which the Shares will trade. There can be no assurance that these developments will not occur in the future. In addition, shares of other companies listed on the Stock Exchange with significant operations and assets in Malaysia, and shares of other civil and structural works contractors, have experienced substantial price volatility in the past. It is possible that the Shares will be subject to substantial changes in price that may not be directly related to the Company's financial or business performance.

The Company is incorporated under Cayman Islands law, which may provide different protection to minority shareholders than the laws of Hong Kong and other jurisdictions

The Company's corporate affairs are governed by, inter alia, the Memorandum and Articles of Association, Cayman Islands Companies Law and common law of the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders differ in some respects from those in Hong Kong and other jurisdictions. Such differences may mean that the Company's minority shareholders may have different protection than they would have under the laws of Hong Kong or other jurisdictions. Please refer to the section headed "Summary of the Constitution of the Company and Cayman Islands Company Law" in Appendix V in this prospectus for further details.

Future sales or a major divestment of Shares by any major shareholder could adversely affect the Share price

Future sales, disposals, or other transfers of a substantial number of the Shares by its current shareholders in public markets, or any prospects or possibilities of such sales, disposals or other transfers, as to or against which the holders of the Shares may or may not have a right to vote or veto, could adversely impact the market price of the Shares and its ability to raise equity capital in the future at a time and price that the Company deems appropriate. There can be no assurance that any of the Company's major Shareholders will not sell, dispose of or otherwise transfer any Shares they may own now or in the future at the completion of the applicable lock-up periods.

Purchasers of Offer Shares will incur an immediate and substantial dilution as a result of the Share Offer

The Offer Price of the Offer Shares is substantially higher than the net tangible book value per Share. Therefore, purchasers of the Offer Shares in the Share Offer will experience an immediate and substantial dilution in net tangible book value per Share as a result of the Share Offer.

RISKS RELATING TO THIS PROSPECTUS

Investors should not place undue reliance on facts, statistics and data contained in this prospectus with respect to the economies and the industry

Certain facts, statistics and data in this prospectus, relating to the Malaysian economy or to the global oil and gas industry and market, are derived from various sources including various official government sources that the Company believes to be reliable and appropriate for such information. However, the Company cannot guarantee the quality or reliability of such source materials and the Company has no reason to believe that such information is false or misleading or that any fact has been omitted rendering such information false or misleading. Whilst the Directors have taken reasonable care in extracting and reproducing the information, they have not been prepared or independently verified by the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective directors, affiliates or advisers and therefore, none of them makes any representation as to the accuracy or completeness of such facts, statistics and data. Owing to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this prospectus may be inaccurate or may not be comparable to statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

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

This prospectus contains certain forward-looking statements and information relating to the Group that are based on the beliefs of the Company's management as well as assumptions made by and information currently available to the Company's management. When used in this prospectus, the words "aim," "anticipate," "believe," "can," "continue," "could," "forecast," "expect," "going forward," "intend," "ought to," "may," "might," "plan," "potential," "predict," "project," "seek," "should," "will," "would" and the negative of these words and other and similar expressions, as they relate to the Group or the Group's management, are intended to identify forward-looking statements. Such statements reflect the current views of the Company's management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the other risk factors as described in this Prospectus. Subject to the requirements of the Listing Rules, the Company does not intend publicly to update or otherwise revise the forward-looking statements in this Prospectus, whether as a result of new information, future events or otherwise. Investors should not place undue reliance on such forward-looking statements and information.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to the Group. The Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, there are no other matters the omission of which would make any statement herein or this prospectus misleading, and all opinions expressed in this prospectus have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

INFORMATION ON THE SHARE OFFER

The Share Offer comprises the Public Offer of 25,000,000 new Shares initially offered by the Company and the Placing of 225,000,000 new Shares initially offered by the Company (subject, in each case, to reallocation on the basis under the section headed "Structure and Conditions of the Share Offer" in this prospectus).

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein.

No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents. employees or advisers or any other party involved in the Share Offer.

Details of the structure and conditions of the Share Offer are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus, and the procedures for applying for the Public Offer Shares are set out in the section headed "How to Apply for the Public Offer Shares" in this prospectus and in the relevant Application Forms.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, constitute a representation that there has been no change in the Group's affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

UNDERWRITING

This prospectus is published solely in connection with the Share Offer which is sponsored by the Sole Sponsor. The Public Offer is fully underwritten by the Public Offer Underwriters on a conditional basis, under the terms and conditions of the Public Offer Underwriting Agreement. The Placing Underwriting Agreement relating to the Placing is expected to be entered on or around the Price Determination Date, subject to any agreement on pricing of the Offer Shares between the Joint Lead Managers (for themselves and on behalf of the Underwriters) and the Company. The Share Offer is managed by the Joint Lead Managers.

If, for any reason, the Offer Price is not agreed between the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) by the Price Determination Date, the Share Offer will not proceed. Further information relating to the Underwriters and underwriting arrangement are contained in the section headed "Underwriting" in this prospectus.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares or the general distribution of this prospectus and/or the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation, nor is it circulated to invite to solicit offers, in any jurisdiction other than Hong Kong or in any circumstances in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. Persons who possess this prospectus are deemed to have confirmed with the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters that such restrictions have been observed.

The Public Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the related Application Forms. No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters. any of their respective directors, agents, staff or advisers or any other person involved in the Share Offer.

Prospective applicants for the Offer Shares should consult their financial advisers and take legal advice as appropriate, to inform themselves of, and to observe the applicable laws, rules and regulations of any relevant jurisdictions. Prospective applicants for the Offer Shares should also inform themselves as to the relevant legal requirements and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Each person acquiring the Offer Shares will be required to confirm, or be deemed by his/her acquisition of the Offer Shares to have confirmed that he/she is aware of the restrictions on offers and sales of the Offer Shares described in this prospectus and that he/she is not acquiring, and has not been offered and sold any Offer Shares in circumstances that contravene any such restrictions.

The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exception therefrom. In particular, the Offer Shares have not been publicly offered or sold, directly or indirectly, in the United States.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

The Company has applied to the Listing Committee for the granting of the listing of and permission to deal in, the Shares in issue, the Shares to be issued as mentioned in this prospectus, and any Shares which may fall to be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme.

Under section 44B(l) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Offer Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to the Company by or on behalf of the Stock Exchange.

REGISTER OF MEMBERS AND STAMP DUTY

All the Offer Shares will be registered on the branch register of members in Hong Kong to be maintained by Tricor Investor Services Limited. Dealings in the Offer Shares registered on the Company's branch register of members maintained in Hong Kong will be subject to Hong Kong stamp duty. Dealings in the Shares registered on the principal register of members of the Company maintained by Conyers Trust Company (Cayman) Limited in the Cayman Islands will not be subject to the Cayman Islands stamp duty.

COMMENCEMENT OF DEALINGS IN THE SHARES

Dealings in the Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Monday, 30 September 2019. Except for the Group's pending application to the Stock Exchange for listing of and permission to deal in the Offer Shares, no part of the share or loan capital of the Company is listed on or dealt in on any other stock exchange and no such listing or permission to list on any other stock exchange is being or proposed to be sought in the near future.

The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares is 1960. The Company will not issue any temporary documents of title.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or such other date determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice from their stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect their rights, interest and liabilities.

All necessary arrangements have been made to enable for the Shares into be admitted to CCASS.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Share Offer are recommended to consult their professional advisers as to the taxation implications of subscribing for, purchasing, holding or disposal of, and/or dealing in the Shares or exercising rights attached to them. It is emphasized that none of the Company, the Sole

Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, officers, employees, agents, advisers, representatives or any other person or party involved in the Share Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription, purchase, holding or disposition of, dealing in, the Shares or exercising any rights attached to them.

PROCEDURES FOR APPLICATION FOR PUBLIC OFFER SHARES

The procedures for applying for the Public Offer Shares are set out in the section headed "How to Apply for the Public Offer Shares" in this prospectus and the relevant Application Forms.

STRUCTURE AND CONDITIONS OF THE SHARE OFFER

Details of the structure and conditions of the Share Offer, including its conditions are set out in the section headed "Structure and Conditions of the Share Offer" of this prospectus.

ROUNDING

Certain amount and percentage figures included in this prospectus have been subject to rounding adjustments or have been rounded to one or two decimal places. Any discrepancies in any table, chart or elsewhere in this prospectus between totals and sums of individual amounts listed therein are due to rounding.

WEBSITE

The contents of any website mentioned in this prospectus do not form part of this prospectus.

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail. However, names of any laws and regulations, governmental authorities, institutions, natural persons or other entities which have been translated into English and included in prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the Chinese name prevails.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain RM amounts into Hong Kong dollars at specified rates. Unless the Company indicates otherwise, in this prospectus, the translations of RM into Hong Kong dollars and vice versa have been made at the rate of RM1.00 to HK$1.90.

No representation is made that any amount in Hong Kong dollars can be or could be, or have been, converted at the above rate or any other rate or at all.

DIRECTORS

Name	Residential address	Nationality
Executive Directors		
Mr. Tan Hun Tiong	191-B, KG Dhoby 71000, Port Dickson Negeri Sembilan, Malaysia	Malaysian
Mr. Tan Han Peng	No. 420, Kampung Dhoby 71000 Port Dickson Negeri Sembilan, Malaysia	Malaysian
Non-executive Director		
Ms. Chooi Pey Nee (徐佩妮)	186 Tagore Avenue Poets Villas 787854 Singapore	Malaysian
Independent non-executive Directors		
Mr. Tan Chade Phang (Chen Yifan)	80 Bayshore Road, Costa Del Sol, #29-25 Singapore 469992	Singaporean
Mr. Ng Chiou Gee Willy	1 Jln Selanting #07-07 Singapore 598368	Singaporean
Mr. Chu Hoe Tin (朱浩天)	Flat C, 26/F., Tower 1, The Sparkle 500 Tung Chau Street, Cheung Sha Wan Kowloon, Hong Kong	Chinese

Further information is disclosed in the section headed "Directors and senior management" of this prospectus.

PARTIES INVOLVED IN THE SHARE OFFER

Sole Sponsor	**Red Sun Capital Limited** Room 3303, 33rd Floor, West Tower Shun Tak Centre 168–200 Connaught Road Central Hong Kong *(A licensed corporation engaged in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO)*
Joint Bookrunners and Joint Lead Managers	**Excellent Success Investments Limited** 22/F., China Overseas Building 139 Hennessy Road Wan Chai Hong Kong *(A licensed corporation engaged in type 1 (dealing in securities) regulated activity under the SFO)* **Lego Securities Limited** Room 301, 3/F, China Building 29 Queen's Road Central Hong Kong *(A licensed corporation engaged in type 1 (dealing in securities) regulated activity under the SFO)* **Red Sun Capital Limited** Room 3303, 33/F West Tower, Shun Tak Centre 168–200 Connaught Road Central Hong Kong *(A licensed corporation engaged in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO)* **Shanxi Securities International Limited** Unit A, 29th Floor Tower 1, Admiralty Centre 18 Harcourt Road Admiralty Hong Kong *(A licensed corporation engaged in type 1 (dealing in securities) regulated activity under the SFO)*
Legal advisers to the Company	*As to Hong Kong law:* **Robertsons** 57th Floor, The Center 99 Queen's Road Central Hong Kong *(Solicitors of Hong Kong SAR)*

As to Malaysian law:
Ben & Partners
7–2, Level 2, Block D2
Dataran Prima
Jalan PJU 1/39
47301 Petaling Jaya
Selangor
Malaysia
(Legal advisers as to Malaysian law)

As to Cayman Islands law:
Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands
(Legal advisers as to Cayman Islands law)

Underwriter(s)

Excellent Success Investments Limited
22/F., China Overseas Building
139 Hennessy Road
Wan Chai
Hong Kong
(A licensed corporation engaged in type 1 (dealing in securities) regulated activity under the SFO)

Lego Securities Limited
Room 301, 3/F, China Building
29 Queen's Road Central
Hong Kong
(A licensed corporation engaged in type 1 (dealing in securities) regulated activity under the SFO)

Red Sun Capital Limited
Room 3303, 33/F
West Tower, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong
(A licensed corporation engaged in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO)

Shanxi Securities International Limited
Unit A, 29th Floor
Tower 1, Admiralty Centre
18 Harcourt Road
Admiralty
Hong Kong
(A licensed corporation engaged in type 1 (dealing in securities) regulated activity under the SFO)

Legal advisers to the Sole Sponsor and the Underwriters	*As to Hong Kong law:* **TC & Co.** Unit 2201–3, 22nd Floor Tai Tung Building 8 Fleming Road Wanchai Hong Kong *(Solicitors of Hong Kong SAR)*
Reporting accountants and auditor	**BDO Limited** 25th Floor, Wing On Centre 111 Connaught Road Central Hong Kong *(Certified Public Accountants)*
Market research consultant	**Frost & Sullivan Limited** 1706, One Exchange Square 8 Connaught Place Central, Hong Kong
Property Valuer	**Grant Sherman Appraisal Limited** Unit 1005, 10th Floor Capital Centre, 151 Gloucester Road Wanchai, Hong Kong
Compliance adviser	**Red Sun Capital Limited** Room 3303, 33rd Floor, West Tower Shun Tak Centre 168–200 Connaught Road Central Hong Kong *(A licensed corporation engaged in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO)*
Receiving bank	**Industrial and Commercial Bank of China (Asia) Limited** 33/F., ICBC Tower 3 Garden Road Central, Hong Kong

CORPORATE INFORMATION

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Headquarters and principal place of business in Malaysia	Lot 333, Kampung Paya Batu 2 Jalan Seremban, Port Dickson Negeri Sembilan, Malaysia
Principal place of business in Hong Kong	Room 5705, 57/F., The Center 99 Queen's Road Central Hong Kong
Company secretary	Mr. Lam Wing Tai (林永泰) 31G, Block 8, Sceneway Garden Lam Tin, Kowloon Hong Kong *(HKICPA, CPA Australia)*
Authorised representatives (for the purpose of the Listing Rules)	Mr. Tan Han Peng No. 420, Kampung Dhoby 71000 Port Dickson Negeri Sembilan, Malaysia Mr. Lam Wing Tai (林永泰) 31G, Block 8, Sceneway Garden Lam Tin, Kowloon Hong Kong *(HKICPA, CPA Australia)*
Audit committee	Mr. Chu Hoe Tin *(Chairman)* Mr. Ng Chiou Gee Willy Mr. Tan Chade Phang
Remuneration committee	Mr. Tan Chade Phang *(Chairman)* Mr. Ng Chiou Gee Willy Mr. Tan Han Peng
Nomination committee	Mr. Ng Chiou Gee Willy *(Chairman)* Mr. Chu Hoe Tin Mr. Tan Han Peng
Principal share registrar and transfer office in the Cayman Islands	**Conyers Trust Company (Cayman) Limited** Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands

Hong Kong branch share registrar and transfer office	**Tricor Investor Services Limited** Level 54, Hopewell Centre 183 Queen's Road East Hong Kong
Principal bankers	**CIMB Bank Berhad** 1st Floor, Wisma DPMNS Jalan Dato Bandar Tunggal 70000 Seremban Negeri Sembilan Malaysia
	United Overseas Bank (Malaysia) Bhd Level 7, Menara UOB Jalan Raja Laut 50350 Kuala Lumpur Malaysia
Company's website	**www.tbkssb.com.my** *(Note: The contents of this website do not form part of this prospectus)*

The information and statistics in this section, unless otherwise indicated, are derived from various private and official governmental publications, publicly available sources and the Frost & Sullivan Report, a market research report prepared by Frost & Sullivan and commissioned by the Group. We believe that the sources of the information in this section are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. None of the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or their respective directors, advisers (which, for the purpose of this paragraph, excludes Frost & Sullivan) and affiliates has independently verified such information and statistics and none of them gives any representation as to the accuracy of such information and statistics. As a result, you should not unduly reply upon such facts and statistics contained in this prospectus.

SOURCE AND RELIABILITY OF INFORMATION

The Group commissioned Frost & Sullivan, an independent market research company, to conduct an analysis of, and to produce a report on, the civil and structural works for oil and gas facilities market study in Malaysia for use in this prospectus. Frost & Sullivan is an independent global consulting firm founded in 1961, and offers industry research, market strategies and provides growth consulting and corporate training on a variety of industries. The information from Frost & Sullivan disclosed in this prospectus is extracted from the Frost & Sullivan Report, a report commissioned by the Company for a fee of HK$420,000 and is disclosed with the consent of Frost & Sullivan.

The Frost & Sullivan Report was undertaken through both primary and secondary research obtained from various sources. Primary research included interviews with industry experts and participants in the civil and structural works for oil and gas facilities market in Malaysia. Secondary research involved reviewing the statistics published by the government official statistics, industry publications, annual reports and data based on Frost & Sullivan's own database. Frost & Sullivan also adopted the following primary assumptions while making projections on the macroeconomic environment and civil and structural works for oil and gas facilities market in Malaysia:

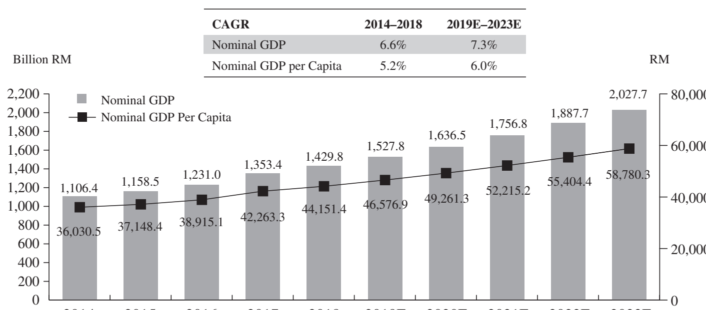
- Malaysia's economies are expected to grow at a steady rate supported by favourable government policies as well as global economic recovery, among other factors; and
- The social, economic and political environment of Malaysia is likely to remain stable during the forecast period, which will ensure a sustainable and steady development of the civil and structural works for oil and gas facilities market in Malaysia.

Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. The Directors confirmed that after taking reasonable care, the sources of information used in this section, which are extracted from the Frost & Sullivan Report, are reliable and not misleading as Frost & Sullivan is an independent professional market research agency with extensive experience, and there is no material adverse change in the overall market information since the date of the Frost & Sullivan Report that would materially qualify, contradict or have an impact on such information.

OVERVIEW OF MACROECONOMIC ENVIRONMENT IN MALAYSIA

According to International Monetary Fund ("**IMF**"), the nominal GDP has recorded a steady growth from RM1,106.4 billion in 2014 to RM1,429.8 billion in 2018, representing a CAGR of 6.6%. The continuous infrastructure development and economic activities are expected to drive the growth of national economy. Hence, the nominal GDP is expected to grow at a CAGR of 7.3% during 2019 to 2023 and reach RM2,027.7 billion in 2023. Similar to nominal GDP, the nominal GDP per capita has registered a growth from RM36,030.5 in 2014 to RM44,151.4 in 2018, representing a CAGR of 5.2%. The nominal GDP per capita is estimated to grow at a CAGR of 6.0% during 2019 to 2023 and reach RM58,780.3 by 2023.

Nominal GDP and Nominal GDP Per Capita (Malaysia), 2014–2023E



Source: Department of Statistics of Malaysia, The World Bank, International Monetary Fund, Frost & Sullivan

Analysis of Crude Oil Prices

From 2014 to 2018, average price of crude oil has experienced an overall fall at a CAGR of approximately -6.5%, primarily due to a strong US dollar, oversupply of crude oil and the weakening global economy. Average price reached the lowest point in 2016 at RM169.1 per barrel and recovered gradually with the increasing demand from downstream industries and the reduction of global production. Looking forward, with global political uncertainties and continuous production adjustments, it is expected that the average price of crude oil will experience a mild growth from RM247.6 per barrel in 2019 to RM252.7 per barrel, representing a CAGR of approximately 0.5%.

Key Projects and Policies in Malaysia

The original project value of PIPC announced by Johor Petroleum Development Corporation Berhad (JPDC) was approximately RM170 billion. It is estimated that a total value of approximately RM109.4 billion has been completed or commissioned as of June 2019. The remaining projects of PIPC are expected to be commissioned with another RM60.6 billion starting from 2020.

Details of national projects and policies stimulating the development of civil and structural works for oil and gas facilities market in Malaysia are listed in the following tables.

Project		Estimated Project Value	Duration
Pengerang Integrated Petroleum Complex (PIPC)	Pengerang Integrated Complex (Phase I – PIC) *(Including Refinery and Petrochemical Integrated Development (RAPID) and six associated facilities)*	RM94.0 billion	2013–2019 (or 2020)
	Pengerang Deepwater terminal (PDT)	RM8.3 billion (Phase 1&2) RM2.5 billion (Phase 3)	2014–2019 (Phase 1&2) 2018–2020 (Land reclamation work of Phase 3)
	Pengerang Maritime Industrial Park (PMIP)	RM14.0 billion	2016–2026
	Pengerang Eco-Industrial Park (PEIP) *(Including Pengerang Eco-Industrial Park (PEIP) and Pengerang International Commercial Centre (PICC))*	RM1.4 billion	2018–TBA
	Phase II, III, IV, and V of PIPC	TBA	Till 2035
Summary	PIPC comprises five phases of projects and is reviewed on a five-year basis. Phase I and II include PIC, PMIP and PIDP, and other projects for Phase II, III, IV and V will be planned and announced no earlier than 2022.	RM170 billion	2013–2035

Project	Project Value	Duration
Economic Transformation programme (ETP)	It seeks to transform Malaysia into a high-income nation by 2020. Oil, gas and energy sector is one of the key industrial sectors indentified to drive ETP with the implementation of two entry Point Projects (EPP). These include building a regional oil storage hub and increasing petrochemical output by developing integrated refinery and petrochemical	2010–2020
Construction Industry Transformation Programme (CITP)	CITP is the national agenda to transform the construction industry with four strategic thrusts including quality, safety and professional, environmental sustainability, productivity, and internationalisation.	2016–2020
Performance Management and Delivery Unit (PEMANDU)	PEMANDU is set up by Malaysian government to lead change and ensure the successful delivery of national transformation programme. It monitors the progress of all the programs related to the ETP.	2009 till now
Enhanced Oil Recovery (EOR)	EOR is a widely accepted technics in oil and gas industry and its implementation will increase the economic value of the field and extend its life. Major oil and gas market participants have been investing continuously in EOR projects. For example, in 2017 Petronas planned to invest RM10 billion for an EOR programme at Baram Delta production-sharing contract (PSC) with completion by 2020.	N/A

OVERVIEW OF CONSTRUCTION MARKET IN MALAYSIA

Introduction

Construction works in Malaysia can be broadly classified by following nature of works:

Civil Engineering Works — Civil engineering works refer to the construction works conducted at construction sites of structures and facilities includes transport, utilities & plants, environment and sports & recreation. Civil engineering works also include other infrastructural works, such as railways, roads, highways, bridges, airport, port works, water works, drainage, reclamation, excavation works, open spaces, sport grounds, other urban services facilities, service stations and plants, and other related construction projects.

Building Construction Works — Building construction works refer to construction of buildings of all kinds performed at construction sites. It includes entire dwellings, office buildings, stores and other public and utility buildings, farm buildings, etc. The scope of building construction works may vary according to the nature of works or the end-use of the construction project. It generally includes superstructure works, steel construction, etc.

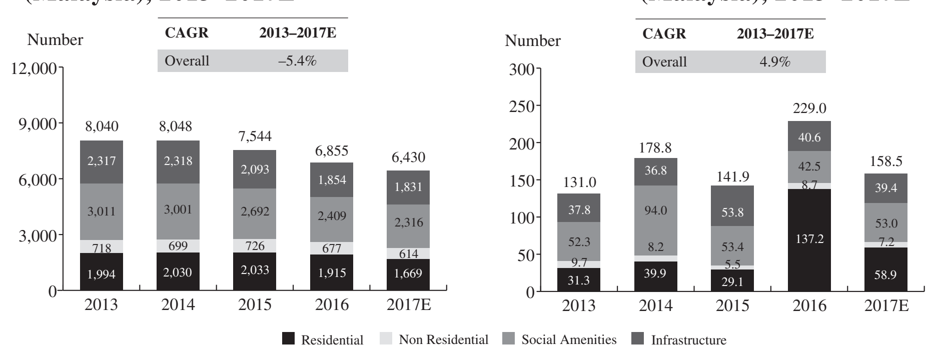
Specialised Construction Activities Specialised construction activities in Malaysia refer to the specialised works that require specific skills and equipment for building and civil engineering works, including (i) demolition and site preparation, (ii) electrical and mechanical (E&M) works, (iii) repair, maintenance, alteration and addition (RMAA) works, and (iv) others.

Number and Value of Construction Projects Awarded

The number of construction projects awarded in Malaysia had recorded a decrease in the past few years from 8,040 in 2013 to 6,430 in 2017, representing a negative CAGR of 5.4%. The decline was primarily attributable to the implementation of the 11st Malaysia Plan, and there was a shift towards development of sizable infrastructure projects throughout the country. Despite the decline in project number from 2015 to 2017, the construction industry is expected to demonstrate a sustained growth as revealed by increase in value of construction work done with a shift towards sizable projects. On the other hand, the value of construction projects awarded in Malaysia has grown from RM131.0 billion in 2013 to RM158.5 billion in 2017, representing a CAGR of 4.9%, indicating a general market trend of shifting towards projects with higher values. The growth of value of construction projects awarded was mainly attributable to the sizable infrastructure projects awarded in 2016, such as the Mass Rapid Transit Line 2 in the Klang Valley and the Pan Borneo Highway in Sabah and Sarawak.

The rapid economic development in Malaysia also pushed for the need for more infrastructure works with the value increased from RM31.3 billion in 2013 to RM58.9 billion in 2017, representing a CAGR of 17.1% and was accounted for 37.1% of the construction projects awarded in Malaysia in 2017.

Number of Construction Projects Awarded (Malaysia), 2013–2017E **Value of Construction Projects Awarded (Malaysia), 2013–2017E**



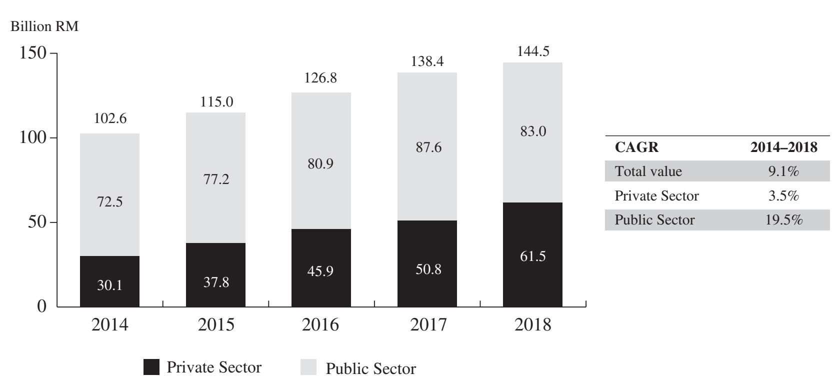
Note: (1) Latest available figures published by the Construction Industry Development Board of Malaysia were recorded in the first half of 2017; (2) value of construction projects refers to sum of construction contracts.

Source: Construction Industry Development Board of Malaysia, Frost & Sullivan

Value of Construction Work Done by Sector

According to the Department of Statistics of Malaysia, the value of construction work done in Malaysia increased from RM102.6 billion in 2014 to RM144.5 billion in 2018, representing a CAGR of approximately 9.1%. Private sector was the major contributor to the construction work done in Malaysia, accounting for approximately 57.1% of the total value of 2018 with a growth from RM72.5 billion in 2014 to RM83.0 billion in 2018, representing a CAGR of 3.5%. Value of construction work done in public sector however was catching up with a more significant growth of 19.5% from 2014 to 2018.

Value of Construction Work Done by Sector (Malaysia), 2014–2018



Note: Value of construction work done reflected the payment of construction work by progress.

Source: Department of Statistics of Malaysia, Frost & Sullivan

OVERVIEW OF CIVIL AND STRUCTURAL WORKS FOR OIL AND GAS FACILITIES MARKET IN MALAYSIA

Introduction

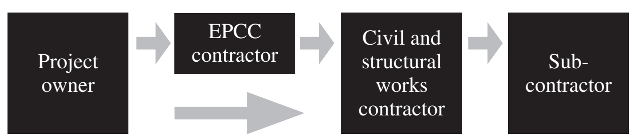
Civil and structural works for downstream sector of oil and gas (O&G) in Malaysia cover the construction, building and installation for the downstream facilities structures of oil and gas fields. It can be broadly classified by types of facilities in downstream oil and gas fields, namely processing and refinery plants, storage and loading facilities, site infrastructure, utilities, etc.

Typical services offered by civil and structural works contractors in Malaysia at downstream oil and gas fields include (i) foundation, (ii) construction and installation, (iii) surfacing, testing and finishing, (iv) repair and replacement, (v) maintenance services and (vi) others.

Construction works for oil and gas facilities are usually undertaken through contracting/subcontracting. As a common business model of construction industry in Malaysia, Engineering, Procurement, Construction and Commissioning (EPCC) is commonly adopted in civil projects for oil and gas facilities and the EPCC contractor takes the lead for design, procurement of equipment and machinery, construction and commissioning works. EPCC contractor will then subcontract the large scale projects to other contractors like civil and structural works contractors specialising in the construction, building and installation works.

Civil and structural works contractors may act as main contractors on projects directly awarded by project owners due to the requirements of project owners and the nature of projects. EPCC contractors usually provide the complete package of services including engineering, procurement, construction and commissioning for large-scale and complex projects. However, main contractors usually work on specific package of works as required by project owners and are more focused on the execution and construction activities.

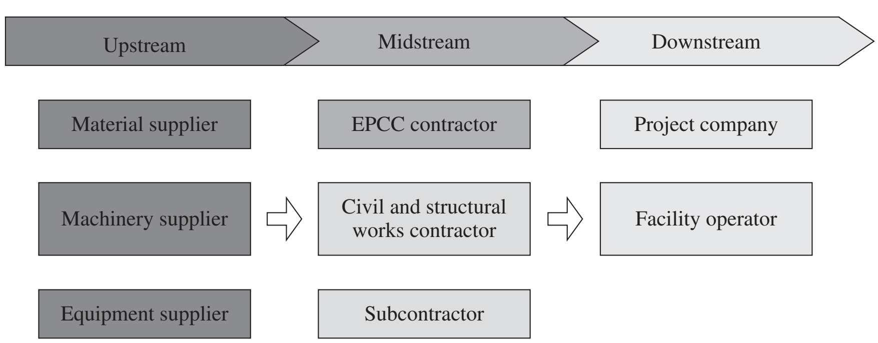
Business Model of Civil and Structural Works Contractors



Value Chain Analysis

The value chain of civil and structural works for oil and gas facilities industry in Malaysia comprises upstream suppliers, midstream contractors and downstream project owners. Upstream suppliers including material, machinery and equipment suppliers provide necessary materials to contractors, such as iron and steel, cement, bricks and tiles, heavy trucks, loaders and other machineries for execution of construction works.

The midstream players mainly consist of EPCC contractors and civil and structural works contractors. Civil and structural works contractors will perform construction, building and installation works at the site. The downstream of the civil and structural works for oil and gas facilities market in Malaysia mainly includes project companies and facility operators.



Source: Frost & Sullivan

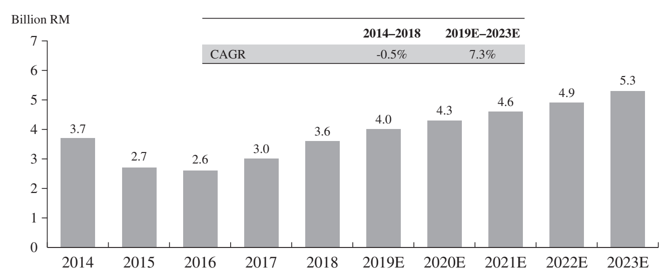
Market Size of Civil and Structural Works for Oil and Gas Facilities Market in Malaysia

With its strategic location as key shipping lanes to China, India and other Southeast Asian countries, Malaysia has an advantage as a key player in the oil and gas industry in Asia. Overall, there are more than 3,500 oil and gas businesses in the country driving the market demand for civil and structural works for downstream oil and gas facilities. Upstream activities generally cover exploring, exploiting, winning and obtaining petroleum with onshore and offshore facilities such as wellhead platforms and subsea structures, floaters, compressors, terminals, rotating equipment, pipelines, etc.. Downstream sector include processing or refining of petroleum or manufacturing of petro-chemical products from petroleum. Downstream facilities consist of refineries, processing plants, regasification terminals, storage tanks, pipeline networks and others.

Due to the volatile crude oil price in the past five years, projects in the upstream sector of oil and gas industry became unprofitable. A number of Malaysian projects were deferred or cancelled during the period. In line with the decreasing price of crude oil from 2014 to 2016, total value of work done of civil and structural works for upstream oil and gas facilities in Malaysia recorded a fall from RM3.7 billion in 2014 to RM2.6 billion in 2016 and gradually recovered afterwards. By the end of 2018, value of work done of civil and structural works for upstream oil and gas facilities reached RM3.6 billion, representing a CAGR of approximately -0.5% from 2014 to 2018.

Benefitted from the recovery of crude oil prices, upstream oil and gas companies restore confidence and spur investment in new facilities construction. For example, Petronas will have around 28 oil projects in the upstream sector with around 30% involving new facilities development. Therefore, it is forecasted that the value of work done of civil and structural works for upstream oil and gas facilities will grow at a CAGR of approximately 7.3%, reaching RM5.3 billion by the end of 2023.

Value of Work Done of Civil and Structural Works for Upstream Oil and Gas Facilities (Malaysia), 2014–2023E

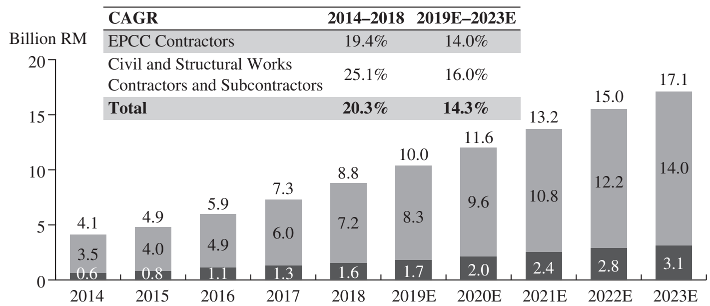


Source: Malaysian Investment Development Authority, Construction Industry Development Board of Malaysia, Frost & Sullivan

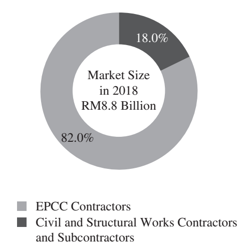
From 2014 to 2018, the market size of civil and structural works for downstream oil and gas facilities by value of work done in Malaysia increased from RM4.2 billion in 2014 to RM8.8 billion in 2018, representing a CAGR of 20.3%. Stimulated by the positive economic outlook in Malaysia, increasing demand for upgrade and maintenance works on the existing facilities, and a number of stimulus government policies and projects including PIPC, EOR, Economic Transformation Programme (ETP), Construction Industry Transformation Programme (CITP) and the establishment of Performance Management and Delivery Unit (PEMANDU), the market size of civil and structural works for oil and gas facilities is expected to reach RM17.1 billion in 2023. From 2019 to 2023, the remaining phases of PIPC and maintenance works on existing facilities are expected to continuously stimulate the market. In addition, to meet the Malaysian government's environmental standards, oil and gas market players have announced investment plans for expansion and upgrading works complying Euro 5 at Port Dickson. It is expected that the need for maintenance, expansion and upgrading will increase in the next five years, supporting the market to grow at a CAGR of approximately 14.3%.

In particular, the estimated value of work done by civil and structural works contractors and subcontractors (including work outsourced by EPCC contractors and work awarded directly by project owners) in 2018 is approximately RM1.6 billion. With the increasing project value and scale, EPCC contractors are more likely to outsource works to civil and structural works contractors with the aim of reducing costs, ensuring service quality and increasing efficiency. Therefore, the value of work done by civil and structural works contractors and subcontractors is expected to rise with a CAGR of approximately 16.0% from 2019 to 2023, attaining RM3.1 billion in 2023.

Value of Work Done of Civil and Structural Works for Downstream Oil and Gas Facilities by Types of Contractors (Malaysia), 2014–2023E



Breakdown by Types of Contractors, 2018



Source: Malaysian Investment Development Authority, Construction Industry Development Board of Malaysia, Frost & Sullivan

License and Registration with Petronas

In 1974, the Malaysian Government enacted the Petroleum Development Act in 1974 and established its national oil company, Petronas. Petroleum Development Act 1974 gives Petronas exclusive ownership right to the oil and gas resources in Malaysia and makes it the main regulatory body for upstream oil and gas activities. Petronas is vested with the entire ownership and the exclusive powers and rights in oil and gas resources in Malaysia, and to control the carrying on of downstream development and activities relating to the said resources and their products. Further, Regulation 3 of the Petroleum Regulation 1974 sets forth that companies intending to participate in the upstream activities are required to obtain approval from Petronas.

As stated in the General Guidelines of Petronas License and Registration Applications, an entity wishing to supply goods or services to upstream sector of oil and gas industry in Malaysia or downstream sector of Petronas Group of Companies is required to obtain a license from or register with Petronas. Major difference between a license and registration lies in the sectors which entities are allowed to participate in. With a valid license, an entity is allowed to supply goods and services to both the upstream sector in the oil and gas industry in Malaysia and downstream sector of Petronas Group of Companies. With a registration, a company can only participate in tender for supply of goods or services to the downstream sector of Petronas Group of Companies. As compared to registration, the requirements to obtain a license, inter alia, includes a higher paid-up capital. General requirements for applying such license and registration include Bumiputera participation requirement for equity, Board of Directors, management and employee in order to participate in activities listed in the Standardised Work and Equipment Categories (SWEC). Contractors failing to meet these requirements including Bumiputera participation will not be able to obtain such license and invited to tender in any upstream project.

Market Drivers

Favourable government policies. Malaysia's gas market liberalisation kicked off in 2017, aiming at deregulating domestic gas market and opening the market for non-state market participants. The government also encourages major international companies in the sector to set up businesses through strategic joint-ventures or partnerships with Malaysian companies, in order to boost their capabilities and expertise for their future expansion plans. The liberalisation will significantly attract more companies competing in the gas market and driving the oil and gas market in Malaysia, increasing the demand for oil and gas facilities, hence driving the civil and structural works for oil and gas facilities.

Demand for oil and gas facilities. Malaysia has heavily invested in refining activities during the past two decades and can now meet most of its demand for petroleum products with domestic supplies at 8 facilities. As part of Malaysia's goal to compete with the oil refining and storage hub in Singapore, Malaysian government has allocated 20,000 acres of land for Pengerang Integrated Petroleum Complex (PIPC) with scheduled completion in 2035. Pengerang Integrated Complex (PIC), forming the first phase of the PIPC, houses the Refinery and Petrochemical Integrated Development (RAPID) and other associated facilities. RAPID, a major project under PIC with a capacity of 300,000 bpd, owns a combined production capacity of more than 3Mtpa of Petroleum Complex products per year and is anticipated to be completed in 2019 or 2020. Meanwhile, the Pengerang Maritime Industrial Park (PMIP) within the masterplan of PIPC is a ten-year reclamation project for an area of 1,672.8 acres and is designed to include downstream support activities and facilities to complement RAPID. By mid-2018, only 100 acres of land has completed site preparatory works with 1,572.8 acres to be reclaimed till 2026, which will drive the demand for civil and structural works. In addition, together with the investment in the Enhanced Oil Recovery (EOR) from the government, techniques that enable an increase in production capacity from underground reservoirs, it will drive the market demand for civil and structural works for oil and gas facilities such as the storage facilities hence representing more future opportunities for the oil and gas civil and structural works market participants.

Market Trend

Service diversification and industry consolidation. In order to increase one's competitiveness in the oil and gas facilities civil and structural works industry and reduce operational risks of over-reliance on certain business segment, it is not uncommon for market players of such industry to expand their scope of service in order to capture additional potential business opportunities from other construction works such as mechanical and electrical engineering. Such expansion will bring them to gain a higher capability and a wider portfolio and track record for future bidding of construction projects. Thus, this will subsequently aid constructors to gain a more solid ground in the overall construction industry.

Growth in subsequent maintenance works. With a number of major projects in oil and gas sector in the past few years, such as the construction project of Pengerang Johor Refinery Project etc., thus there is an increasing demand for repair and maintenance works for oil and gas facilities, including turnaround activities, and maintenance, construction and modification (MCM) works. In the medium term outlook of Petronas, a substantial increase in turnaround and MCM activities is anticipated to cater for Pengerang Integrated Complex (PIC), due to the large size of plant operations. The higher demand for plant maintenance works will be one of the major contributors to the development of civil and structural works for oil and gas facilities industry during the next five years.

Implementation of BIM. The Construction Industry Development Board of Malaysia has been actively promoting the Building Information Modeling (BIM) since 2012. BIM is a set of digital tools that are used to manage construction projects effectively, with the modelling technology which enables contractors to produce, communicate, analyse and use digital information models throughout the construction project life cycle. The implementation of the model will greatly enhance the quality and efficiency of the construction project, avoiding common construction errors. Recognising the advantage, the adoption of BIM has a growing popularity across the construction industry. Together with the promotion from government, there is a growing trend in the future for construction companies to integrate such model to their business.

Opportunities of Civil and Structural Works for Oil and Gas Facilities Market

Substantial downstream oil and gas facilities demand and planned civil and structural works projects. Malaysia as one of the active owners of oil and gas reserves among players in Southeast Asia, together with their well-established industry ecosystem, it is foreseeable for Malaysia to continue exploiting its potential. The implementation of the PIPC has also driven the growth of the oil and gas facilities, as well as stimulating the overall civil and structural works industry in this particular industry sector. Apart from the sustained demand for residential housing and infrastructural facilities, the increasing domestic demand for petroleum products has also driven the needs for oil and gas facilities in Malaysia. Hence, there are more construction projects related to oil and gas facilities emerging in Malaysia, such as civil engineering works for marine import facilities, oil refinery and storage facilities. Meanwhile, the leading energy companies in Malaysia have started to upgrade and expand the production capacity of their current facilities. Petron Malaysia plan to invest more than RM14.0 billion to expand its Port Dickson refinery by 90,000 barrels per day. Besides, the tightened environmental regulation for fuel, such as Euro 5 grade level, and safety standards have forced the energy companies to upgrade their facilities. A series of plans to upgrade the existing refinery facilities including Petronas' refinery in Kerteh, Terengganu, will continuously drive the demand for civil and structural works. The ongoing and planned, upcoming civil projects on oil and gas facilities therefore represent future opportunities, expecting to award more contracts to the industry participants.

Cost competitiveness. Malaysia has a low cost structure in general, comparing to other nearby countries, where large multinational oil and gas firms have reallocated to this more favourable cost base. Malaysia has a significantly lower rental costs on housings, office buildings etc, as compared to Singapore. The weaker currency has also made Malaysia an attractive hub to foreign investors. The investment from oil and gas corporates to Malaysia will affect the oil and gas facilities civil and structural works positively in the future.

Key Challenges of Civil and Structural Works for Oil and Gas Facilities Market

Cyclical industry nature. The construction industry is particularly cyclical as it is strongly influenced by government programmes, which in turn fluctuates as a function of government policies. In addition, the construction industry is sensitive to the business cycle and depends highly on the current macroeconomic outlook, government policies and the property speculation in the market. This poses a great challenge to construction works contractors during economic recessions, and prone to bankruptcy for those without sufficient cash flow or strong balance sheets to weather a long recession.

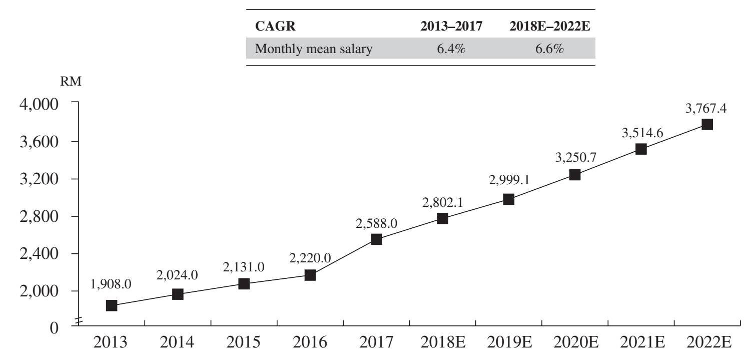
High labour cost and shortage of skilled labour. The civil and structural works industry in Malaysia is witnessing a challenge from the rising cost of labour. According to Department of Statistics of Malaysia, the average monthly salary of the construction workers have increased from RM1,908.0 in 2013 to RM2,588.0 in 2017, representing a CAGR of 6.4%. This growth is primarily attributable to the strong demand for labour in civil and structural works. Industry participants usually bring in foreign labours to meet the rising demand, however a large proportion of these workers that have not had the training often cannot meet the basic skill requirement. The shortage of labour, especially skilled ones may therefore lead to an increasing expenditure on labour recruitment and retention for civil and structural works workers.

COST STRUCTURE OF CIVIL AND STRUCTURAL WORKS FOR OIL AND GAS FACILITIES MARKET IN MALAYSIA

Labour Cost

The average monthly salary of employee in construction industry in Malaysia witnessed a growth during 2013 to 2017, at a CAGR of 6.4%, from RM1,908.0 in 2013 to RM2,588.0 in 2017. The average monthly salary of employee in construction industry in Malaysia is expected to grow during 2018 to 2022 due to anticipated increase in demand for workers in the construction sector, reaching RM3,767.4 in 2022, growing at a CAGR of 6.6% from 2018 to 2022.

Average Monthly Salary of Employee in Construction Industry (Malaysia), 2013–2022E



Note: Latest available figures published by the Department of Statistics of Malaysia were recorded in 2017.
Source: Department of Statistics of Malaysia, Frost & Sullivan

Raw Material Cost

The major raw materials used in civil and structural works are sand, concrete and steel & metal sections, and the average prices grew significantly from 2013 to 2017. The average prices of sand, concrete and steel & metal sections increased at CAGRs of 10.1%, 0.1% and 4.4% respectively during 2013 to 2017. This is primarily due to the growing development and rising number of civil and structural works and building works projects in Malaysia, causing the rise in demand for construction materials, and driving the average prices to rise in the past 5 years.

Average Price of the Major Raw Materials in Civil and Structural Works (Malaysia), 2013–2017

Types of Raw Material	Unit	2013	2014	2015	2016	2017	CAGR (2013–2017)
Sand	RM/Tonnes	28.8	38.0	40.9	42.6	42.3	10.1%
Concrete	RM/Cubic Metre	252.3	250.1	264.2	263.3	253.0	0.1%
Steel and metal sections	RM/Tonnes	2,641.0	2,996.2	3,150.8	3,177.2	3,137.0	4.4%

Note: Latest available figures published by the Construction Industry Development Board of Malaysia were recorded in 2017.
Source: Construction Industry Development Board of Malaysia, Frost & Sullivan

COMPETITIVE LANDSCAPE OF CIVIL AND STRUCTURAL WORKS FOR DOWNSTREAM OIL AND GAS FACILITIES MARKET IN MALAYSIA

Overview of Competition

As estimated, there were more than 120 market participants engaged in the civil and structural works in the downstream oil and gas industry in 2018. The overall civil and structural works for downstream oil and gas facilities market in Malaysia is considered as relatively concentrated with top market participants mainly consisting of large EPCC contractors who are all listed companies. In 2018, the market size of civil and structural works for downstream oil and gas facilities market in Malaysia recorded RM8.8 billion.

During the Track Record Period, the Group's civil and structural works services were provided to both PIPC Project and non-PIPC Project. PIPC has five phases of projects located in different areas of Pengerang, Johor and each phase requires three different categories of works, namely (i) civil construction, (ii) construction of buildings, and (iii) mechanical and electrical engineering. The aforesaid three categories of works have similar gross profit margins. Among the three categories of works, the Group only undertakes civil construction and construction of buildings. The Group recorded revenue of approximately RM146.2 million for the year ended 30 June 2018 and accounted for approximately 1.7%[1] of market in the civil and structural works for

[1] The market share was estimated based on the market size of calendar year 2018, and the Group's total revenue for the year ended 30 June 2018 as stated in the section headed "Financial Information" of this prospectus.

downstream oil and gas facilities market in Malaysia in the calendar year of 2018. Further, as the market size of civil and structural works for downstream oil and gas facilities done by contractors excluding EPCC contractors (including work outsourced by EPCC contractors and work awarded directly by project owners) was approximately RM1.6 billion in the calendar year of 2018, the Group had an estimated share of approximately 9.1%[1] in this market segment.

Leading market participants in civil and structural works for downstream oil and gas facilities market (Malaysia), 2018

Rank	Market Participant	Estimated Revenue *(RM billion)*	Estimated Market Share *(%)*
1	Company A	0.75	8.5%
2	Company B	0.54	6.2%
3	Company C	0.48	5.5%
	Subtotal	**1.78**	**20.2%**
	Others	7.02	79.8%
	Total	**8.8**	**100.0%**

Notes:

(i) Only revenue of civil and structural works for downstream oil and gas facilities are taken into account for the estimation of market share.

(ii) Company A offers a wide range of services from engineering and construction to operations and maintenance services to customers.

(iii) Company B was founded in 1984 and has more than 2,500 employees worldwide. It is also listed on the Bursa Malaysia Securities Berhad and operates in petroleum and liquefied natural gas terminals, offshore supply bases and oil and gas fields.

(iv) Company C was founded in 1972 and listed on the Main Market of Bursa Malaysia Securities Berhad. It serves as an integrated solutions provider for oil and gas, maritime, and infrastructure projects in both local and international market.

Market Challenges

Cyclical industry nature. The civil and structural works industry is particularly cyclical as it is strongly influenced by government programmes, which in turn fluctuates as a function of government policies. In addition, the civil and structural works industry is sensitive to the business cycle and depends highly on the current macroeconomic outlook, government policies and the property speculation in the market. This poses a great challenge to civil and structural works contractors during economic recessions, and prone to bankruptcy for those without sufficient cash flow or strong balance sheets to weather a long recession.

High labour cost and shortage of skilled labour. The civil and structural works industry in Malaysia is witnessing a challenge from the rising cost of labour. According to Department of Statistics of Malaysia, the average monthly salary of the construction workers has increased from RM1,908.0 in 2013 to RM2,588.0 in 2017, representing a CAGR of approximately 6.4%. This growth is primarily attributable to the strong demand for labour in civil and structural works. Industry participants usually bring in foreign labours to meet the rising demand, however a large proportion of these workers that have not had the training often is not able to meet the basic skill requirement. The shortage of labour, especially skilled ones may therefore lead to an increasing expenditure on labour recruitment and retention for civil and structural works workers.

Entry Barriers

Business relationship with stakeholders. Existing market participants in the civil and structural works for oil and gas industry in Malaysia may have already established a stable business network with upstream raw materials suppliers and sub-contractors. New market entrants without prior business relationship with suppliers may be prone to unsteady supply of raw materials and suffer from financial disadvantages. Furthermore, with the long-established partnership with different clients, existing market participants are eligible for tender submission as some contractors have already placed them on preferred tender list. Therefore, new market participants may find it as one of the obstacles to enter the market and compete with existing participants.

Sufficient capital investment. On the occasions of large-scale civil and structural works, it is a common practice that main contractors may appoint sub-contractors to carry out different kinds of specialised works. An adequate amount of capital reserve is required for market participants to spend on raw materials procurements, labour recruitment and other operational expenses before the commencement of construction projects. Accordingly, new market entrants who are unable to demonstrate a strong financial capability may refrain from entering the civil and structural works for oil and gas industry in Malaysia.

[1] The market share was estimated based on the market size of calendar year 2018, and the Group's total revenue for the year ended 30 June 2018 as stated in the section headed "Financial Information" of this prospectus.

License requirement and legal compliance. Currently established market participants with solid project experiences are aware of the requirements of specific operating license, such as G7 license issued by Construction Industry Development Board (CIDB), in order to carry out designated construction works, such as earthwork, hydraulic and demolition works. During daily operations, they are also required to comply with several legal requirements, such as the Environmental Quality Act and Street, Drainage & Building Act. New market entrants without sufficient industry knowledge and experiences may find it difficult to obtain certain licences and fulfill the standards ruled out by the local Government.

Key Success Factors

Track record and project experiences. Market participants who are able to present a satisfactory project reference and proven track record by engaging different sizeable projects are more likely to gain confidence from downstream customers, such as project company and facility operators, and thus receive higher recognition and earn reputation among the industry. Gradually, competent market participants will establish their brand image for future potential business development, bidding project tenders and project implementation.

Competitive pricing strategy and service level. Apart from the capability of project management, market participants also compete with each other by the means of service level. Proficient market participants with more human and financial resources are able to enjoy economies of scale and procure better quality construction materials at a competitive price. Besides, they are also able to provide additional services, such as the implementation of safety measures during project execution, as well as the introduction of regular repair and maintenance of facilities, so as to increase their tender success rate during bidding projects.

Capability of project management. The civil and structural works projects for oil and gas facilities market in Malaysia are highly structured and require extensive labour forces and building materials during different construction phases, such as project design and execution phases. Therefore, a well-implemented construction project management may facilitate the process of management construction projects by utilising various construction tools and methodologies to control cost, scope, quality and time of projects. In addition, a competent market participant will be able to manage the project from the beginning to the end of a project to ensure safe and successful construction work is being carried out. Sufficient safety measures are carried out, including feasibility studies and environmental impact assessment, and the progress and performance of project will be tracked constantly. Market participants who fail to demonstrate a high level of project management capability may suffer from additional financial costs due to project delays.

Competitive Strengths of the Group

Commitment to quality assurance. Providing a high standard of service and ensuring the quality of projects are critical to the Group's daily operations. In order to meet the Group's customers' requirement on different health, safety and environmental aspects, an effective control on quality assurance measures is maintained during daily operations. A group of project management team, which includes a project manager, construction manager and quality manager, is comprised to monitor the quality of each construction project. In addition, a full implementation on health, safety and environmental management system has facilitated the Group to prevent potential industrial accidents and ensure a safe workplace is provided for workers. With such management system, the Directors believe that the Group has increased its chances in the future to successfully tender for contracts.

Sufficient industry knowledge and experience. The Group has engaged in the civil and structural works for oil and gas market in Malaysia for more than 30 years and has completed different sizeable projects in Malaysia. A profound track record of a variety of construction projects in Malaysia has proven the Group possesses the expertise and capability to undertake a wide range of complex and large-scale civil engineering works. By leveraging such technical and technological expertise, it is believed that the Group has gained a wide recognition from different customers and players in the industry and has translated into a competitive edge for the Group to capture potential business opportunities in the future.

Reliable relationship with stakeholders. Acquiring a team of professional engineers and workers is one of the key successful factors in the civil and structural works for oil and gas industry in Malaysia. The Group is able to maintain a stable and experienced management team with a strong and relevant industry background over the years. Additionally, the Group has also established a comprehensive network with suppliers and customers so as to actively tender projects from a wide customer base. Such reliable relationship with both upstream and downstream stakeholders along the value chain contribute to sustained business growth and assist the Group to develop a long-term expansion strategy in the industry.

LAWS AND REGULATIONS RELATING TO THE GROUP'S BUSINESS IN MALAYSIA

This section sets out the main laws, regulations and guidelines of Malaysia which are relevant to the Group's business. As this is only a summary, it does not contain a detailed analysis of the laws, regulations and guidelines of Malaysia which are relevant to the Group's business.

Laws and Regulations relating to Construction Activities

Industry Regulation

*Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (Construction Industry Development Board Act 1994) ("**CIDBA 1994**")*

The CIDBA 1994 establishes the Construction Industry Development Board ("**CIDB**") to regulate matters relating to the construction industry in Malaysia. The CIDBA 1994 provides for the requirement that any person who carries out, or undertakes to carry out, any construction work or holds himself out as a contractor, i.e. as a person who carries out or completes or undertakes to carry out or complete any construction works, shall be properly registered with the CIDB and holds a valid certificate of registration issued by the CIDB under the CIDBA 1994 failing which the person may be liable on conviction to a fine of not less than RM10,000 but not more than RM100,000.

In addition to the above, CIDBA 1994 empowers the CIDB to serve on an unregistered contractor a notice in writing requiring the contractor to abstain from commencing or proceeding with the construction works or from undertaking to carry out or complete the construction works, with or without conditions. Any failure to comply with orders in a notice issued by the CIDB, or the conditions therein, would render the contractor be liable on conviction to a fine not exceeding RM5,000 and in the case of a continuing offence, to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction.

With regard to construction materials, contractors are obliged to ensure that any use of the construction materials specified in the CIDBA 1994 which includes cement, iron and steel products as well as ready mix concrete are duly certified by the CIDB prior to them being used as part of the construction process as any form of dealing with uncertified construction materials in relation to which prior certification by the CIDB is required would render the contractor in breach to be liable to a fine of not less than RM10,000 but not more than RM500,000.

According to the Contractor Registration Requirements and Procedures Handbook issued by the CIDB, the certification of registration issued by the CIDB is valid for a minimum period of one (1) year and a maximum term not exceeding three (3) years unless cancelled, suspended or revoked earlier by the CIDB. There are four (4) categories of registrations namely building construction ("**B**"), civil engineering ("**CE**"), mechanical and electrical engineering ("**ME**") as well as facility ("**F**"). The scope of registration may further be classified into the following seven (7) grades with each grade having different tendering capacity:

Grade	Tendering capacity	Paid-up capital (RM)	Qualification of Technical Personnel: Category B, CE, ME Technical Personnel	Category F: Technical Personnel of Facility Management ("FM")	Category F: Technical Personnel Non-FM
G1	Not exceeding RM200,000.00	5,000.00/10,000.00 (Government work Procurement Certificate)	One Technical Certificate holder (if any)		
G2	Not exceeding RM500,000.00	25,000.00	One Technical Certificate holder (if any)		
G3	Not exceeding RM1,000,000.00	50,000.00	One Technical Certificate holder (if any)		
G4	Not exceeding RM3,000,000.00	150,000.00	One Diploma Holder	One Diploma FM Holder	One Diploma Holder (with a minimum 3 years of experience in facility or maintenance services/facility or hospital maintenance services)
G5	Not exceeding RM5,000,000.00	250,000.00	One Diploma holder (with a minimum 5 years of experience) Or One Degree holder (with a minimum 1 year of experience)	One Diploma FM holder and One Technical Diploma holder (with a minimum 3 years of experience in facility or maintenance services/facility or hospital maintenance services)	One Degree holder (with a minimum 1 year of experience in facility or maintenance services/facility or hospital maintenance services) Or One Diploma holder (with a minimum of 5 years of experiences in in facility or maintenance services/facility or hospital maintenance services)
G6	Not exceeding RM10,000,000.00	500,000.00	One Degree holder and One Diploma holder (provided that one of them must possess a minimum 3 years of experience)	One Degree FM holder and One Technical Diploma holder (with 3 years of experience in facility maintenance or maintenance services/facility or hospital maintenance services)	One Degree holder and one Diploma holder (provided that one of them possess a minimum 3 years of experience in facility or maintenance services/facility or hospital maintenance services)
G7	No limit	750,000.00	Two Degree holders (provided that one of them has 5 years of experience) Or One Degree holder and one Diploma holder (provided that both of them possess a minimum 5 years of experience)	One Degree FM holder and One Technical Diploma holder (with 3 years of experience in facility or maintenance services/facility or hospital maintenance services)	One Degree holder and one Diploma holder (provided that both of them must have 5 years of experience in facility or maintenance services/hospital maintenance services)

The CIDBA 1994 obliges every contractor to submit to the CIDB any contract for construction works awarded to such contractor as whereby a levy would be imposed at the rate of a quarter per centum of the contract sum for contracts which contract sum exceeds RM500,000. In the event there are more than one contractor in relation to which a levy is payable, the liability to pay the levy imposed by the CIDB is joint and several whereby any failure to settle the levy would render the contractor(s) to be liable on conviction to a fine not exceeding RM50,000 or four times the amount of such levy payable, whichever is higher. Such levy payable shall be recoverable as a civil debt due to the CIDB.

Environmental Protection

*Environmental Quality Act 1974 ("**EQA 1974**")*

The EQA 1974 provides for the regulation of matters relating to the prevention, abatement, control of pollution and enhancement of the environment in Malaysia. With regard to noise pollution, the EQA 1974 empowers the Minister to specify the acceptable conditions for the emission or discharge of noise into any area, segment or element of the environment and may set aside any area, segment or element of the environment within which the emission or discharge is prohibited or restricted. Accordingly, a contractor which carries out any construction activity in an area, segment or element of the environment for which the Minister has specified limits of noise volume acceptability would be required to comply with these limits whereby in the absence of any license to exceed such limits the contractor would be liable to a fine of not more than RM100,000 or imprisonment for not more than five years or to both and to a further fine of not more than RM500 for a day for every day that the offence is continued after a notice by the Director General requiring him to cease the act specified therein has been served upon him.

As for the earthworks aspect of any construction activity, a contractor is required to comply with the acceptable conditions set by the Minister whereby any excessive pollution of any soil or surface of the land in which the construction activity is being carried out would render the contractor to be liable to a fine of not more than RM100,000 or imprisoned for not more than five years or to both and to a further fine of not more than RM1,000 a day for every day that the offence is continued after a notice by the Director General requiring him to cease the act specified therein has been served upon him.

Safety and Health

*Factories and Machinery Act 1967 ("**FMA 1967**"), Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations 1970 ("**1970 Regulations**") and Factories And Machinery (Exemption Of Certificate Of Fitness For Unfired Pressure Vessel) Order 2017 ("**2017 Order**")*

The FMA 1967 provides for the control of factories with respect to matters relating to the safety, health and welfare of person therein, the registration and inspection of machinery and for matters connected therewith.

The FMA 1967 prohibits any person from operating any machinery for which the requirement of a certificate of fitness has been prescribed without the machinery having been inspected and issued with a valid certificate of fitness by the Department of Occupational Safety and Health (DOSH), a department under the Ministry of Human Resources, Malaysia.

The 1970 Regulations provides that every steam boiler, unfired pressure vessel or hoisting machine other than a hoisting machine driven by manual power to have a valid certificate of fitness so long as such machinery remains in service. Any person who fails to comply with the above requirement under the FMA 1967 is liable on conviction to a fine not exceeding RM150,000 or to imprisonment for a term not exceeding three years or to both. In the context of unfired pressure vessels, the 2017 Order exempts such machinery as prescribed therein from the requirement to have a valid certificate of fitness for its use and operations.

*Occupational Safety and Health Act 1994 ("**OSHA 1994**")*

The OSHA 1994 provides for matters relating to the safety, health and welfare of persons at work as well as for matters relating to the protection of others against risks to safety or health in connection with the activities of persons at work.

In general, the OSHA 1994 provides for the requirement that any employer having forty employees or more at any of its place of work to establish a safety and health committee at the place of work. In the context of construction activities, any contractor who has forty or more workers at a construction site would be required to establish a safety and health committee. Alternatively, the Director General may direct the establishment of a safety and health committee at a place of work which would be responsible for the development and implementation of measures to safeguard the safety and health of the employees as well as to ensure the effectiveness of such measures.

Any failure on the part of any contractor to establish a safety and health committee where this is required under the OSHA 1994 would render the contractor to be liable on conviction to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding six months or to both. Additionally, the OSHA 1994 also provides for the requirement that a contractor as an employer put in place a safety and health policy for the governance of matters relating to the safety and health of its employees at their place of work i.e. the construction site whereby any failure to do may result in a fine not exceeding RM50,000 or a term of imprisonment not exceeding two years or to both.

With regard to the safety aspects in relation to the machinery, equipment and tools used by a contractor to carry out construction works, the OSHA 1994 empowers the Director General to publish an order in the Federal Gazette to prohibit the use of any machinery, equipment or tools which in his opinion is likely to affect the safety and health of persons at work. In the absence of any specific penalty for the use by any contractor of any prohibited machinery, equipment or tools, the general penalty under the OSHA 1994 which provides for the imposition of a fine not exceeding RM10,000 or to imprisonment for a term not exceeding one year or to both and, in the case of a continuing offence, to a fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction would be applicable to offence of using prohibited machinery, equipment or tools.

*Destruction of Disease-Bearing Insects Act 1975 ("**DDIA 1975**")*

The DDIA 1975 provides for the destruction and control of disease-bearing insects and empowers the Director General of Health, a Medical Officer or an Inspector to serve a notice in writing to the owner or occupier of any building or land to prevent the propagation or harbouring of disease-bearing insects. Alternatively, the notice may order that the building or land or any part thereof be closed until the specified measures or work are taken or done or completed and the building or land is no longer likely to propagate or harbour disease-bearing insects.

Failure to comply with the provision of DDIA 1975 would render such person to be liable in respect of a first offence to a fine not exceeding RM10,000 or to imprisonment for a term not exceeding two years or to both and in respect of a second or subsequent offence to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding five years or to both and in respect of a continuing offence to a further fine not exceeding RM500 for every day that the offence is continued.

Dispute Resolution

*Construction Industry Payment and Adjudication Act 2012 ("**CIPAA 2012**")*

The CIPAA 2012 provides regulations which aim to facilitate regular and timely payments, provides a mechanism for speedy dispute resolution through adjudication as well as remedies to recover due payments in the Malaysian construction industry. The provisions of the CIPAA 2012 would apply to any construction contract which is made in writing so long as it relates to construction works which are carried out wholly or partly within Malaysia including any construction contract entered into by the Government of Malaysia though the CIPAA 2012 would not be applicable to construction contracts which have been entered into by a natural person for construction works in relation buildings which are less than four storeys high and which is wholly intended for his own occupation.

Laws and Regulations relating to the oil and gas industry

Petroleum Development Act 1974 ("PDA 1974") and Petroleum Regulations 1974 ("PR 1974")

The PDA 1974 provides for exploration and exploitation of petroleum whether onshore or offshore by "Petroliam Nasional Berhad" or in short PETRONAS. Pursuant to PDA 1974, PETRONAS is vested with the entire ownership in and the exclusive rights, powers, liberties and privileges in respect of the said petroleum, and to control the carrying on of downstream activities and development relating to petroleum and its products.

The PDA 1974 prohibits any person from undertaking a business of processing or refining of petroleum or manufacturing of petro-chemical products from petroleum other than PETRONAS unless there is a permission given by the Prime Minister of Malaysia. An application needs to be made to PETRONAS under PDA 1974 and PR 1974 for a license to commence or continue any business or service, onshore or offshore relating to the exploration, exploitation, winning and obtaining of petroleum and, in particular involving the supply and use of rigs, derricks, ocean tankers and barges or a licence to commence or continue any business or service involving the supply of equipment and facilities and services required in connection with the exploration, exploitation, winning and obtaining of petroleum.

Pursuant to the PDA 1974, any person who acts in contravention of the provision in relation to permission required for downstream operation or fails to comply with any term or condition of any permission granted under the provision shall render the person to be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term not exceeding five years or to both, and in the case of a continuing offence he shall be liable to a further fine not exceeding RM100,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded. Further, all machinery, tools, plant, buildings and other property or thing used or intended to be used in the commission of the offence and any petroleum or its products thereby obtained shall be liable to forfeiture.

Pursuant to PR 1974, any failure to obtain a licence or fails to comply with any condition of any such licence would render such person to be guilty of an offence and shall on conviction be liable to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding two years or to both and in the case of a continuing offence he shall be liable to a further fine of RM1,000 for each day or part of a day during which the offence continues after the first day in respect of which the conviction is recorded.

The PR 1974 provides that an application for permission to commence or continue any business of processing or refining of petroleum or manufacture of petrochemical products from petroleum shall be made to the Secretary-General, Ministry of International Trade and Industry, Malaysia. Pursuant to the PDA 1974, any failure to comply with PR 1974 or non-compliance with any term or condition of any licence, permission or approval issued or granted under the regulations would render such person to be liable for a fine not exceeding RM100,000 or imprisonment not exceeding five years or to both.

Laws and Regulations relating to Business Premises

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

The LGA 1976 provides that a local authority in granting of any licence or permit may prescribe the fees for such licence or permit and the charges for the inspection or supervision of any trade, occupation or premises. Every licence or permit granted shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefor.

Business premises within the locality of Port Dickson are required to comply with the Licensing of Trades, Business, Industries and other Professions (Port Dickson Municipal Council) By-laws 1983 issued by the Port Dickson Municipal Council pursuant to its powers conferred under the LGA 1976. It provides that no person shall use any place or premises, within the area administered by the Port Dickson Municipal Council for any trade, business or industry without a licence issued by the Port Dickson Municipal Council.

The LGA 1976 further requires that every person to whom a licence has been granted to exhibit his licence at all times in a prominent place on the licensed premises and shall produce such licence if required to do so by any officer of the local authority authorised to demand the same. Any person who contravenes this provision shall be guilty of an offence and shall be liable on conviction to a fine not exceeding RM500 or to imprisonment for a term not exceeding six months or to both.

Any contravention of the LGA 1976 or any by-law, rule or regulation for which no penalty is expressly provided shall on conviction be liable to a fine not exceeding RM2,000 or to imprisonment for a term not exceeding one year or both upon conviction. In the case of a continuing offence involving a breach of any by-law, rule or regulation issued by a local authority pursuant to its powers under the LGA 1976, the local authority may prescribe as punishment, a sum not exceeding RM200 for each day during which such offence is continued after conviction.

*Street, Drainage and Building Act 1974 (“**SDBA 1974**”)*

The SDBA 1974 provides for uniformity of law and policy in relation to street, drainage and buildings in Peninsular Malaysia. It provides that the ruler or governor of the respective states in Peninsular Malaysia shall have the power to make uniform building by-laws necessary to carry out the provisions of the SDBA 1974.

The uniform building by-laws regulate the construction of buildings and the time, manner and procedure for the issuance of the certificate of completion and compliance (“**CCC**”) for buildings. It is a self-certification regime whereby a CCC is issued by a principal submitting person who is defined in the SDBA 1974 as a professional architect, professional engineer or building draughtsman registered under the relevant written law. Prior to implementation of the CCC regime on 12 April 2007, local authorities were responsible for the issuance of the certificate of fitness for occupation for buildings. Pursuant to the SDBA 1974, any person who occupies or permits to be occupied any building or any part thereof without a 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.

Laws and Regulations relating to Employment

*Employment Act 1955 (“**EA 1955**”)*

The EA 1955 provides minimum work requirements and benefits of employment, such as minimum working hours, overtime entitlement, leave entitlement, maternity protection and termination benefits. The EA 1955 expressly provides that in the event of inconsistency between the terms contained in the employment and the minimum standards prescribed by the EA 1955, the more favourable terms will prevail and be enjoyed by the employees. The EA 1955 applies only to employees earning monthly wages of not more than RM2,000 or to employees, irrespective of their monthly wages, who are engaged in manual labour, including artisan or apprentice, or who are engaged in the operation of maintenance of mechanically propelled vehicles operated for the transport of passengers or goods or for commercial purposes, or who supervise or oversee other employees engaged in manual labour or who are engaged in any capacity in any vessel registered in Malaysia or who are engaged as a domestic. 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 punishable by a fine not exceeding RM10,000 upon conviction.

*National Wages Consultative Council Act 2011 (“**NWCCA 2011**”) and Minimum Wages Order 2018 (“**2018 Order**”)*

Pursuant to its powers under the NWCCA 2011, the Minister of Human Resources has enacted the 2018 Order which provides that from 1 January 2019 onwards the minimum wage payable to an employee in Malaysia shall be RM1,100 per month.

*Employees Provident Fund Act 1991 (“**EPFA 1991**”)*

The EPFA 1991 imposes statutory obligations on both employers and employees to contribute towards the Employees Provident Fund which is essentially a fund established as a scheme of savings for employees’ retirement and the management of the savings for the retirement purposes.

Pursuant to the EPFA 1991, both the employer and employee are required to make monthly contributions, at the contribution rate set out in the EPFA 1991 into the employee's individual account maintained with the Employees' Provident Fund. An employer who fails to remit such contributions shall be guilty of an offence and shall on conviction be liable to imprisonment for a term not exceeding three years or to a fine not exceeding RM10,000 or to both.

Where an employer fails to pay any contributions due within the prescribed period, the employer shall in addition to such contributions be liable to pay dividend which would have accrued on such contributions if such contributions had been paid by the employer within the prescribed period at the rate as declared pursuant to the EPFA 1991. The employer shall also be liable to pay late payment charges to be credited to the Employees' Provident Fund on such amount at such rate and in accordance with any manner and calculation determined by the Employees Provident Fund Board failing which the employer shall be guilty of an offence and shall on conviction be liable to imprisonment for a term not exceeding six months or to a fine not exceeding RM2,000 or to both.

*Employee's Social Security Act 1969 ("**ESSA 1969**")*

The ESSA 1969 essentially establishes social security for employees in Malaysia and similarly imposes statutory obligations on both employers and employees to contribute to the Social Security Fund. Pursuant to the ESSA 1969, all employees in industries to which the ESSA 1969 applies, irrespective of the amount of wages, shall be insured in the manner provided by the ESSA 1969.

The contribution payable under the ESSA 1969 in respect of an employee shall comprise contribution payable by the employer and contribution payable by the employee and shall be paid to the Social Security Organization Board ("**SOCSO**"). The contributions of the various categories shall be paid in accordance with the rates specified in the Third Schedule of the ESSA 1969.

Any person who fails to pay any contribution or any part thereof which is payable by him under the ESSA 1969 or fails to pay within the time prescribed by regulations any interest payable or is guilty of any contravention of or non-compliance with any of the requirements of the ESSA 1969 or the rules or the regulations in respect of which no special penalty is provided shall be punishable with imprisonment for a term up to two years, or with a fine not exceeding RM10,000 or to both.

*Immigration Act 1959/63 ("**IA**")*

The employment of foreign employees in Malaysia is governed by the IA which provides for the regulation of immigration matters in Malaysia. The IA provides that no person other than a citizen shall enter Malaysia unless he is in possession of a valid entry permit or has been granted an exemption under the IA. The IA also provides that a person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid employment pass shall be guilty of an offence and shall on conviction be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each such non-resident employee.

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

*Employment (Restriction) Act 1968 ("**ERA 1968**")*

The ERA 1968 imposes the requirement on persons not being a citizen to obtain a valid employment permit before he can be employed in any business or accept employment in any business in Malaysia. The ERA 1968 similarly prohibits a person from employing a non-citizen of Malaysia unless there has been issued in respect of such non-citizen a valid employment permit. Any failure to comply with the above shall be an offence which on conviction is punishable by a fine not exceeding RM5,000 or imprisonment for a term not exceeding one year or both.

*Employment Insurance System Act 2017 ("**EISA 2017**")*

The EISA 2017 came into force on 1 January 2018 and establishes the Employment Insurance System which is administered by SOSCO to provide certain benefits and re-employment placement programme for contributing employees in the event of loss of employment. The EISA 2017 requires every employer to make monthly contributions at the prescribed rates on behalf of employees based on their monthly salaries failing which the employer in breach shall be liable to pay interest on such amount to SOSCO at the rate as prescribed by the Minister in respect of any period during which such amount remains unpaid.

Laws and Regulations relating to Foreign Exchange Control

All dividends and other distributions payable on the shares of each of the subsidiaries may be converted and paid in any other foreign currency and be remitted out of Malaysia without the necessity of obtaining any authorisation, approval, consent or licence of any governmental or regulatory body or authority in Malaysia.

Laws and Regulations relating to Taxation

Income Tax Act 1967 ("ITA 1967")

Dividend Tax

Under the single tier system which came into operation on 1 January 2008, any dividend received by the shareholders of a Malaysian company would not be subjected to any tax imposition as such dividend payments are exempted from tax under paragraph 12B of Schedule 6 of the ITA 1967.

Corporate Income Tax

The ITA 1967 generally imposes income tax for each year of assessment upon any income accruing in or derived from Malaysia or received in Malaysia from outside Malaysia. Resident companies are subject to a tax rate of twenty four per cent (24%) with effect from year of assessment 2016. In cases of small and medium sized resident companies i.e. those with a paid-up capital of RM2,500,000 or less, they are taxed at the rate of seventeen per cent (17%) for the first RM500,000 and twenty four per cent (24%) for any sum in excess of RM500,000 with effect from year of assessment 2017. The rates described will not apply if such resident companies form part of a group of companies where any of their related company has a paid-up capital of RM2,500,000 or more.

Sales Tax Act 2018

The Sales Tax Act 2018 provides for regulations in relation to sales tax which is charged and levied on any taxable goods manufactured in Malaysia. Common construction materials such as bricks, cement and sand are exempted from sales tax under the Sales Tax (Goods Exempted from Tax) Order 2018, which is a subsidiary legislation under the Sales Tax Act 2018.

Goods and Services Tax Act 2014 ("GST Act 2014")

The GST Act 2014 which provided for the imposition of goods and services tax has been repealed with effect from 1 September 2018.

Service Tax Act 2018

The Service Tax Act 2018 provides for regulations in relation to service tax which is charged and levied on such taxable service provided in Malaysia. Construction services are not included in any of the categories of taxable services set out in the Service Tax Regulations 2018, which is a subsidiary legislation under the Service Tax Act 2018.

HISTORY AND DEVELOPMENT OF THE GROUP

The Group's history can be traced back to May 1975 when late Mr. Tan Bock Kwee, father of Mr. HT Tan and Mr. HP Tan, established TBK with his eldest son, Mr. Tan Hun Leng, with their own resources to carry on business as a civil works contractor in Malaysia, leveraging on their previous construction work experience with oil and gas companies in Malaysia. In 1975, TBK was incorporated. In the early years after incorporation, TBK obtained work as a civil contractor with two major oil companies. Since then, the Group focused primarily on civil works projects for construction of various infrastructures, foundations, site formation and roads and drainage works as well as building works projects within the oil and gas industry and has established relationships with national and international oil and gas companies.

In the first half of 2015, the Group secured its first PIPC project, a project initiated by the national oil company of Malaysia in the state of Johor, Malaysia, for construction of reinforced concrete sub-structure work and single storey buildings as a civil works subcontractor. Since then, the Group has won various civil works projects from EPCC contractors as part of the PIPC project, contributing to the growth of the Group. As at the Latest Practicable Date, the Group has nine on-going projects.

Mr. HT Tan joined the Group in 1975 as project superintendent and was promoted as Project Director in 1997. He was made a director of TBK in July 1981. Mr. HP Tan joined the Group in 1996 as project manager and was made a director of TBK in 1997. Through a series of share transfers from the then existing shareholders of TBK and Prestasi Senadi, Mr. HT Tan and Mr. HP Tan became 70% and 30% shareholders of TBK and 25% and 25% shareholders of Prestasi Senadi respectively. For details of the share transfers and share subscriptions in TBK and Prestasi Senadi, please refer to the paragraph headed ''Corporate history'' in this section.

To date, the Group has accumulated four decades of industry experience as civil works contractor and has become one of the major civil works contractors within the oil and gas industry in Malaysia. Despite stringent health, safety, security and environment requirements as well as high quality standards in the oil and gas industry, the Group has maintained good safety record and was recognised for its project performance and compliance with health and safety requirements by its customers. Through the joint efforts of Mr. HT Tan and Mr. HP Tan, the Group has expanded rapidly over the recent years. As at the Latest Practicable Date, the Group had 448 workers.

Key milestones of the Group

The following table sets forth the major milestones of the Group's development:

Year	Milestones
1975	Establishment of TBK
1979 & 1981	Obtained contracts to perform civil and structural works for two major oil companies and was first engaged for civil works inside live oil and gas plants
1986	Received the first safety award
1994	TBK became a 50% shareholder of Prestasi Senadi

Year	Milestones
1998	Awarded the largest live plant work with a contract value of over RM10 million at Shell Refinery, Port Dickson
2000	Prestasi Senadi was registered as a Grade G5 contractor for Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical) with CIDB which allows it to submit tender or carry out such works with a value of up to RM5,000,000
2015	Awarded the first project at PIPC project site
	TBK was registered as a Grade G7 contractor for Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical) with CIDB which allows the Group to submit tender or carry out such works with unlimited value
2016	Awarded best subcontractor for the month by a main contractor at PIPC project for commitment and support for health, safety and environment goals and uplifting safety culture in Package 3 project
2016	Awarded the largest contract to date with a contract value of over RM82 million at PIPC project site
2017	Recognised as best performer in Package 22 project with 31% progress ahead of schedule and having achieved zero lose time incident
	Awarded best subcontractor by a main-contractor at PIPC project in recognition of the extraordinary efforts in ensuring all health, safety, security and environmental requirements have been met

CORPORATE HISTORY

As at the Latest Practicable Date, the Group comprised the Company, TBK, Prestasi Senadi, TBKS Holding, TBKS Hong Kong and TBKS Investments. The following is a brief corporate history of the establishment and major changes in the shareholdings of the Company and its subsidiaries during the Track Record Period.

The Company

For the purposes of the Listing, the Company was incorporated on 8 November 2018 in the Cayman Islands under the Companies Law as an exempted company with limited liability with an authorised share capital of HK$380,000 divided into 38,000,000 Shares. Upon its incorporation, one initial Share was allotted and issued credited as fully-paid to the nominee of Conyers Trust Company (Cayman) Limited. On the same day, the initial Share was transferred to TBKS International at par value. As a result, the Company became a wholly-owned subsidiary of TBKS International.

On 5 September 2019, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 Shares to HK$100,000,000 comprising 10,000,000,000 Shares by the creation of an additional 9,962,000,000 Shares which rank *pari passu* in all respects with the existing Shares. For details of changes in the share capital of the Group, please refer to the paragraph headed ''Further information about the Group — 2. Changes in the share capital of the Company'' in Appendix VI to this prospectus.

The Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 20 December 2018.

As a result of the Reorganisation, the Company has become the ultimate holding company of the Group. For further details of such transfers, please refer to the paragraph headed ''Reorganisation'' in this section.

TBK

TBK was incorporated in Malaysia as a private company limited by shares on 22 May 1975 and carries on business as a civil contractor focusing on the oil and gas industry in Malaysia. On incorporation, two subscriber shares were allotted to Mr. Tan Bock Kwee, father of Mr. HT Tan and Mr. HP Tan, and his eldest son Mr. Tan Hun Leng for RM1.00 each. The following table shows the allotment of shares since incorporation, all of which were issued for RM1.00 each:

Date	Tan Bock Kwee, father of Mr. HT Tan and Mr. HP Tan	Tan Hun Leng, brother of Mr. HT Tan and Mr. HP Tan	Mr. HT Tan, elder brother of Mr. HP Tan	Tan Hun Sang, brother of Mr. HT Tan and Mr. HP Tan	Tan Han Leong, brother of Mr. HT Tan and Mr. HP Tan	Mr. HP Tan, younger brother of Mr. HT Tan	Tan Eng Chuan, nephew of Mr. HT Tan and Mr. HP Tan
22 May 1975	1	1					
7 June 1981	4,999	4,999	5,000	5,000	5,000		
30 July 1983	10,000	10,000	10,000	10,000	10,000		
1 August 1987			20,000	20,000	5,000		
11 June 1993	10,000						
20 April 1994	18,000		27,000	27,000	18,000		
7 August 1996	54,740		85,260	85,260	54,740		
5 May 2012			420,000			210,000	70,000

On 4 October 1988, Mr. Tan Hun Leng transferred 5,000 shares each to Mr. HT Tan, Mr. Tan Hun Sang and Mr. Tan Han Leong respectively for RM1.00 per share. On 30 April 1997, Mr. Tan Han Leong and Mr. Tan Hun Sang transferred 97,740 shares and 25,000 shares respectively to Mr. HT Tan; Mr. Tan Hun Sang transferred 125,000 shares and 2,260 shares respectively to Mr. HP Tan and Mr. Tan Eng Chuan; and Mr. Tan Bock Kwee transferred 47,740 shares to Mr. Tan Eng Chuan, for RM4.00 per share. On 4 March 1998, Mr. Tan Bock Kwee transferred 25,000 shares each to Mr. HT Tan and Mr. HP Tan respectively for RM4.00 per share. On 2 January 2013, Mr. Tan Eng Chuan transferred 120,000 shares to Mr. HT Tan for RM2.00 per share.

On 27 December 2018, Mr. HT Tan and Mr. HP Tan transferred their entire shareholdings in TBK to TBKS Investments' nominee, TBKS Holding in consideration of TBKS Investments allotting and issuing one share to TBKS International credited as fully paid.

Prestasi Senadi

Prestasi Senadi was incorporated in Malaysia as a private company limited by shares on 4 January 1993 and carries on business as a building and civil subcontractor and provider of machinery hire services in Malaysia.

On incorporation, two subscriber shares were issued to Ms. Thavy @ Devi a/p Gopal and Ms. Halimah Binti Sidoal for RM1.00 each and subsequently transferred to Ah Hong @ Lee Swee Hong and Ho Lee Beng respectively for RM1.00 each on 30 March 1993 and both shares were in turn transferred to Zalam-YTK Sdn. Bhd. for RM1.00 each on 7 April 1997.

The table below shows the allotment of shares since incorporation, following which the total issued and paid up capital was increased to RM800,000 with 800,000 shares.

Date	Zalam-YTK Sdn. Bhd.	TBK
15 December 1994	49,998	50,000
6 July 1995	50,000	50,000
29 January 1996	25,000	25,000
10 July 1997	275,000	275,000

On 17 August 1998, Zalam-YTK Sdn. Bhd. transferred 200,000 shares each to Mr. HT Tan and Mr. HP Tan respectively for RM175,000 each. On 26 July 2018, each of Mr. HT Tan and Mr. HP Tan transferred his 200,000 shares in Prestasi Senadi to TBK for RM1,250,000 respectively.

TBKS Holding

TBKS Holding was incorporated in Malaysia as a private company limited by shares on 25 October 2018 and is an investment holding company. The issued and paid-up share capital of TBKS Holding is RM10,000 consisting of 10,000 ordinary shares, which were held by TBKS Investments upon incorporation.

TBKS Hong Kong

TBKS Hong Kong was incorporated in Hong Kong as a private company limited by shares on 26 June 2018. The issued and paid-up share capital of TBKS Hong Kong is HK$10,000 consisting of 10,000 ordinary shares, which were held by Mr. Chang Kin Man upon incorporation. On 26 October 2018, all the shares held by Mr. Chang were transferred to TBKS Investments for HK$10,000. TBKS Hong Kong was established for the purpose of the Group's payment and treasury functions as it was believed that opening a bank account would be more difficult and time-consuming in light of the fact that the Company and its other subsidiaries did not have any business or management presence in Hong Kong. It was therefore believed that Mr. Chang of the Pre-IPO Investor, being a Hong Kong resident, could facilitate the opening of a bank account in Hong Kong for the Group for use to facilitate payments and administration in connection with the Listing. TBKS Hong Kong was unable, due to administrative delays, to open and operate a bank account until October 2018 and given the Group's needs for payment processing before then, the Group elected to have the subscription monies from the Pre-IPO Investor held in escrow by its legal advisers in Hong Kong. Mr. Chang remained as a director of TBKS Hong Kong until January 2019. At the Latest Practicable Date, TBKS Hong Kong has not carried on any business since its establishment and the directors of TBKS Hong Kong are Mr. HT Tan and Mr. HP Tan.

TBKS Investments

On 17 July 2018, TBKS Investments was incorporated in the BVI with limited liability. TBKS Investments is authorised to issue a maximum of 50,000 shares of a single class each with a par value of US$1.00.

On 6 August 2018, one share was allotted and issued to Mr. HT Tan for cash and at par value. Mr. HT Tan transferred the one share to TBKS International on 10 September 2018.

On 28 September 2018, pursuant to a subscription agreement between Mr. HT Tan, Mr. HP Tan, TBKS Investments and the Pre-IPO Investor dated 12 September 2018, 20 shares were allotted and issued to the Pre-IPO Investor for a consideration of HK$25,000,000. On the same date, pursuant to a subscription agreement between TBKS Investments and TBKS International dated 12 September 2018, 78 shares were allotted and issued to TBKS International in consideration of TBKS International issuing a promissory note to procure the transfer of the entire issued share capital of TBK to TBKS Investments.

On 27 December 2018, one share was allotted and issued credited as fully paid to TBKS International in consideration of Mr. HT Tan and Mr. HP Tan transferring their respective shares in TBK to TBKS Holding.

Following the Reorganisation, TBKS Investments became a direct wholly-owned subsidiary of the Company. TBKS Investments is an investment holding company.

PRE-IPO INVESTMENT

Overview of the Pre-IPO Investment

On 12 September 2018, Mr. HT Tan, Mr. HP Tan, TBKS Investments and the Pre-IPO Investor entered into a subscription agreement (the "**Subscription Agreement**") pursuant to which the Pre-IPO Investor conditionally agreed to subscribe for 20 shares in TBKS Investments for an aggregate consideration of HK$25,000,000 which shall be settled in cash as to HK$10,000,000 and by way of the issue of a promissory note as to the balance of HK$15,000,000. On 28 September 2018, the subscription pursuant to the Subscription Agreement was completed and 20 shares were allotted and issued to the Pre-IPO Investor.

Details of the Subscription Agreement

Below are the principal terms of the Subscription Agreement:

Date	12 September 2018
Parties	Mr. HT Tan, Mr. HP Tan, TBKS Investments and the Pre-IPO Investor

Number of shares	20 shares in TBKS Investments (the "**Subscription Shares**"), which shall represent 20% of the entire issued share capital of TBKS Investments immediately after the reorganisation but before the Share Offer and the Capitalisation Issue
Consideration	HK$25,000,000, which shall be settled in cash as to HK$10,000,000 and by way of the issue of a promissory note as to the balance of HK$15,000,000 Pursuant to the promissory note, the Pre-IPO Investor has agreed and promised to pay TBKS Investments the amount of HK$15,000,000.00 on (i) the date falling 28 clear days prior to the submission of the application to the Stock Exchange of for the Listing or (ii) any date as may be agreed between the Pre-IPO Investor and TBKS Investments The consideration is based on the consolidated net asset value of TBK and Prestasi Senadi as set out in their management accounts for the year ended 30 June 2017 and their anticipated future earnings
Number of Shares held by The Pre-IPO Investor upon the Capitalisation Issue	150,000,000 Shares
Cost per Share paid by the Pre-IPO Investor (taking into account the Capitalisation Issue)	Approximately HK$0.17
Discount to the Offer Price range (taking into account the Capitalisation Issue)	Between 66.7% and 72.2% (based on the Offer Price at HK$0.50 and HK$0.60 per Share respectively)
Intended use of proceeds from the Pre-IPO Investment	As working capital and other general purpose
Shareholding in the Company upon completion of the Pre-IPO Investment	20%
Shareholding in the Company upon Listing	15%

Actual use of proceeds by the Group	As working capital and other general purpose
Undertakings	TBKS Investments has undertaken to the Pre-IPO Investor, and Mr. HT Tan and Mr. HP Tan (the "**Guarantors**") has undertaken to the Pre-IPO Investor to ensure that TBK undergoes a reorganisation such that TBKS Investments will hold the entire issued share capital of TBK with the issued share capital of TBKS Investments to be swapped with shares in the Company to be completed as close as possible to the time of the Listing. TBKS Investments and the Guarantors have jointly and severally undertaken to the Pre-IPO Investor to use their best endeavors to conduct the reorganization as soon as possible and the Listing by no later than 30 June 2020 (the "**Long Stop Date**")
Guarantee	The Guarantors have jointly and severally irrevocably and unconditionally guaranteed to the Pre-IPO Investor the due and punctual performance of the agreements, warranties, undertakings, liabilities and obligations of TBKS Investments pursuant to the Subscription Agreement by TBKS Investments
Director nomination right	The Guarantors shall use their best endeavours to procure that, if required by the Pre-IPO Investor, one nominee of the Pre-IPO Investor shall be appointed as a non-executive director of the holding company of TBKS Investments to be listed pursuant to the Listing
Lock-up	The Pre-IPO Investor has agreed to enter into a lock up undertaking in respect of the Shares held by it effective upon Listing so that it will be restricted from disposing or otherwise transferring any of such Shares held by it (whether directly or indirectly) for a period of 6 months following the Listing Date
Payment date of consideration	HK$10,000,000 was paid on 28 September 2018 and the balance of HK$15,000,000 was paid on 31 January 2019

Save as mentioned above, no other special rights have been granted to the Pre-IPO Investor under the Subscription Agreement and all the special rights mentioned above shall automatically cease to have any effect on the Listing Date.

Since the Pre-IPO Investor will be holding more than 10% of the total issued share capital of the Company immediately following the completion of the Capitalisation Issue and the Share Offer and hence will be a Substantial Shareholder of the Company, the Shares held by the Pre-IPO Investor will not be counted as part of the public float for the purpose of Rule 8.24 of the Listing Rules.

Background of the Pre-IPO Investor

The Pre-IPO Investor, Victory Lead Ventures Limited, is a company incorporated in the BVI and is an Independent Third Party prior to the completion of the subscription pursuant to the Subscription Agreement. The Pre-IPO Investor is an investment holding company and its entire share capital is beneficially owned by Fuji Investment SPC (the "**SPC**"), a segregated portfolio company incorporated in the Cayman Islands on 22 August 2016, for the account of Project B Segregated Portfolio, a segregated portfolio designated by the SPC (the "**Sub-Fund**") with a fund size of HK$25 million. The investment objective of the Sub-Fund is to invest in pre-IPO companies in Asia with a proposed listing on the Stock Exchange of Hong Kong. As at the Latest Practicable Date, the entire investment amount of HK$25 million of the Sub-Fund, representing approximately 60% of the net assets of the SPC, is invested into the Pre-IPO Investor only. The other segregate portfolio of the SPC has made a pre-IPO investment in a manufacturing company based in Singapore. Save and except Mr. Chang Kin Man, the beneficial owners of the SPC are Independent Third Parties. There is no single investor of the SPC that has a controlling interest (i.e. more than 30%) in the SPC. The SPC is managed by Yicko Securities Limited, an Independent Third Party and a company licensed to engage in Type 1 (dealing in securities), Type 4 (advising in securities) and Type 9 (asset management) regulated activities under the SFO and wholly-owned by Guoan International Limited (Stock Code: 00143), an Independent Third Party, since February 2019. The investment objective and strategy of the Sub-Fund is to generate interest income and long term capital appreciation through investing primarily in a diversified portfolio of companies in Asia with a proposed listing on the Stock Exchange. As at 29 January 2019 and up to the Latest Practicable Date, based on available information, the Sub-Fund is ultimately owned by 7 individual investors (either by themselves or through their holding companies) and their respective interest in the Sub-Fund are set out in the table below:

Name of ultimate owners	Percentage of interest
Mr. Chang Kin Man (鄭健民) *(Note 1)*	23.6%
Ms. Yao Sze Ling (邱斯陵) *(Note 2)*	21.0%
Mr. Huang Zhen Qian (黃振謙) *(Note 3)*	20.0%
Mr. Chui Kwong Kau (崔光球) *(Note 4)*	15.6%
Mr. Marwan Ng (黃明耀) *(Note 5)*	11.0%
Mr. So Haw Herman (蘇灝) *(Note 6)*	8.0%
Mr. Wong Tai Wai David (黃大衛) *(Note 7)*	0.8%

Notes:

1. Mr. Chang Kin Man (鄭健民) was a director of TBKS Hong Kong until January 2019 and he is a practicing member of the Hong Kong Institute of Certified Public Accountants. He was one of the pre-IPO investors for Worldgate Global Logistics Limited (Stock Code: 08292), a company independent to the Group and/or any other connected person(s) of the Company. Mr. Chang financed the investment through his own internal financial resources.

2. Ms. Yao Sze Ling (邱斯陵) is the mother-in-law of Mr. So Haw Herman. Ms. Yao was one of the ultimate beneficial owners of Yicko Securities Limited, which was acquired by Guoan International Limited (Stock code: 00143) in February 2019. Ms. Yao financed the investment through her own internal financial resources.

3. Mr. Huang Zhen Qian (黃振謙) first became a non-executive director of Guoan International Limited (Stock Code: 00143) in February 2016 and was re-designated as an executive director of Guoan International Limited since March 2016. Mr. Huang financed the investment through his own internal financial resources.

4. Mr. Chui Kwong Kau (崔光球) first became a member of the board of Hong Kong Life Sciences and Technologies Group Limited (Stock Code: 08085) in October 2009. He is also a non-executive director of Boill Healthcare Holdings Limited (Stock Code: 01246) and DeTai New Energy Group Limited (Stock Code: 00559). He was an executive director of China Energy Development Holdings Limited (Stock Code: 00228), a non-executive director of Hsin Chong Group Holdings Limited (Stock Code: 00404) and an independent non-executive director of Aurum Pacific (China) Group Limited (Stock Code: 08148). The above entities are Independent Third Parties. Mr. Chui obtained a loan from Fuji Finance Limited, a company owned by, inter alia, Mr. Chang Kin Man, Ms. Yao Sze Ling and her spouse, Mr. Chui Kwong Kau himself and two independent third parties, to finance his investment in the Sub-Fund. Fuji Finance Limited is a licensed money lender under the Money Lenders Ordinance with an issued share capital of HK$10 million and does not carry on any businesses other than the business of money lending.

5. Mr. Marwan Ng (黃明耀) is a merchant. Mr. Marwan Ng obtained a loan from Fuji Finance Limited to finance his investment in the Sub-Fund.

6. Mr. So Haw Herman (蘇灝) is an executive director of Guoan International Limited (Stock Code: 00143), since February 2016. He is also the son-in-law of Ms. Yao Sze Ling. Mr. So financed the investment through his own internal financial resources.

7. Mr. Wong Tai Wai David (黃大衛) is a merchant. Mr. Wong financed the investment through his own internal financial resources.

8. The 7 individual investors are the ultimate beneficial owners of the Sub-Fund and none of them is a nominee shareholder or accustomed to act according to the instructions of any other parties. Save as disclosed above, the Company, its subsidiaries, their directors, senior management, shareholders or their respective associates do not have any relationship with Fuji Finance Limited, the financiers to Mr. Chui Kwong Kau and Mr. Marwan Ng for their investment in the Sub-Fund.

Save for Mr. Wong Tai Wai David, who is a friend of Mr. Chui Kwong Kau, all other 6 individual investors were associated with Yicko Securities Limited through business relationship or networks. To the knowledge of the executive Directors, the Pre-IPO Investor became acquainted with the Company through the introduction of Mr. Chang Kin Man ("**Mr. Chang**"), one of the investors to the SPC. Whilst holidaying in Singapore in early 2017, Mr. Chang met with Chan Sing En (陳星恩) ("**Mr. SE Chan**") at a social event. Mr. SE Chan is an Independent Third Party and he is a management and corporate consultant with over 20 years of investment experience in mergers and acquisitions and financing restructuring in Singapore and Australia. In 2017, Mr. SE Chan came to know the Group through his business relationship on a fund-raising activity for a company listed on the Australian Stock Exchange Limited with Ms. Martha Tan Mee Hoon, sister of Mr. HT Tan and Mr. HP Tan. Subsequently, Mr. SE Chan told Mr. Chang that a Malaysian based company was contemplating to seek for a listing. With the upcoming general elections in Malaysia at that time in 2018 and the weakening Malaysian ringgit, Mr. SE Chan asked Mr. Chang whether Hong Kong would be a more suitable place to seek for listing. Mr. Chang had previously made a pre-IPO investment in a company which eventually listed on GEM of the Stock Exchange in 2016 and which he still continues to hold certain shares. Mr. Chang indicated that the Stock Exchange is a good platform for listing of overseas businesses and he was open to meeting the Group. On around March 2018, Mr. SE Chan introduced Mr. HT Tan and Mr. HP Tan to Mr. Chang to learn more about a Hong Kong listing. Following various back and forth discussions, Mr. Chang indicated that whilst he no longer personally invests directly in pre-IPO companies, he had invested in a fund whose objective is to invest in, inter alia, pre-IPOs. Subsequently, following the introduction of Mr. Chui Kwong Kau of the SPC to Mr. HT Tan and Mr. HP Tan, it was determined, following arms-length negotiations, that the SPC makes a pre-IPO investment in the Group via the Pre-IPO Investment, details of which have been disclosed above.

Save and except Mr. Chang Kin Man (being a former director of TBKS Hong Kong), the Pre-IPO Investor (being a substantial shareholder of the Company), the SPC and the Sub-Fund (being associates of the Pre-IPO Investor) who are connected persons of the Company, the shareholders, beneficial owners, directors, senior management of the SPC, the Sub-Fund, the Pre-IPO Investor and Yicko Securities Limited and their respective associates are Independent Third Parties and none of them has any past or present business (including any roles or involvement in the management or operations of the Group), employment, financing or family relationships with any of the Directors, any member of the Group, the ultimate beneficial owners of the Company, senior management, employees or any of their associates. Ms. Chooi Pey Nee was introduced to the Pre-IPO Investor by Mr. Chang Kin Man through the introduction of Mr. SE Chan, a former colleague of Ms. Chooi Pey Nee. Save for this introduction, Ms. Chooi Pey Nee has no past or present business, employment, financing or family relationships with the SPC, the Sub-Fund, the Pre-IPO Investor, Yicko Securities Limited, their shareholders, beneficial owners, directors, senior management and their respective associates.

Benefits of the Pre-IPO Investment

The Pre-IPO Investment provides additional capital to the Group and can be used as part of the working capital of the Group. The Company will retain Ms. Chooi Pey Nee, who was nominated by the Pre-IPO Investor, as the Company's non-executive Director to provide on-going support to the Company in formulating the Group's internal control and risk management policies given her extensive experience in compliance and internal audit. In addition, the Directors are of the view that the Company can benefit from the Pre-IPO Investor's investment which demonstrates its confidence in and serves as an endorsement of the performance, strength and prospects of the Group.

The role of a non-executive director generally includes policymaking and planning exercises but not the day-to-day management of the group's business. The Directors believe that by appointing Ms. Chooi Pey Nee as a non-executive Director, who has experience and knowledge in audit, compliance and operations management, would further enhance the overall knowledge and objectivity of the Board, in particular in terms of compliance. To the extent that the executive Directors have issues to consider which may require an opinion or view from a different perspective, they can first approach the non-executive Director, Ms. Chooi Pey Nee, who has extensive audit, risk and business acumen given her expertise is in the field of risk management and audit.

Being an investment fund, the SPC can introduce various funds and investors to the Group especially if further financing/funding is required by the Group in the future. The SPC, itself, could in the future, provide additional funding to the Group, if needed, through rights issue etc. given that it is already very familiar with the Group having invested at an early stage.

Sole Sponsor's view

Under the Interim Guidance on Pre-IPO Investments issued by the Stock Exchange on 13 October 2010 and as updated in March 2017, where the consideration for completion or divestment of the last pre-IPO investment is settled within 28 clear days before the date of first submission of the listing application form, the Stock Exchange will generally delay the first day of trading until 120 clear days after the later of the completion or divestment of the last pre-IPO Investments. The Pre-IPO Investment was completed on 31 January 2019. On the basis that (i) the Listing is expected to take place on or around 30 September 2019, and will be more than 120 clear days after the completion of the Pre-IPO Investment, and (ii) the special rights granted to the Pre-IPO Investors will terminate upon the Listing, the Sponsor has confirmed that the Pre-IPO Investment is in compliance with the Interim Guidance on Pre-IPO Investments issued by the Stock Exchange on 13 October 2010 and as updated in March 2017, the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017 and the Guidance Letter HKEx-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017.

REORGANISATION

In preparation for the Listing, the Group has undergone the Reorganisation whereupon the Company became the holding company and its operating subsidiaries were transferred to its nominee, TBKS Holding, which is an indirect wholly-owned subsidiary of the Company.

The principal steps of the Reorganisation are as follows:

Transfer of TBK to TBKS Holding

On 7 December 2018, pursuant to a sale and purchase agreement entered into between Mr. HT Tan, Mr. HP Tan and TBKS Investments, Mr. HT Tan and Mr. HP Tan transferred their entire shareholding interest in TBK to TBKS Investments' nominee, TBKS Holding, in consideration of TBKS Investments allotting and issuing one share to TBKS International as nominee of Mr. HT Tan and Mr. HP Tan, credited as fully paid.

Transfer of TBKS Investments to the Company

On 5 September 2019, pursuant to a sale and purchase agreement entered into between the Company, TBKS International and the Pre-IPO Investor, TBKS International and the Pre-IPO Investor transferred their entire shareholding interest in TBKS Investments to the Company in consideration of (i) the Company allotting and issuing 79 shares and 20 shares to TBKS International and the Pre-IPO Investor respectively, credited as fully paid; and (ii) crediting as fully paid the initial share held by TBKS International.

Upon completion of the Reorganisation but before the Share Offer and the Capitalisation Issue (and not taking into account any Shares which may be allotted and issued upon the exercise of options which may be granted pursuant to the Share Option Scheme), the entire issued share capital of the Company would be held by TBKS International as to 80% and the Pre-IPO Investor as to 20% respectively.

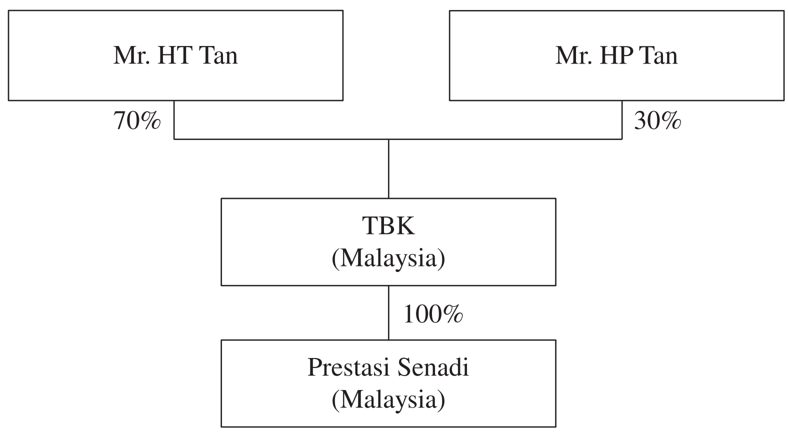
CAPITALISATION ISSUE AND THE SHARE OFFER

Conditional upon the creation of the Company's share premium account as a result of the issue of the new Shares pursuant to the Share Offer, an amount of HK$7,499,999 standing to the credit of the share premium account of the Company will be capitalised by applying such sum towards paying up in full at par a total of 749,999,900 new Shares for allotment and issue to the then existing Shareholders.

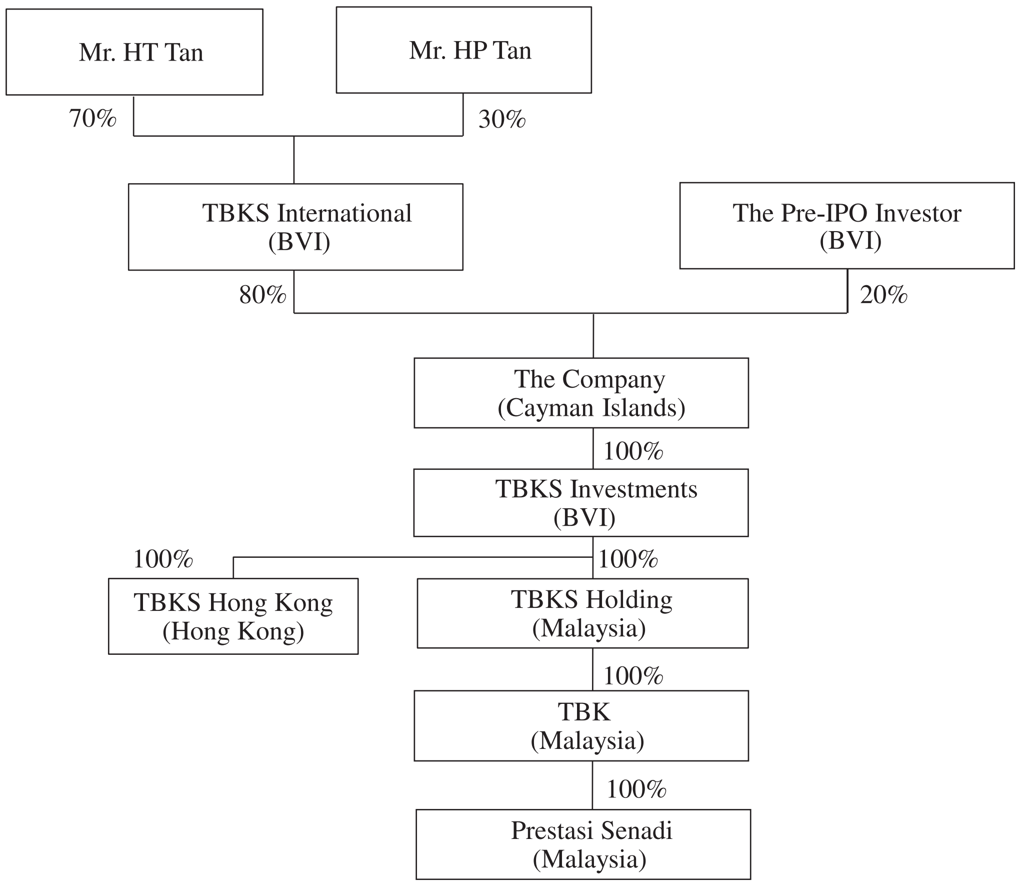
CORPORATE STRUCTURE OF THE GROUP

The following charts illustrate the corporate structure of the Group (1) immediately before the Reorganisation; (2) immediately after the Reorganisation (but before the Share Offer and the Capitalisation Issue and without taking into account any Shares which may be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme); and (3) immediately following completion of the Share Offer and the Capitalisation Issue (but taking no account of any Shares which may be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme):

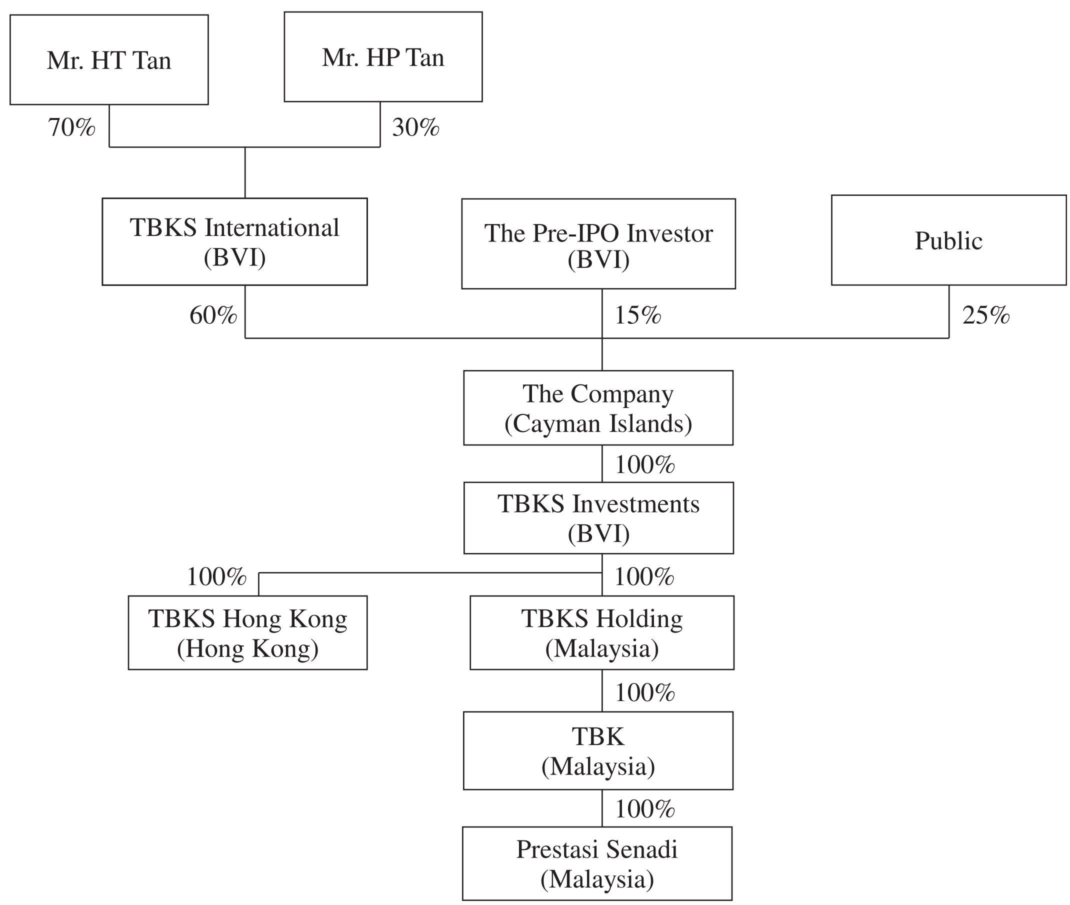
The shareholding structure of the Group immediately before the Reorganisation is set out below:



The shareholding structure of the Group immediately after the Reorganisation (but before the Share Offer and the Capitalisation Issue and without taking into account any Shares which may be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme) is set out below:



The shareholding structure of the Group immediately following completion of the Share Offer and the Capitalisation Issue (but taking no account of any Shares which may be allotted and issued upon the exercise of options which may be granted under the Share Option Scheme) is set out below:



OVERVIEW

The Group is a civil and structural works contractor with a long history of undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. The Group is registered with a CIDB Grade G7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical), which is the highest possible contractor licence under the CIDB and allows the Group to undertake civil and structural works of unlimited tender/contract value. According to the Frost & Sullivan Report, the Group's revenue for the year ended 30 June 2018 accounted for approximately 1.7% of the market share in civil works for the downstream oil and gas industry in Malaysia in the calendar year of 2018 in terms of revenue.

The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks, paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry. Civil and structural works within the oil and gas industry differs from civil construction work in other industries primarily due to the stringent health, safety, security and environment requirements as well as a high quality standard. According to Frost & Sullivan, civil and structural works contractors in oil and gas are generally required to execute and manage contracting activities in compliance with Health, Safety, Security and Environment (HSSE) regulations issued by local authorities, project owners, and even EPCC contractors. Workers in civil and structural works for oil and gas facilities are usually required to pass training programmes including Oil & Gas Safety Passport (OGSP) and Confined Space Safety (CSS). Further, some project owners and EPCC contractors will set HSSE requirements for civil and structural works contractors as prerequisites for bidding, in which case bidders of civil and structural works for oil and gas facilities must submit a specific Site HSSE Plan including HSSE evaluation documents, copies of the procedure to be used, organisation chart, safety records over the last five years, etc. Depending on the requirements of the customers and the nature and complexity of the projects, the Group may act as a main contractor or subcontractor in providing these services.

Over the years, the Group has participated in a number of civil and structural works projects for customers such as (a) the national oil and gas company wholly-owned by the government of Malaysia; (b) international conglomerates in the energy and infrastructure sector; and (c) engineering, procurement, commissioning and contracting ("**EPCC**") contractors in the oil and gas industry. The Group's services, level of technical expertise and capabilities, service quality and timely delivery have been well recognised by its customers. The Group has established a strong track record in the timely delivery of projects with high quality and with good safety records as the Group has received various accolades from its customers, including (a) the best subcontractor award in 2017 from a main contractor at the RAPID project for ensuring all health, safety, security and environmental requirements having been met; (b) the completion of a civil and structural works projects with over 500,000 man-hours without lost time injury ("**LTI**"); and (c) multiple safety awards awarded to the Group by one of the world's six largest publicly traded oil and gas companies.

During the Track Record Period and as at the Latest Practicable Date, the Group was involved in the civil and structural works in the RAPID project, a large-scale refinery and petrochemical integrated development project, owned and developed by the national oil company of Malaysia, in the state of Johor, Malaysia. In the year 2018, the national oil company of Malaysia announced a joint venture investment with the Saudi Arabian national petroleum and natural gas company, where each will share an equal 50% interest in the joint venture, to invest in the Pengerang Integrated Complex (''**PIC**''), which is a major phase of Pengerang Integrated Petroleum Complex (''**PIPC**''), in Johor, Malaysia, with the aim to position Malaysia as a leader in Asia's chemical products market. The RAPID project, which is a major part of PIC and PIPC, is expected to have a 300,000 barrels-per-day refinery and a petrochemical complex with a combined 3.6 million metric tons-per-year production capacity.

The Group had also undertaken certain other projects in live operating oil and gas plants during the Track Record Period. According to the Frost & Sullivan Report, the tightened environmental regulations for fuel, such as Euro 5 grade level, and safety standards have caused the energy companies to upgrade their facilities and thus, a series of plans to upgrade the existing refinery facilities will continuously drive the demand for civil and structural works in the oil and gas industry in Malaysia. The Directors are therefore of the view that the Group's proven track record of undertaking projects in live operating oil and gas plant will give strong advantages for the Group's future development, especially in upgrading facilities for oil and gas plants.

During the Track Record Period the Group's revenue increased from approximately RM33.3 million for the year ended 30 June 2016 to approximately RM132.7 million for the year ended 30 June 2017, and further increased to approximately RM158.2 million for the nine months ended 31 March 2019. Please refer to the section headed ''Financial Information — Comparison of results of operations'' in this prospectus for further details.

The following table sets forth a breakdown of the Group's revenue mainly by three different business streams for the years/periods indicated:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (unaudited)	*%*	*RM'000*	*%*
Civil works projects	3,366	10.1	90,021	67.8	107,687	73.6	86,650	74.9	130,132	82.3
Site preparation works projects	1,853	5.6	7,779	5.9	10,165	7.0	5,961	5.1	449	0.2
Building works projects	28,127	84.3	34,858	26.3	28,389	19.4	23,107	20.0	27,605	17.5
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

The following table sets out the breakdown of the Group's revenue by the Group's role as a main contractor or subcontractor during the Track Record Period:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (unaudited)	*%*	*RM'000*	*%*
Main contractor	—	—	—	—	53,578	36.6	38,820	33.5	104,339	66.0
Subcontractor	33,346	100.0	132,658	100.0	92,663	63.4	76,898	66.5	53,847	34.0
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

As at the Latest Practicable Date, the Group has nine projects on hand, which are expected to generate revenue of approximately RM179.6 million.

During the Track Record Period, the Group derived all its revenue from Malaysia and undertook works for both PIPC projects and non-PIPC projects. The following table sets forth a breakdown of the Group's revenue attributable to PIPC projects and non-PIPC projects for the years/periods indicated:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(unaudited)			
PIPC projects	28,972	86.9	107,613	81.1	106,538	72.9	80,963	70.0	124,917	79.0
Non-PIPC projects	4,374	13.1	25,045	18.9	39,703	27.1	34,755	30.0	33,269	21.0
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

COMPETITIVE STRENGTHS

The Directors believe that the Group's continued success and future prospects are primarily driven by a combination of the following competitive strengths which distinguish the Group from its competitors:

The Group is an award-winning contractor

The Group is a Malaysia-based civil and structural works company registered with a CIDB G7 licence operating in the oil and gas industry, with the capabilities to offer civil and structural works services. The Group specialises in projects in the oil and gas industry, which requires technical expertise and higher safety standards than other civil construction works. Over the years, the Group has participated in a wide range of large-scale and high profile technically challenging civil and structural works construction projects.

The Group has received various awards in recognition of its expertise and high level of standard in terms of quality and safety for its civil and structural works. The Group has received (a) the best subcontractor award in 2017 from a EPCC contractor at the PIPC project for ensuring all health, safety, security and environmental requirements having been met; (b) the completion of a civil and structural works project with over 500,000 man-hours without lost time injuries in 2014; and (c) multiple safety awards awarded to the Group by one of the world's six largest publicly traded oil and gas companies from 1986 to 2013. Mr. HP Tan has personally received an award in recognition for his excellence in health and safety standards in relation to one of the Group's projects. The Directors believe these recognitions demonstrate the Group's track record of focused commitment in safety, quality, and timely project delivery, which will continue to be a main factor in driving its future success. With the Group's commitment and drive, and having gained recognition of its quality service in the industry, the Directors believe the Group is well positioned to leverage its strength in the civil and structural works industry to capture future growth. For further details, please refer to the paragraph headed "Awards and accreditation" in this section.

The Group has the expertise and capability to perform civil and structural works in live operating oil and gas plants to its customers

The Group principally engages in business of civil and structural works, with its working scope including (i) site preparation works such as earthwork, demolition works, temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plant, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage network, paving work (including gravel, concrete, and asphalt) and related plant civil maintenance works; and (iii) technical building construction (including sub-station, field auxiliary rooms, workshop and storage buildings, etc) in the oil and gas industry.

The Group has a proven track record of undertaking a wide range of large-scale and complex civil and structural works services in live operating oil and gas plants. Given the (a) on-site constraints; (b) magnitude and complexity of the projects; (c) the high safety standard; and (d) time constraints, these projects commanded a high degree of site management and coordination to ensure that every step, including on-time delivery and quality management of both the Group's and its subcontractors' workers, was carried out with high level of precision and certainty. The Directors believe that the Group's proven track record of undertaking works in oil and gas plants is one of the attributing factors to its success in civil and structural works services in the oil and gas industry in Malaysia.

The Directors believe that the proven track record is a testament of the capabilities and expertise in providing a strong and effective site management for complex and technically challenging projects.

The Group has successfully established strong business relationship with key customers and business partners as well as subcontractors and suppliers

TBK was incorporated in 1975. The Group has been operating in Malaysia since the 1970s. The Directors believe that, as a result of the Group's high quality, technical proficiency, effective management programme, diversified experience and capabilities as well as its market reputation, the Group has successfully established strong and long-term business relationship with key customers and business partners as well as subcontractors and suppliers. In particular, the Group has established strong and long-term business relationships with a number of key customers who are reputable international conglomerates in the oil and gas industry. The Group has maintained strong and long-term business relationships with some of its customers for as long as 22 years. As a result, the Directors believe that the Group has become their preferred civil and structural works contractor. The Directors also believe that the Group's strong and long-term relationships with these key customers provide it with a competitive advantage to secure future contracts, a steady flow of repeat business and revenue, and serve as a testament for it in marketing and business development with new customers.

The Group has also established close and long-term working relationships with subcontractors and suppliers in different areas of specialty, including a world renowned French-based concrete supplier and a manufacturer of roller shutter. The Directors believe that the Group's established relationships with them have greatly enhanced and will continue to enhance the Group's overall service to its customers.

Quality services provided in a cost-effective manner

With the Group's main objective of maximising Shareholders' equity value, the Group has adopted several ways to control the costs of each project to maintain the Group's profit margin for each project. The Group has in-house expertise who are able to conduct feasibility studies at the early stage of each project with regard to the structure design and provision of cost-effective options for works to be performed. In addition, the Directors and members of senior management are responsible for continuously monitoring the budget variance analysis of each project in order to prevent cost overruns.

In order to control the quality of the Group's products and services, the Group will only select suppliers and subcontractors on its internal approved list of suppliers and subcontractors. In assessing whether to include a subcontractor in the Group's internal approved list, the Group may rely on referrals by other parties in the industry and request for information of past projects completed by such subcontractors. In selecting subcontractors, the capabilities, work quality and reputation of and the prices quoted by the subcontractors will also be taken into consideration. The Group has established a policy to require its subcontractor which is engaged by the Group for the first time to submit a series of documents to the Group for assessing whether it is suitable to be on the internal list of approved subcontractors. Such required documents may generally include business registration, relevant licences (if required) to carry out the corresponding types of work, job references, safety performance records, and financial statements. As at the Latest Practicable Date, the Group has more than 90 subcontractors on its internal list of approved subcontractors, which offers a wide range of choices and competitive prices for the Group to acquire services.

The Group maintains a sizeable and stable pool of skilled labour

The civil and structural works in the oil and gas industry is labour intensive. A stable and sufficient supply of skilled labour workforce is crucial for every civil and structural works projects to ensure the quality of works services, efficiency and reliable time and site management. The Directors are aware that there is a constant shortage of local labour with appropriate skills in Malaysia. To a large extent, civil and structural works companies in Malaysia rely on foreign workers to carry out civil and structural works projects in Malaysia. As advised by the Group's Malaysian Legal Advisers, it is a general practice in Malaysia, especially in major civil and structural works projects, for the contractors to apply for work permits for foreign labour under the quota system in Malaysia. As a contractor for the projects that the Group undertakes, the Group is in a position to apply for work permits for the Group's foreign labour, without having to rely on the Group's customers to allocate foreign labour quotas to the Group. As at the Latest Practicable Date, the Group had a total of 278 foreign labour.

With four decades of experience in the civil and structural works industry, the Group has developed a large team of skilled workforce for a wide spectrum of services. As at 30 June 2016, 2017 and 2018 and 31 March 2019, the Group had 213, 239, 367 and 460 employees (including foreign labour), respectively, as general labour workforce for the Group's civil and structural works, all of whom were directly hired by the Group. The Directors believe that with the support of the Group's stable pool of directly-hired skilled workforce, coupled with the workforce of the subcontractors who can provide ancillary construction works and labour-intensive services such as piling works, water-proof works and fire-proof works, the Group is therefore able to control the availability, quality and performance of the Group's labour force with more flexibility subcontracted labour force. As such, the Directors believe the Group is less reliant on subcontractors for the provision of general labour workforce and hence less susceptible to the risk of failing to secure stable and sufficient labour workforce for its projects when required, especially on short notice. The Directors believe that having a sizeable pool of the Group's own skilled direct labour helps it in controlling and managing its labour costs more efficiently, which helps the Group boosts and stabilises its profit margins. The Directors also believe that the Group's pool of direct labour contributes to its ability to provide an inherently stable work force, which in turn provides greater assurance in project delivery and completion time to its customers.

The Group has a stable and experienced management team with substantial technical experience and expertise in the civil and structural works industry

The Group has a stable and experienced management team with substantial technical expertise in the civil and structural works industry in Malaysia, some of whom have been involved in the industry since graduating from their respective institutes or universities and obtained the relevant certification for qualified engineers. The Group's senior management team is headed by the Group's chairman and executive Director, Mr. HT Tan, and the Group's chief executive officer and executive Director, Mr. HP Tan, who have approximately 43 and 23 years' experience in the civil and structural works industry, respectively. Other members of the Group's management team also have strong industry background with relevant industry experience of over 14 years. Each of the executive Directors and members of the senior management team is involved in the day-to-day management and operations of its business. Please refer to the section headed "Directors and senior management" in this prospectus for further details of the background and experience of the Directors and the Group's senior management. The Group is therefore well positioned to benefit from the expertise, experience and network of the Group's senior management when the Group conducts its business and operations. The Directors believe the industry experience, knowledge, and stability of the Group's senior management team have significantly contributed to the success of its operations and its business growth, and is instrumental to its long-term development.

Commitment to safety, quality and environment through well-established management systems

Besides the Group's ability of delivering quality projects on a timely manner, the Directors believe that the Group's business is strongly linked to its ability to meet its customers' requirements in respect of health, safety, security and environmental aspects. To meet the Group's customers' requirements on these aspects, it has established in-house health, safety, security and environmental management systems. Through the systematic and effective control of the Group's operations, compliance with health, safety, security and environmental can be further assured. The Group has been accredited with many recognitions from its major customers in these aspects.

BUSINESS STRATEGIES

The Group's goals are to achieve sustainable business growth and further strengthen its overall competitiveness in the civil and structural works of the oil and gas industry in Malaysia. To achieve this, the Directors plan to continue to capitalise on opportunities by leveraging on the Group's competitive strengths and implement the following strategies:

Enhance working capital sufficiency to further develop the Group's businesses

The Group's capacity to further expand its market share and undertake more projects depends on the amount of working capital it has from time to time. In general, contracting fees are paid to the Group with reference to the stage of completion of projects as stipulated in the contracts. The Group, as a main contractor or subcontractor, normally relies on the progress payments to support its daily operation. The customers also usually require performance bonds/guarantees as security for the due performance and observance of the Group's obligation under the relevant projects, therefore the Group would need to maintain a healthy financial status to tender for larger and more projects.

The Directors are of the view that the net proceeds from the Share Offer will strengthen the financial position of the Group and provide the necessary working capital that allows the Group to reduce its reliance on advance progress payment obtained from main contractors and project owners and the associated interest expenses and undertake more projects of larger scale which are more capital demanding.

Financing the issue of performance bonds for future projects

During the Track Record Period, the Group was required by customers in some contracts to take out performance bonds equivalent to approximately 5% to 10% of the total contract sum as security for the due performance and observance of the Group's obligations under the relevant project. The Group intends to use a portion of the net proceeds from the Share Offer to satisfy the amount of bank deposits required for the issue of performance bonds for future projects. This will enable the Group to undertake (i) more projects; and (ii) projects of larger contract sum. The Directors also believe that by expanding its capacity and scale, the Group will be able to undertake more sizeable projects and broaden its customer base by meeting the pre-qualifications of tenders or quotations prescribed by potential customers. Please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus for further details.

Acquiring additional machinery and equipment

The Group's capacity to carry out new contracts for customers depends largely on the availability and conditions of its machinery and equipment. The Directors believe that the investment in machinery and equipment has placed the Group in a position to cater for new contracts of different scales and complexity and to meet the expected growing demand in the construction industry segment that catered for customers engaged in oil and gas industry in Malaysia in the foreseeable future. Therefore, the Group intends to acquire additional machinery and equipment including but not limited to cranes, excavators, dumpers, low loader, roller compactors, water truck, arm roll lorry, micro-bus, compressor, bar benders/cutters, towel lightings, generators and other related machinery and equipment. The Directors believe that the purchase of additional machinery will enable the Group to cope with its business development, strengthen its brand name and increase its overall efficiency, capacity and technical capability in performing new contracts as well as its ability to cater for different needs and requirements of various customers. Please refer to the section headed ''Future Plans and Use of Proceeds'' in this prospectus for further details.

Strengthening its manpower and enhance project management capability

In order to further expand its business and capture more sizeable projects in the oil and gas industry, the Group will need additional professional personnel including project director, project manager, construction manager, project control manager, interface coordinator, quality assurance engineers, environmental manager, quality control head, quality control site manager, health, safety, security and environment head, health, safety, security and environment site manager with appropriate knowledge, qualification and experience to oversee and execute the daily operations of the Group's projects and to meet the relevant requirements set by government authorities. The Directors consider that the Group's reputation has been built on years of satisfactory construction services the Group provided to its customers and in order to continually deliver quality works, the Group intends to expand its manpower by recruiting project management and support staff to cope with its business development. Please refer to the section headed ''Future Plans and Use of Proceeds'' in this prospectus for further details.

Financing for the upfront expenditures of new projects

The aggregate number and size of projects that the Group is able to undertake in its business hinges on, among others, the amount of the Group's available financial resources. According to the Frost & Sullivan Report, on the occasions of large-scale civil and structural works, it is a common practice that main contractors may appoint subcontractors to carry out different kinds of specialised works. An adequate amount of capital reserve is required for market participants to spend on raw materials procurements, labour recruitment and other operational expenses before the commencement of construction projects. Contractors normally incur net cash outflow at the early stages of a project when they are required to pay for upfront expenditures to the suppliers and subcontractors, prior to receiving progress payments from customers. Please refer to the section headed ''Future Plans and Use of Proceeds'' in this prospectus for further details.

Selectively pursue strategic cooperation, investments and acquisitions

The Group intends to continue to grow its customer base and work service diversity through strategic cooperation, investment and acquisitions. The Group plans to acquire stakes in domestic companies in Malaysia which have Bumiputera ownership with engineering and design capacity because, so far as the Directors are aware, some project owners and main contractors in the oil and gas industry in Malaysia prefer engaging contractors with Bumiputera ownership. Furthermore, the Group would like to further expand its business scope into the engineering and design of civil and structural works in the construction industry in Malaysia.

THE BUSINESS

The Group's business model

The Group is a civil and structural works contractor for customers in the oil and gas industry in Malaysia. The Directors believe that the Group stands out from other competitors as it has the required skill and experience in undertaking civil and structural works for live operating oil and gas plant, which requires a high safety standard than other civil and structural works. The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plant, involving reinforced concrete foundations, sleepers, pipe supports, ponds, pits, underground and open drainage network, paving work (including gravel, concrete, and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry. Depending on the scale and complexity of the project, the Group may engage third party subcontractors to provide ancillary construction works and labour intensive services such as piling works, water-proof works and fire-proof works. Please refer to paragraph headed "Subcontracting arrangements" in this section for further details. The Directors believe that by providing these multi-faceted civil works services, the Group differentiates itself from its competitors by providing a proven track record to its customers and the expertise it possess. In addition, the Group has its own sizeable pool of direct skilled labour coupled with the workforce provided by its subcontractors, which the Directors believe further distinguishes the Group from other construction companies, and the Group can reduce its reliance on subcontractors to provide the Group with labour.

Civil works

The Group mainly acts as a subcontractor in civil works, in accordance with the instructions, drawings and specifications as designed and instructed by its customer. Civil works of oil and gas industry in Malaysia include the construction of various infrastructures, reinforcement concrete works, piling, site formation, roads, drainage and waterworks and maintenance of reinforcement concrete work. The following sets out descriptions of the major categories of civil works the Group performed during the Track Record Period:

Reinforcement concrete works

Reinforcement concrete works include foundation works and superstructure works. Foundation works are performed to prepare a piece of land in order to (i) accommodate plants or other facilities which will be constructed within the area of the land; (ii) form the land to the required orientation, shape or levels; and (iii) provide the required support and infrastructures, including access roadways, drainage and related services.

Superstructure works

Superstructure works refer to reinforcement concrete works in relation to the parts of the structure above the ground level. The scope of the superstructure works projects mostly consists of reinforcement concrete works for plants and other facilities in the work site. The principal types of superstructure building works undertaken by the Group include internal and external finishing works undertaken during the structural concrete construction.

Roads, drainage and waterworks

The Group's roads and drainage typically include construction of roads and pavements which may be made of concrete or asphalt, construction of manholes and laying of pipes. Waterworks typically include the replacement and maintenance of water mains.

Maintenance

The maintenance works include the general upkeep, restoration and improvement of plants and other facilities. The maintenance works carried out for the customers include refurbishment of existing concrete structure and restoration of the existing foundation works.

Site preparation works

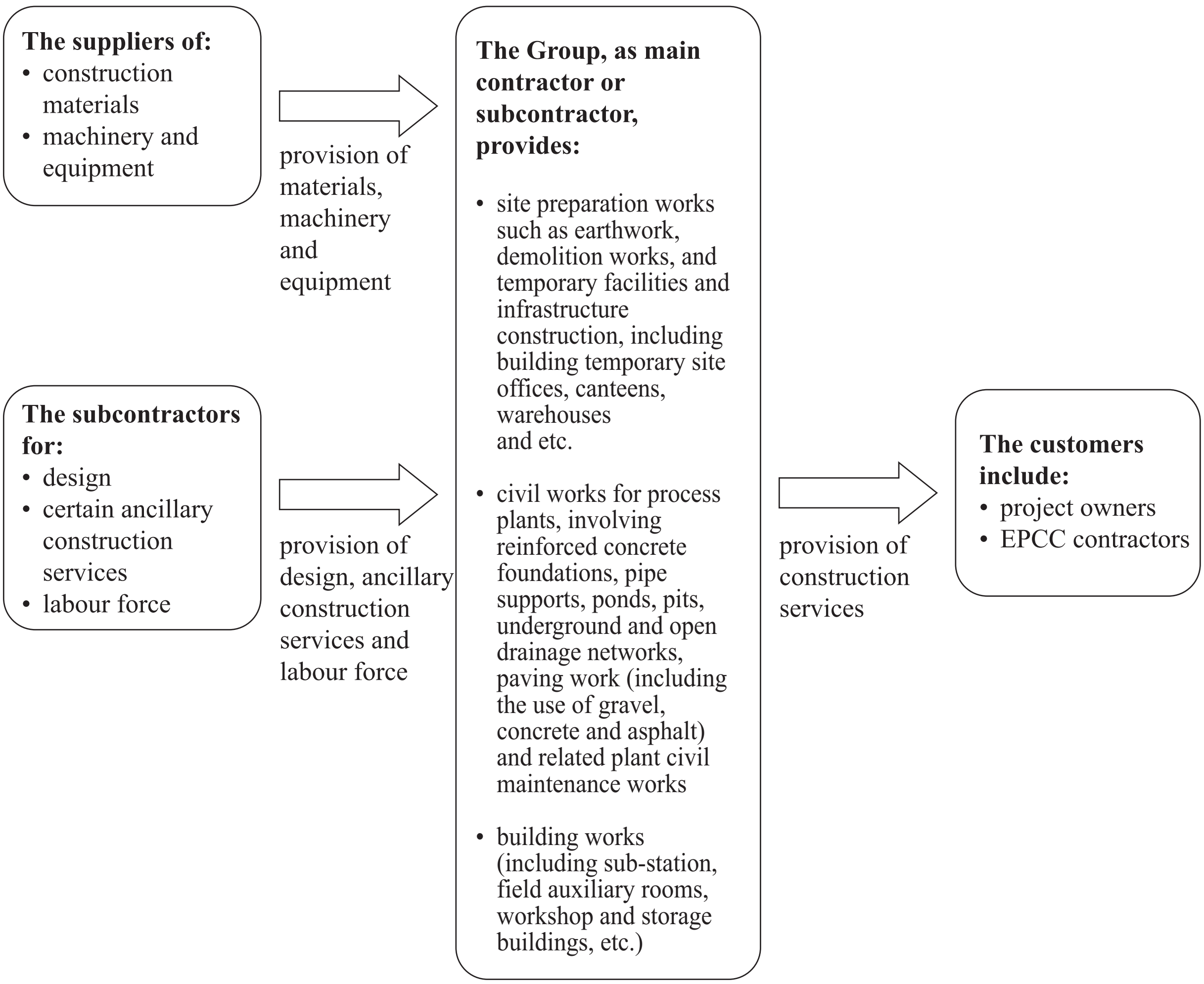
The Group undertakes site preparation works which involves earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, which are used mainly for the convenience of the workers while a project is on-going. Depending on individual customers' requirements, the Group is also sometimes responsible for the construction of temporary roads and pathways, for project workers to access different areas of the work site.

Building works

The Group carries out building works, in accordance with the instructions, drawings and specifications as designed and instructed by its customers. This involves the sub-structure and superstructure works as well as architectural works and electrical installation and mechanical services for the buildings. In the oil and gas industry, these buildings would require different specifications, thus different kinds of building materials and expertise would be involved, as compared to buildings in the general construction industry.

Value chain of the oil and gas industry

The following diagram sets out the Group's position as a civil and structural works contractor within the value chain of the oil and gas industry:



The Group's business segments

The following table sets forth a breakdown of the Group's revenue mainly by three different business streams for the years/periods indicated:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* *(unaudited)*	*%*	*RM'000*	*%*
Civil works projects	3,366	10.1	90,021	67.8	107,687	73.6	86,650	74.9	130,132	82.3
Site preparation works projects	1,853	5.6	7,779	5.9	10,165	7.0	5,961	5.1	449	0.2
Building works projects	28,127	84.3	34,858	26.3	28,389	19.4	23,107	20.0	27,605	17.5
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

During the Track Record Period, the Group's total revenue amounted to approximately RM33.3 million, RM132.7 million, RM146.2 million and RM158.2 million, respectively.

The fluctuation of the Group's revenue from each of its business streams during the Track Record Period was primarily attributable to (i) the time when the Group was awarded with the large-scale projects; and (ii) the length of construction or service provision time required. For details, please refer to section headed "Financial Information — Comparison of results of operations" in this prospectus.

As the Group generally secures its civil and structural works projects on a project-by-project basis through tender or quotation process, the Group's operations are affected by the availability of projects as well as by the fluctuations of the industry cycles. As at the Latest Practicable Date, the Group had backlog revenue of approximately RM179.6 million, which is expected to be generated from the Group's nine projects on hand.

PROJECTS

The following table sets forth the number of projects undertaken by the Group during the Track Record Period:

Civil works projects

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	Number of projects	*Number of projects*	*Number of projects*	*Number of projects*
Opening number of projects at the beginning of the year/period	2	2	2	7
Add: number of new projects	5	4	6	2
Less: number of completed projects	(5)	(4)	(1)	(2)
Closing number of on-going projects as at the end of the year/period	2	2	7	7

Site preparation projects

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	Number of projects	*Number of projects*	*Number of projects*	*Number of projects*
Opening number of projects at the beginning of the year/period	—	3	1	2
Add: number of new projects	7	4	2	1
Less: number of completed projects	(4)	(6)	(1)	(1)
Closing number of on-going projects as at the end of the year/period	3	1	2	2

Building works projects

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	Number of projects	*Number of projects*	*Number of projects*	*Number of projects*
Opening number of projects at the beginning of the year/period	1	1	1	1
Add: number of new projects	5	—	—	—
Less: number of completed projects	(5)	—	—	—
Closing number of on-going projects as at the end of the year/period	1	1	1	1

Project backlog

Set out below is the table showing the number of the projects commenced and completed and their expected revenue to be recognised during the Track Record Period and up to the Latest Practicable Date:

	During the year ended 30 June						During the nine months ended 31 March 2019		From 1 April 2019 to the Latest Practicable Date	
	2016		2017		2018					
	Number of contracts	Amounts	Number of contracts	Amounts	Number of contracts	Amounts	Number of contracts	Amounts	Number of contracts	Amounts
		RM'000		*RM'000*		*RM'000*		*RM'000*		*RM'000*
Expected revenue to be recognised *(note 1)*										
Opening backlog contracts	3	16,948	6	123,098	4	106,709	10	239,521	10	138,946
New contracts commenced *(note 2)*	17	139,496	8	116,269	8	279,053	3	57,611 *(note 3)*	3	116,419
Works billed/completed	(14)	(33,346)	(10)	(132,658)	(2)	(146,241)	(3)	(158,186)	(4)	(75,766)
Closing backlog contracts	6	123,098	4	106,709	10	239,521	10	138,946	9	179,599

Note 1: Expected revenue to be recognised represents the awarded contract sum and variation orders from project undertaken with fixed sum and bills of quantity.

Note 2: New contracts commenced includes both initial contract sum and variation orders awarded to the Group up to the Latest Practicable Date. The project is considered to be commenced when the Group first begins recognising revenue for the project.

Note 3: The Directors considered that the human resources and machinery were largely occupied by the 10 projects on hand as at 30 June 2018 with approximately RM239.5 million revenue expected to be recognised after the year ended 30 June 2018. Given the above situation, substantial subcontracting charges and rental of machinery would be incurred if significant new opportunities were secured before material progress was made to the projects on hand which in turn may have negative impact to the Group's gross profit margin and therefore the Group slowed down the contracts commenced during the nine months ended 31 March 2019. Nevertheless, after the completion of 3 projects during the nine months ended 31 March 2019, the Group was awarded 3 new contracts with approximately RM96.4 million revenue expected to be recognised after the Track Record Period.

Projects awarded to the Group during the Track Record Period

During the Track Record Period, there were 36 projects awarded to the Group. The following table sets forth a breakdown of the projects awarded to the Group during the Track Record Period by business segments which are categorised by reference to the nature of the contracts:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	Number of projects awarded	*Number of projects awarded*	*Number of projects awarded*	*Number of projects awarded*
Civil works projects	5	4	6	2
Site preparation projects	7	4	2	1
Building projects	5	—	—	—
Total	17	8	8	3

Projects with revenue recognition during the Track Record Period

The following table sets forth a breakdown of the projects with revenue recognition during the Track Record Period by ranges of revenue recognised during the year/periods:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	Number of projects with revenue recognition	*Number of projects with revenue recognition*	*Number of projects with revenue recognition*	*Number of projects with revenue recognition*
Revenue recognised during the year/period				
RM10,000,000 or above	1	3	5	3
RM1,000,000 to below RM10,000,000	3	2	4	3
Below RM1,000,000	16	9	6	4
Total	20	14	15	10

Projects completed by the Group during the Track Record Period

During the Track Record Period, the Group completed 29 projects. The following tables sets forth a breakdown of the number of projects completed by the Group during the Track Record Period by dominating type of works provided in the Group's projects:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	Number of projects completed	*Number of projects completed*	*Number of projects completed*	*Number of projects completed*
Civil works projects	5	4	1	2
Site preparation projects	4	6	1	1
Building projects	5	—	—	—
Total	14	10	2	3

The following table sets forth a breakdown of the projects completed by the Group during the Track Record Period by ranges of accumulated revenue recognised:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	Number of projects	*Number of projects*	*Number of projects*	*Number of projects*
Revenue recognised during the year/period				
RM10,000,000 or above	—	1	—	—
RM1,000,000 to below RM10,000,000	2	2	—	1
Below RM1,000,000	12	7	2	1
Total	14	10	2	2

Projects completed

A summary of the revenue recognised during the Track Record Period for the 33 projects the Group completed during the Track Record Period and up to the Latest Practicable Date is set out below:

Project	Particulars and location	Type of works	PIPC/ Non-PIPC projects	Commencement date	Completion date	Initial contract sum (Note 1)	Revenue recognised for the year ended 30 June 2016	2017	2018	Revenue recognised for the nine months ended 31 March 2019	Total
						RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Project 2	An oil storage at Johor	Civil works	Non-PIPC	March 2014	October 2015	29,300	1,140	—	—	—	1,140
Project 3	A refinery at Pengerang	Building works	PIPC	April 2015	December 2015	10,110	7,573	—	—	—	7,573
Project 4	A refinery at Pengerang	Building works	PIPC	November 2015	July 2019	40,592	20,127	34,858	28,388	27,605	110,978
Project 5 *(Note 3)*	A plant at Pasir Gudang	Civil works	Non-PIPC	April 2016	May 2017	21,522	382	20,076	75 *(Note 2)*	—	20,533
Project 6	A power plant at Port Dickson	Site preparation works	Non-PIPC	April 2016	April 2017	4,496	666	4,002	607 *(Note 2)*	—	5,275
Project 8	A refinery at Port Dickson	Site preparation works	Non-PIPC	August 2017	January 2019	4,998	—	—	5,117	—	5,117
Project 9	A refinery at Port Dickson	Civil works	Non-PIPC	August 2017	February 2019	15,665	—	—	26,131	8,339	34,470
Project 10	A refinery at Pengerang	Civil works	PIPC	September 2017	June 2019	12,217	—	—	11,746	454	12,200
Project 12	A refinery at Melaka	Site preparation works	Non-PIPC	March 2018	July 2019	4,426	—	—	4,205	—	4,205
Project 14	A refinery at Pengerang	Civil works	Non-PIPC	July 2017	April 2019	2,487	—	—	2,050	355	2,405
Project 15	A refinery at Pengerang	Site preparation works	PIPC	June 2016	October 2016	1,620	120	1,449	51 *(Note 2)*	—	1,620
Project 17	A refinery at Port Dickson	Site preparation works	Non-PIPC	November 2018	July 2019	898	—	—	—	449	449
	Other civil and structural works projects with initial contract sum of each less than RM1 million						1,864	2,488	220	—	4,572

Note 1: For projects undertaken with fixed sum, the awarded contract sum is based on the initial agreement between the customer and the Group and may not include additions, modifications due to subsequent additional works orders, as such final revenue recognised from a contract may differ from the awarded contract sum.

For projects undertaken with bills of quantity, the estimated contract sum is based on the provisional contract price stated in the initial agreement between the customer and the Group and the final revenue recognised may differ from the estimated contract sum.

Note 2: The amount was subsequently certified after issuance of provisional certificate from customers.

Note 3: Two contracts were combined into one project due to same job nature and location.

Note 4: Projects were substantially completed and pending issuance of provisional certificates from customers.

Projects on hand

As at the Latest Practicable Date, the Group had nine projects on hand (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the projects on hand in terms of awarded or estimated contract sum is set out below:

Project	Particulars and location	Type of works	PIPC/ Non-PIPC projects	Commencement date	Expected Completion date *(Note 1)*	Initial contract sum *(Note 2)*	Revenue recognised for the year ended 30 June 2016	2017	2018	Revenue recognised for the nine months ended 31 March 2019	Revenue recognised for the three months ending 30 June 2019	Revenue recognised for the year ending 30 June 2019	Estimated revenue to be recognised for the year ending 30 June 2020	Estimated revenue to be recognised after the year ending 30 June 2020
						RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Project 1	A refinery at Port Dickson	Civil works	Non-PIPC	May 2013	September 2019	— *(Note 3)*	1,474	967	1,520	5,439	799	6,238	1,036	—
Project 7	A refinery at Pengerang	Civil works	PIPC	June 2016	October 2019	82,000	—	68,818	43,801	858	1,908	2,766	—	—
Project 11	A refinery at Pengerang	Civil works	PIPC	October 2017	April 2020	349,990	—	—	22,330	96,000	15,438	111,438	66,232	—
Project 13	A refinery at Melaka	Civil works	Non-PIPC	March 2018	December 2019	39,551	—	—	—	12,653	7,345	19,998	46,630	—
Project 16	A plant at Port Dickson	Civil works	Non-PIPC	October 2018	October 2019	10,018	—	—	—	6,033	2,049	8,082	1,936	—
Project 18	Petro-chemical plants in East Malaysia	Civil works	Non-PIPC	March 2019	February 2022	40,000 *(Note 5)*	—	—	—	—	—	—	8,400	31,600
Project 19	A refinery at Pengerang	Civil works	PIPC	April 2019	July 2020	16,458	—	—	—	—	1,941	1,941	12,660	1,857
Project 20	A tank farm facilities expansion at Tg Bin	Civil works	Non-PIPC	May 2019	June 2020	27,000	—	—	—	—	1,786	1,786	18,027	7,187
Project 21	A refinery at Port Dickson	Civil works	Non-PIPC	May 2019	October 2019	650	—	—	—	—	—	—	650	—

Note 1: The expected completion date for a particular contract is provided based on the management's best estimation. In making the estimation, the management takes into account factors including the expected completion date specified in the relevant contract (if any), the extension period granted by the customers (if any) and the actual work schedule.

Note 2: For projects undertaken with fixed sum, the awarded contract sum is based on the initial agreement between the customer and the Group and may not include additions, modifications due to subsequent additional works orders, as such final revenue recognised from a contract may differ from the awarded contract sum.

For projects undertaken with bills of quantity, the estimated contract sum is based on the provisional contract price stated in the initial agreement between the customer and the Group and the final revenue recognised may differ from the estimated contract sum.

Note 3: The contract price is determined based on the actual bill of quantity of work done, which will multiply the rates set out in the schedules of relevant purchase order placed by the customer onto the Group such as the schedule of price and rate, the unit rate for manpower and the unit rate for equipment.

Note 4: The estimated revenue to be recognised in this project is based on the management's best estimation considering the quantity of work done, the rates set out in the schedules of relevant purchase order placed by the customer onto the Group such as the schedule of price and rate, the unit rate for manpower and the unit rate for equipment.

Note 5: The provisional contract price stated in the letter of award was RM40 million per year for a period of three years with an option to extend for one year and additional one more year depending on the performance and the need of service.

OPERATION PROCESS

For illustrative purposes, the following chart sets forth key stages of the Group's operating flow which generally applies to all types of the Group's construction projects.

Tender phase (approximately 4 — 12 weeks)	• Receiving invitation to tender or submit quotation • Evaluation, preparation and submission • Interviews, clarification of tender details
Mobilisation phase (approximately 3 — 4 weeks)	• Negotiations of contractual terms and conditions • Project acceptance or evaluation of unsuccessful tender or quotation • Receiving letter of award • Preparing performance bond • Preparation works • Application of permits (if any)
Project execution phase (approximately 3 — 24 months)	• Assigning project team and preparation of work programme • Procurement of materials and subcontracting • Fabrication of materials to be used in the project • Progress control and reporting and safety management • Quality checking, inspection and testing of works done • Payment application and certification

Completion phase (approximately 12 months)	●	Preparation of final accounts
	●	Carrying out remedial/maintenance works during the defects liability period
	●	Release of retention money

Note: The time frame is illustrative only and actual time frame of a given project may vary significantly as it depends on various factors, such as negotiation process, the complexity of the project, the contract period as specified by the employers, the master construction programme required by the main contractor and/or project owner, weather condition, variation orders and etc.

Tender phase

Open tender or invitation to tender, preparation and submission

As a general practice, the Group is invited by its customers, which are primarily the main contractors or project owners of civil and structural works projects, to submit a written tender, provide a quotation or have a direct negotiation.

Pricing of tenders or quotations

Leveraging on their extensive experience in the industry, Mr. HT Tan and Mr. HP Tan, the executive Directors, are directly in charge of and lead the tender team for the preparation of all the Group's quotations and tenders. They review carefully every tender invitation, formulate tender strategy and ensure the competitiveness of the Group's tenders. They may pay site visit to have a clearer picture on the site environment and constraints. For tender submissions, the Group submits a written tender with more comprehensive details such as (i) unit price and quantities for each type of works; (ii) manhours required; (iii) utilisation plan of machinery; and (iv) technical and commercial proposals. For quotations, the Group may submit a written or verbal response with contract value.

The tender/quotation price or price of direct negotiation is based on the Group's planned work programme and method statements, from which, it derives estimated project costs (including cost of preliminary items, direct labour costs, subcontracting charges, cost of construction materials, machinery and equipment), plus an appropriate profit margin. The Group may adjust the profit margin after taking into consideration (i) duration of the project; (ii) cost and availability of workers, subcontractors, construction materials, machinery and equipment; (iii) site constraints and location; (iv) the Group's relationship with the main contractor or project consultants in the past; (v) the Group's capacity; (vi) specific requirements of the project; (vii) complexity and scale of the project; and (viii) potential competition.

Tenders submitted during the Track Record Period

The following table sets out the number of tenders submitted, number of contracts awarded and the Group's tender success rate during the Track Record Period:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
Number of tenders submitted (Note 1)	9	1	6	14
Number of tenders awarded	4	0	4	5
Success rate (%)	44.4	0.0	66.7	35.7

Note 1: One tender is pending for result as at the Latest Practicable Date.

The following table sets out the number of quotations submitted, number contracts awarded and the Group's success rate of quotations during the Track Record Period:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
Number of quotations submitted	16	9	5	2
Number of contracts awarded	14	7	2	0
Success rate (%)	87.5	77.8	40.0	0.0

Negotiations of contractual terms and conditions

After the Group has submitted its tenders or quotations to its customers, the customers or their consultants may issue tender enquiries to the Group requesting clarifications of certain details and arrange interviews with the Group.

Mobilisation phase

Project acceptance

In the final round of screening, the Group and its customers often need to negotiate the terms and conditions with the aim to confirming the contract sum and concluding the final contract. Once the Group's customers decide to engage the Group, the Group is normally informed of the project acceptance by way of a letter of intent. The Group thereafter is generally required to issue a performance bond to customers for due performance of the contract.

Project preparation

Once the project is awarded, the Group arranges for the necessary working permit (if necessary), machinery and equipment required, depending on the type, scale and complexity of the civil works project undertaken by the Group.

In certain work sites, the Group prepares necessary documents and applies to the customers and/or government authorities for the working permit before the commencement of the project. The Group then proceeds to mobilise the required personnel and procure the required machinery and equipment from the suppliers.

Project execution phase

Assigning project team and preparation of work programme

According to the requirements of different project, the Group assigns different project team members for executing and supervising the works. The following are the main responsibilities of each key member of the Group's project teams:

Project manager

The project manager is mainly responsible for preparing the master programme and supervising the work of other members of the project team, liaising with customer or the project consultant, suppliers and subcontractors. The project manager plays a key management supervisory role in keeping a project on track. He also provides guidance on dealing with technical and complicated issues, considers instructions from the customer and deals with progress certification issues. On an ongoing basis, the project manager reports directly to the Group's executive Directors for the projects he oversees.

Construction manager

The construction manager is mainly responsible for the supervision of the overall work progress of the project. He is also required to monitor the work done by the Group's workers and its subcontractors. He also has to provide guidance and solutions to workers on any difficulties encountered in the day-to-day works performed in the work sites. He has to arrange procurement of relevant materials for the projects as well.

Quality manager

The quality manager is mainly responsible for overseeing the quality of the work done by the Group's workers and subcontractors. He is also responsible for liaising with the customer's quality team for keeping in line the standards of the Group's deliverables with that required by the customers. He is also involved in compiling the quality and inspection reports and the final handover quality dossier.

Health and safety manager

The health and safety manager is responsible for the supervision of the health and safety conducts within the work site. He is also required to ensure that the relevant health and safety standards imposed by the project drawings have been adhered to by the workers within the work site. He is also responsible for ensuring that sufficient and relevant training has been provided to workers for tasks to be performed. He has to ensure that the equipment can meet the safety requirements of the relevant work sites.

Supervisor

The supervisor is responsible for monitoring the quality and workmanship of the Group's project works to ensure compliance with the project drawings. He is also responsible for coordination works to facilitate construction works on site. Day-to-day supervision of site works is also required from the supervisor.

Safety Supervisor

The safety supervisor is responsible for supervising implementation of site safety measures and monitoring the work safety on site. He also liaises with the project consultant to organise safety walk or inspection to identify any hazardous operation and violations of safety rules. He also provides briefing to workers on safety related issues on a day-to-day basis.

Procurement of materials and subcontracting

Depending on the contract terms and specifications, the Group procures materials from suppliers directly. The Group sources materials from its approved list of suppliers. Before sourcing materials, the Group may require its suppliers to submit samples to recognised laboratories in Malaysia for quality checking. When required, the materials, such as ready-mixed concrete, reinforcement bars and sands, will be re-sent to the said laboratories for further testing before they are used in work sites.

Fabrication work

After the purchase of the required materials for a particular project, some of the materials require further fabrication before they can be used for the project. For materials that require fabrication, the Group would first have the materials shipped from its suppliers to its workshop for fabrication, before sending the processed materials to the construction site for use.

Subcontracting

During the Track Record Period, the Group engaged subcontractors to mainly carry out certain piling works, concrete works, installation of reinforcement bars, scaffolding works and various procedures related to civil and structural works. The Group may also engage subcontractors to perform other works depending on the availability of its workforce from time to time. The Group requires its subcontractors to equip themselves with the necessary specific machinery. The executive Directors together with procurement managers are responsible for the subcontracting arrangements.

Progress control and reporting and safety management

The project managers keep track on project performance and provide progress report to the Group's executive Directors. The executive Directors may also visit the sites from time to time to supervise the progress. The Group holds regular progress meetings with its customers and their consultants throughout the project duration to report its work done and discuss overall project status. The Group also liaises and discusses with the supervisors of the project owners and/or subcontractors to arrange additional resources if the Group needs to speed up its work to catch up with the master programme or avoid delay.

The Group places strong emphasis on work safety and requires all its site staff and subcontractors' workers to wear necessary personal protection devices, such as safety helmet, reflective vests and safety shoes before entering into the site. The Group has its own safety policy with which all workers on site have to comply. The Group also has to strictly follow the safety policy implemented by the main contractor and/or project owners and the Group's site supervisors will also ensure its workers to comply with all safety provisions and issue warnings to those who have breached any of these provisions.

Quality checking, inspection and testing of works done

The Group has quality control measures in place in respect of the materials need and the quality of the site works. The objective is to avoid the need to remove those completed but defective works and carry out remedial works. The Group's quality manager and supervisors check the quality of work done before requesting inspection by the Group's customers or its consultant. Before that, the quality manager and supervisors would have had supervised and monitored the key construction steps and ensured that the workmanship and quality of materials comply with the specifications.

Tests may be required for certain materials and structures, for example, tests on concrete and reinforcement or welded joints. The Group would arrange the tests to be done on site or in recognised laboratories when required.

Payment application and certification

In general, according to the terms and conditions of individual contracts, the Group expects its customers to make progress payments to the Group on a monthly basis. The Group generally submits monthly payment applications to the customers with reference to works done in the previous month, which may include delivery of construction materials as well. Payment applications are to be certified by the Group's customers or their project consultants for the purpose of agreeing on the value of works done and the payment amount should be measured in accordance with the method of measurements as stipulated in the contract. The customers usually settle the Group's bills, net of the agreed retention money within the period as agreed in the contract after certifying its payment applications. Moreover, certain banks of the Group would withhold up to 15% of the payment received from customer as sinking fund. The sinking fund was a form of collateral requested by banks to secure bank facilities granted.

The Group usually pays its subcontractors on a monthly basis based on the subcontractors' payment applications and the Group's certification process.

Project completion phase

When a project is completed, the Group's senior management will hold a meeting to review the outcome of the project. The meetings usually cover the profitability of the project, performance of subcontractors, satisfaction of customers, issues and difficulties encountered, and suggested improvement for future projects.

Preparation of final accounts

Upon satisfactory completion of a project, a provisional completion certificate is normally issued by the customer. Once a provisional certificate is issued, the Group is normally entitled to receive the sinking fund according to the terms of bank loans. The Group will also prepare the final account with the customers to set out the amount to be paid by the customers taking into account the value of total work done, amount previously paid, retention money, claims, etc.

Defects liability period

Subject to the requirements of the contract, the Group has to provide a defects liability period, normally up to 12 months from the practicable completion of the project, during which the Group is responsible for making good of any defects identified without additional charges. For works that were completed by the Group's subcontractors which are subject to making good, the Group will contact the subcontractor for the defects rectification without additional charges. During the Track Record Period, the Group did not experience any material claim by its customers in respect of any defective works, and the Group did not make provision for any repair and maintenance cost in respect of defective works during the defects liability period. Moreover, the Group's customers usually require the Group to provide them with a warranty bond if the Group demands the release of the retention money, which is released upon the commencement of the defects liability period.

Release of retention money

The release of the retention money or warranty bond is normally due after the end of the defects liability period and the issuance of a completion certificate by the contractor and/or the project owner. Please refer to the paragraph headed "Principal terms of contracts with customers" below in this section.

Feedback

The Group will obtain feedbacks from its customers during project progress and/or upon completion of project to gauge the Group's performance level and to identify any areas of improvement. The indicators used to measure the customer satisfaction may include: (i) site planning and control; (ii) responsiveness to the works; (iii) execution and project management; (iv) manpower and material resources; (v) quality of workmanship; (vi) timeliness and satisfaction of project schedule; and (vii) health and safety awareness.

CUSTOMERS, SALES AND MARKETING

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group's turnover amounted to approximately RM33.3 million, RM132.7 million, RM146.2 million and RM158.2 million, respectively.

The Group's customers are primarily the oil and gas companies and EPCC contractors in Malaysia.

Set out below is a breakdown of the Group's revenue by its top five customers during the Track Record Period, together with the customers' background information:

For the year ended 30 June 2016

	Revenue for the year	**% of the Group's total revenue for the year**
	RM'000	*%*
Tecnicas Reunidas Malaysia Sdn. Bhd. ("**Tecnicas Reunidas**")	20,127	60.4
Synerlitz (M) Sdn. Bhd. ("**Synerlitz**")	7,573	22.7
Sankyu (Malaysia) Sdn. Bhd. ("**Sankyu**")	2,100	6.3
Customer D	1,136	3.4
Customer E	666	2.0
Five largest customers in aggregate	31,602	94.8
All other customers	1,744	5.2
Total revenue	33,346	100.0

For the year ended 30 June 2017

	Revenue for the year	**% of the Group's total revenue for the year**
	RM'000	*%*
Punj Lloyd Oil & Gas (Malaysia) Sdn. Bhd. ("**Punj Lloyd**")	68,818	51.9
Tecnicas Reunidas	34,858	26.3
Customer G	20,076	15.1
Customer E	4,002	3.0
Kejuruteraan QKS Sdn. Bhd. ("**KQKS**")	1,832	1.4
Five largest customers in aggregate	129,586	97.7
All other customers	3,072	2.3
Total revenue	132,658	100.0

For the year ended 30 June 2018

	Revenue for the year	% of the Group's total revenue for the year
	RM'000	*%*
Punj Lloyd	43,801	30.0
Tecnicas Reunidas	40,134	27.4
Hengyuan Refining Company Berhad ("**Hengyuan**")	31,248	21.4
Customer I	22,330	15.3
Hyundai Engineering Malaysia Sdn. Bhd. ("**Hyundai**")	4,205	2.9
Five largest customers in aggregate	141,718	97.0
All other customers	4,523	3.0
Total revenue	146,241	100.0

For the nine months ended 31 March 2019

	Revenue for the period	% of the Group's total revenue for the period
	RM'000	*%*
Customer I	96,000	60.7
Tecnicas Reunidas	28,060	17.7
Hyundai	12,653	8.0
Hengyuan	8,589	5.4
JGC SP (M) Sdn. Bhd. ("**JGC**")	6,033	3.8
Five largest customers in aggregate	151,335	95.6
All other customers	6,851	4.4
Total revenue	158,186	100.0

The table below sets forth the background information of the Group's top customers mentioned in the above tables:

Customers	Services purchased	Project owner/ EPCC contractors	Location	Year(s) of business relationship
Tecnicas Reunidas	Building works	EPCC contractors	Malaysia	3
Synerlitz	Building works	EPCC contractors	Malaysia	7
Sankyu	Civil works	EPCC contractors	Malaysia	20
Customer D	Civil works	EPCC contractors	Malaysia	4
Customer E	Site preparation works	EPCC contractors	Malaysia	16
Punj Lloyd	Civil works	EPCC contractors	Malaysia	2
Customer G	Civil works	EPCC contractors	Malaysia	5
KQKS	Site preparation works	EPCC contractors	Malaysia	22
Hengyuan	Site preparation and civil works	Project owner	Malaysia	1
Customer I	Civil works	Project owner	Malaysia	1
Hyundai	Site preparation works	EPCC contractors	Malaysia	1
JGC	Civil works	EPCC contractors	Malaysia	1

Tecnicas Reunidas primarily engages in the engineering, design and construction of various types of industrial facilities. It was incorporated in 2014 and is a subsidiary of a company listed in Spain. The consolidated revenue and total assets of the listed group amounted to approximately EUR4.4 billion and EUR3.7 billion for the year ended/as at 31 December 2018, respectively. Its market capitalisation on the Madrid Stock Exchange was approximately EUR1.3 billion as at the Latest Practicable Date.

Synerlitz is a private limited liability company incorporated in 1998 and it primarily engages in mechanical engineering works. The issued capital and paid-up capital of Synerlitz is RM5 million.

Sankyu primarily engages in field engineering and logistics incorporated in 1979 and is a subsidiary of a company listed in Japan. The consolidated revenue and total assets of the listed group amounted to approximately JPY572.5 billion and JPY409.5 billion for the year ended/as at 31 March 2019, respectively. Its market capitalisation on the Tokyo Stock Exchange, Inc. was approximately JPY342.4 billion as at the Latest Practicable Date.

Customer D primarily engages in provision of mechanical and chemical engineering services. It was incorporated in 1999 and is a subsidiary of a company listed in Malaysia. The consolidated revenue and total assets of the listed group amounted to approximately RM327.2 million and RM485.1 million for the year ended/as at 31 December 2018, respectively. Its market capitalisation on the Bursa Malaysia Securities Berhad was approximately RM1.7 billion as at the Latest Practicable Date.

Customer E is a private limited liability company incorporated in 1974 and it primarily engages in engineering and construction works. The issued capital and paid-up capital of Customer E is RM2 million.

Punj Lloyd primarily engaged in construction of pipeline. It was incorporated in 2007 and is a subsidiary of a company listed in India. The consolidated revenue and total assets of the listed group amounted to approximately INR40.1 billion and INR115.5 billion for the year ended/as at 31 March 2018, respectively. Its market capitalisation on the National Stock Exchange of India Limited was approximately INR419.5 million as at the Latest Practicable Date.

Customer G primarily engages in engineering, procurement and construction. It was incorporated in 2012 and is a subsidiary of a company listed in Korea. The consolidated revenue and total assets of the listed group amounted to approximately KRW17.8 trillion and KRW26.3 trillion for the year ended/as at 31 December 2018, respectively. Its market capitalisation on the Korea Stock Exchange was approximately KRW3.9 trillion as at the Latest Practicable Date.

KQKS is a private limited liability company incorporated in 1972 and it primarily engages in engineering works in the oil and gas industry. The issued capital and paid-up capital of KQKS is approximately RM2.4 million.

Hengyuan is a company incorporated in 1960 and listed in Malaysia which primarily engages in refining and manufacturing of petroleum products. The consolidated revenue and total assets of the listed group amounted to approximately RM11.2 billion and RM4.2 billion for the year ended/as at 31 December 2018, respectively. Its market capitalisation on the Bursa Malaysia Securities Berhad was approximately RM1.3 billion as at the Latest Practicable Date.

Customer I primarily engages in development, construction, supply and any related activities of a Pengerang project. It was incorporated in 2013 and is a subsidiary of a company wholly owned by the Malaysian government. The consolidated revenue and total assets of the group amounted to approximately RM223.6 billion and RM599.9 billion for the year ended/as at 31 December 2017, respectively.

Hyundai primarily engages in building power plant and oil refinary plant. It was incorporated in 2016 and is a subsidiary of a company listed in Korea. The consolidated revenue and total assets of the listed group amounted to approximately KRW96.8 trillion and KRW180.7 trillion for the year ended/as at 31 December 2018, respectively. Its market capitalisation on the Korea Stock Exchange was approximately KRW27.0 trillion as at the Latest Practicable Date.

JGC is a private limited liability company incorporated in 2005 and it primarily engages in provision of procurement, engineering and construction services to the petroleum and petrochemical industry. The issued capital and paid-up capital of JGC is RM750,000.

None of the Directors, their respective close associates or any Shareholder (who or which, to the best knowledge of the Directors, owns more than 5% of the issued share capital of the Company as at the Latest Practicable Date) has any interest in any of the Group's five largest customers during the Track Record Period. All these five largest customers are Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, the Group did not have any material dispute with its customers.

Customer concentration

For the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019, the percentage of the Group's revenue attributable to its five largest customers combined amounted to 94.8%, 97.7%, 97.0% and 95.6%, respectively. The percentage of the Group's total revenue attributable to its largest customer amounted to approximately 60.4%, 51.9%, 30.0% and 60.7% for the corresponding year/period, respectively. The Directors consider that it is common for civil and structural works contractors for customers in the oil and gas industry in Malaysia to rely on a few customers, and customer concentration is not uncommon for civil and structural works companies in Malaysia. The potential customer base in civil and structural works in the oil and gas industry is relatively limited, which is concentrated primarily to reputable international oil and gas companies and EPCC contractors. It is also common for a single project to contribute a significant part of revenue. As a result, a small number of projects can contribute a substantial amount of the Group's revenue for a given year and a relevant customer may have significant revenue contribution for more than a year.

Over the years, the Group endeavoured to develop and have developed business relationships with some of its major customers as a result of its proven track record as a specialized contractor in civil and structural works projects in the oil and gas industry with the expertise and capability to develop cost-effective proposals. The Directors consider that the Group's business is sustainable even though it may have a concentrated customer base. The Group has been actively seeking opportunities for tendering during the Track Record Period notwithstanding the limited number of projects awarded to it. The Group experienced a strong demand for its services during the Track Record Period as evidenced by the number of tender invitations that the Group received from customers during the Track Record Period. The Directors believe that the demand for the Group's services would remain strong in the foreseeable future. According to the Frost & Sullivan Report, revenue generated by the civil and structural works in the oil and gas industry in Malaysia is expected to grow from approximately RM10.0 billion to RM17.1 billion at a CAGR of 14.3% from 2019 to 2023.

The Group has been providing civil and structural works for the oil and gas market in Malaysia for over 30 years. The Directors believe that the Group's established operating history with a wide range of project references allows the Group to consolidate reputation and secure projects from different project owners and EPCC contractors. Over the years, the Group served numerous customers with different background and sizes and the Directors believe that the Group has earned a good reputation in the civil and structural works in the oil and gas domain in Malaysia by exercising pragmatism and providing quality services. The Directors consider that the Group's competitive strengths, as mentioned in the section headed "Business — competitive strengths" in this section of the Prospectus, will allow the Group to secure projects from new customers.

The Group has undertaken projects from new customers from time to time during the Track Record Period and up to the Latest Practicable Date. During the Track Record Period, the Group has established business relationship with six new customers, from whom the Group were awarded nine contracts with aggregate initial contract sum amounted to approximately RM567.8 million. The Group has been successfully identifying new customers. During the Track Record Period, the Group managed to secure project from one or more new major customers in each of the financial years ended 30 June 2018 and the nine months ended 31 March 2019.

As mentioned in the section headed "Business — business strategies", it is the Group's plan to acquire Bumiputra owned contractor with engineering capacity operating in new geographical locations which would enable the Group to further diversify its customer base and enhance the Group's market penetration in Malaysia.

Pricing strategy

The Group adopts a build-up cost model in determining its project fees and consider various factors including, among others, (i) the type and scope of works; (ii) geographical coverage of the work service; (iii) the estimated amount of time and materials required and the personnel to be involved; (iv) the payment terms; (v) reference price of similar projects previously completed by the Group; and (vi) any risk leading to extension of service period or additional manpower. The Group did not have any loss-making projects during the Track Record Period.

The direct labour costs, subcontracting charges, and material and processing charges are the major components of the project costs in the Group's projects. Most of the standard rates of the Group's projects are fixed and set out in the terms of the contract.

The Group has the following measures to manage the risk of cost overruns:

(i) a budget review is prepared for each project which sets out the cost target. Such cost plan is agreed between the executive Directors and the project manager of the Group. Execution of the project, including subcontracting, is carried out in accordance with the cost plan; and

(ii) in order to control the cost target of the project, the accounting department will regularly prepare a budget variance analysis for each project to compare the actual expenses spent on the project against the budget cost. The budget variance analysis is subsequently reported by the project manager to the executive Directors and the senior management.

Principal terms of the contracts with customers

In general, customers engage the Group on a project by project basis instead of entering into a long-term agreement with the Group. Set out below are the principal common contract terms with the Group's major customers during the Track Record Period:

Contract period	:	The expected project commencement date and completion date or the expected duration of the project.
Type and scope of work	:	The scope of work and location of the project. During the Track Record Period, the Group mainly provided site preparation, civil works and building works.
Payment terms	:	The period for settlement of the work done or materials provided after the Group submits its payment application varies contract by contract. Depending on the terms and conditions of the contracts, the credit term is generally 30 to 45 days from the date of presenting invoice to the Group's customer.

Foreign workers	:	The Group is responsible for ensuring that all workers employed at the project worksite possess valid work permit and the Group generally requires its subcontractors to provide an undertaking that no illegal immigrants will be hired or employed at the project worksite.
Bills of quantities/schedule of rates	:	Description of the type of work and the specification of the works together with the quantity and the unit price.
Variation orders/ contingencies	:	The Group may be instructed or ordered to carry out variations. The value of the variations is in general based on the valuation principles as stated in the contract.
Liquidated damage	:	The amount of liquidated damage payable by the Group per day if it fails to complete the agreed scope of work within the contract period as provided in the contract.
Retention money	:	A portion of progress payment is usually withheld by the customer, normally at a range of 5% to 10%. The release of retention money is normally due after the end of the defects liability period.
Performance bonds	:	The Group may be required to take out a certain amount of performance bond issued by an accepted financial institution for due performance of the contract.
Defects liability period	:	In line with industry practice, the customers often specify a defects liability period of up to 12 months after practical or provisional completion of the Group's project. If any defect is found in its work, the Group is responsible for making good during the defects liability period.
Insurance	:	In general, it is the obligation of the EPCC contractor of the civil and structural project to effect proper insurance policies against damages, claims and compensation in respect of the persons who are employed (including those employed by subcontractors) to work at the construction sites. For the projects working as main contractor, the Group has maintained comprehensive general liability insurance policy which generally covers the entire contract period of the project. Please refer to the paragraph headed "Insurance" in this section below for further details.

Termination	:	*Termination for default of contractor* The Group's customers are entitled to terminate the contract under certain circumstances, for example, if the Group becomes bankrupt, abandons or suspends the work of the project without reasonable excuse, fails to remove or replace any work after being instructed by the customers or fails to meet obligations under the contract. *Termination for default of employer* The Group is entitled to terminate the contract under certain circumstances, for example, if the Group's customers fail to pay progress payments to the Group as certified or become bankrupt. *Termination for convenience* The Group's customers have the discretion to terminate all or any part of the project with or without cause by giving sufficient prior notice and settling the corresponding portion of the contract price attributable to the progress of the work done as at the date of termination and other costs.

Credit policy

Before deciding whether to submit a tender proposal, the Group normally examines the customer's creditworthiness. The major contracts with the Group's customers specify the credit term, including the payment timing, retention money to be withheld and its release timing.

The Group usually grants its customers a credit period ranging from 30 to 45 days from the date of its customer certifying the Group's works done. The customers usually retain up to 10% of each interim payment as retention money.

At each reporting date, the Group assesses on a forward looking basis whether receivables from customers are credit-impaired. When determining such impairment, the Directors consider whether (i) the customer faces any significant financial difficulty; (ii) there is a breach of contract such as a default or past due event; or (iii) it is becoming probable that the customer will enter bankruptcy or other financial reorganisation. For details on the impairment of Group's receivables, please refer to the section headed "Financial Information — Certain selected statements of financial position line items" in this prospectus.

Sales and marketing

During the Track Record Period, the Group's business opportunities arose mainly from invitations for quotation or tender from EPCC contractors or project owners.

Due to the above reasons, the Group currently does not maintain a sales and marketing team. The Group contacts its customers regularly to maintain a good relationship with them, to obtain market and industry information, and to seek business opportunities. The Group also relies on word-of-mouth by proving quality service in each of its projects to attract referral or for retaining its customers in future projects. In addition, from time to time, the Group participates in the sales and marketing activities and social events hosted by other industry players to keep abreast of the latest market developments and industry information.

The Directors believe that the Group's past performance can support the reputation and hence its future business in the industry.

Seasonality

The Directors believe that the civil and structural works in the oil and gas industry in Malaysia does not exhibit any significant seasonality.

SUPPLIERS

The Group's suppliers primarily supply the following materials to the Group: sand, concrete, steel, wood and fuel. Unless the materials are provided by the EPCC contractors and/or the project owners, the Group is also responsible for supplying the required materials. As the Group is provided with the standard requirements of the materials and it is liable for the quality of its project, unless specified by the customers or nominated suppliers are required, the Group is able to choose its own suppliers for its projects.

The Group generally orders the materials on a project-by-project basis and it does not enter into any long-term contracts with its suppliers. The price of the materials is determined by reference to a pre-agreed quotation subject to fluctuations and delivery date as agreed by the parties on an order-by-order basis.

As at the Latest Practicable Date, there were over 450 suppliers on the Group's list of approved suppliers, which is reviewed and updated regularly. The Group maintains a list of approved suppliers who have passed the Group's assessment criteria; for suppliers first admitted to the list, the Group will review their performance based on, among others, their (i) price; (ii) quality of product; (iii) past performance; (iv) market reputation; and (v) financial stability. This assessment is performed by the Group's contract, tender and procurement department and submitted to the Company's executive Directors and senior management team for approval. Subsequently, after the supply of materials, the Group will assess the performance of the suppliers based on, among others, their (i) ability to meet delivery schedules in accordance with the work/purchase orders; (ii) quality of goods and services received; (iii) cost competitiveness; and (iv) the credit period granted by the supplier. Following such review, the Group's procurement department, the Group's executive Directors and senior management team will decide whether the supplier will be retained in the approved suppliers list.

During the Track Record Period, the Group did not experience any material difficulties, delays nor disputes in its project works caused by shortage of materials or delay in the supply of goods and services by its supplies or subcontractors that the Group required. The Directors consider that the possibility of a shortage of materials or delay is low given the materials the Group uses are commonly used in civil and structural works projects in Malaysia.

Top five suppliers

Cost of materials incurred for the Group's largest supplier (excluding subcontracting charges) accounted for approximately 22.0%, 53.6%, 28.5% and 19.0% of its total cost of direct materials for the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019, respectively. Costs of materials incurred for the Group's top five suppliers (excluding subcontracting charges) accounted for approximately 67.0%, 74.2%, 64.2% and 60.5% of its total cost of direct materials for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively.

Set out below is a breakdown of the total purchase of direct materials made (excluding subcontracting charges incurred) from the Group's top five suppliers during the Track Record Period and their background information:

For the year ended 30 June 2016

	Purchases for the year	**% of the Group's total cost of direct materials for the year**
	RM'000	*%*
Supplier A	2,693	22.0
Supplier B	2,333	19.1
Choo Bee Hardwares Sdn Bhd ("**Choo Bee**")	1,961	16.1
Supplier D	660	5.4
Supplier E	534	4.4
Five largest suppliers in aggregate	8,181	67.0
All other suppliers	4,030	33.0
Total cost of direct materials	12,211	100.0

For the year ended 30 June 2017

	Purchases for the year *RM'000*	% of the Group's total cost of direct materials for the year *%*
Supplier A	15,945	53.6
Supplier D	2,013	6.8
Supplier F	1,948	6.6
Supplier G	1,244	4.2
Supplier B	896	3.0
Five largest suppliers in aggregate	22,046	74.2
All other suppliers	7,683	25.8
Total cost of direct materials	29,729	100.0

For the year ended 30 June 2018

	Purchases for the year *RM'000*	% of the Group's total cost of direct materials for the year *%*
Supplier D	6,492	28.5
Supplier A	3,911	17.1
Supplier G	1,609	7.1
Supplier B	1,466	6.4
Choo Bee	1,171	5.1
Five largest suppliers in aggregate	14,649	64.2
All other suppliers	8,177	35.8
Total cost of direct materials	22,826	100.0

For the nine months ended 31 March 2019

	Purchases for the period *RM'000*	% of the Group's total cost of direct materials for the period *%*
Supplier A	4,572	19.0
Supplier B	4,533	18.8
Choo Bee	1,919	8.0
Supplier H	1,841	7.7
Supplier D	1,683	7.0
Five largest suppliers in aggregate	14,548	60.5
All other suppliers	9,500	39.5
Total cost of direct materials	24,048	100.0

The table below sets forth the background information of the Group's top suppliers mentioned in the above tables:

Suppliers	Material purchased	Location	Year(s) of business relationship
Supplier A	Building materials	Malaysia	11
Supplier B	Building materials	Malaysia	5
Choo Bee	Construction materials	Malaysia	5
Supplier D	Sand and rocks	Malaysia	3
Supplier E	Timber	Malaysia	11
Supplier F	Sand	Malaysia	2
Supplier G	Diesel	Malaysia	3
Supplier H	Gravel	Malaysia	1

Supplier A is a private limited liability company and it primarily engages in manufacturing and sale of ready-mixed concrete.

Supplier B primarily engages in trading of building materials and is a subsidiary of a company listed in Malaysia. The consolidated revenue of the listed group amounted to approximately RM5.3 billion for the year ended 31 December 2017.

Choo Bee primarily engages in dealing of construction materials and is a subsidiary of a company listed in Malaysia. The consolidated revenue of the listed group amounted to approximately RM457.0 million for the year ended 31 December 2017.

Supplier D is a private limited liability company and it primarily engages in quarrying granites and armour rocks.

Supplier E is a private limited liability company and it primarily engages in manufacturing of wood products.

Supplier F is a sole-proprietor and it primarily engages in trading of building materials.

Supplier G is a cooperatives and it primarily engages in diesel supply business.

Supplier H is a private limited company and it primarily engages in wholesale of goods.

None of the Directors, their respective close associates or any Shareholder (who or which, to the best knowledge of the Directors, owns more than 5% of the issued share capital of the Company as at the Latest Practicable Date) has any interest in any of the Group's five largest suppliers during the Track Record Period. All of these five largest suppliers are Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, the Group did not have any material dispute with the Group's suppliers.

SUBCONTRACTING ARRANGEMENTS

It is a common industry practice for construction contractors to subcontract part of their works to subcontractors. Subject to the Group's available capacity, resources level, cost effectiveness, complexity of the projects and customer's contract requirements, the Group usually subcontracts ancillary construction works and labour-intensive services such as piling works, water-proof works aand fire-proof works in a project.

The subcontractors include local sole proprietors as well as limited liability companies. During the Track Record Period, all of the Group's subcontractors were located in Malaysia and all of their subcontracting charges were denominated in RM.

The Group is accountable to its customers for the works performed in a construction project, including the works performed by its subcontractors. Unless otherwise specified in the contracts, the Group's customers generally consent to the use of subcontractors for a project and do not restrict which subcontractors to be engaged by the Group. The subcontractors are liable for any damages or delay caused by their default.

The Group maintains an approved list for subcontractors who have passed the Group's assessment criteria; for subcontractors first admitted to the list, the Group will review their performance based on, among others, their (i) price; (ii) quality of product/works; (iii) past performance; (iv) market reputation; and (v) financial stability. This assessment is performed by the Group's contract, tender and procurement department and submitted to the Company's executive Directors and senior management team for approval. Subsequently, on completion of their works, the Group will assess the performance of the subcontractors based on, among others, their (i) ability to meet delivery schedules in accordance with the work/purchase orders; (ii) quality of goods and services received; (iii) cost competitiveness; and (iv) the credit period granted by the subcontractor. Following such review, the Group's executive Directors and senior management team will decide whether the subcontractor will be retained in the approved subcontractors list.

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, subcontracting charges incurred by the Group amounted to approximately RM3.1 million, RM57.9 million, RM68.2 million and RM83.2 million, respectively.

Please refer to the section headed "Financial Information — Factors affecting the results of operations and financial conditions" in this prospectus for the relevant sensitivity analysis.

Major subcontractors

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group's subcontracting charges incurred by the largest subcontractor represented 30.1%, 37.5%, 28.9% and 58.5% of the Group's total subcontracting charges for the period, respectively, while subcontracting charges incurred by the Group's top five subcontractors represented 67.7%, 79.0%, 83.3% and 83.2% of the Group's total subcontracting charges for the period, respectively.

Set out below is the breakdown of the Group's total subcontracting charges incurred to its top five subcontractors and their background information:

For the year ended 30 June 2016

	Subcontracting charges for the year	**% of the Group's total subcontracting charges for the year**
	RM'000	*%*
Subcontractor A	919	30.1
Subcontractor B	566	18.6
Subcontractor C	208	6.8
Subcontractor D	190	6.2
Subcontractor E	183	6.0
Five largest subcontractors in aggregate	2,066	67.7
All other subcontractors	986	32.3
Total subcontracting charges	3,052	100.0

For the year ended 30 June 2017

	Subcontracting charges for the year	% of the Group's total subcontracting charges for the year
	RM'000	*%*
Subcontractor F	21,726	37.5
Subcontractor B	11,726	20.3
Subcontractor G	5,924	10.2
Subcontractor H	4,841	8.4
Subcontractor I	1,534	2.6
Five largest subcontractors in aggregate	45,751	79.0
All other subcontractors	12,146	21.0
Total subcontracting charges	57,897	100.0

For the year ended 30 June 2018

	Subcontracting charges for the year	% of the Group's total subcontracting charges for the year
	RM'000	*%*
Subcontractor F	19,726	28.9
Subcontractor J	15,510	22.8
Subcontractor K	15,479	22.7
Subcontractor L	3,835	5.6
Subcontractor M	2,267	3.3
Five largest subcontractors in aggregate	56,817	83.3
All other subcontractors	11,372	16.7
Total subcontracting charges	68,189	100.0

For the nine months ended 31 March 2019

	Subcontracting charges for the period *RM'000*	% of the Group's total subcontracting charges for the period *%*
Subcontractor J	48,681	58.5
Subcontractor F	7,117	8.6
Subcontractor M	5,765	6.9
Subcontractor N	4,132	5.0
Subcontractor H	3,496	4.2
Five largest subcontractors in aggregate	69,191	83.2
All other subcontractors	14,009	16.8
Total subcontracting charges	83,200	100.0

The table below sets forth the background information of the Group's top subcontractors mentioned in the above tables:

Subcontractors	Services purchased	Location	Year(s) of business relationship
Subcontractor A	Fabrication works	Malaysia	3
Subcontractor B	Civil and structural works	Malaysia	2
Subcontractor C	Civil and structural works	Malaysia	3
Subcontractor D	Civil and structural works	Malaysia	4
Subcontractor E	Civil and structural works	Malaysia	2
Subcontractor F	Civil and structural works	Malaysia	1
Subcontractor G	Civil and structural works	Malaysia	2
Subcontractor H	Civil and structural works	Malaysia	2
Subcontractor I	Installation of roller shutter	Malaysia	2
Subcontractor J	Civil and structural works	Malaysia	1
Subcontractor K	Pilling works	Malaysia	1
Subcontractor L	Installation of electrical products	Malaysia	3
Subcontractor M	Civil and structural works	Malaysia	1
Subcontractor N	Road works	Malaysia	1

Subcontractor A is a private limited liability company and it primarily engages in civil engineering and construction works.

Subcontractor B is a private limited liability company and it primarily engages in excavation and engineering earthworks.

Subcontractor C is a private limited liability company and it primarily engages in wholesale of hardwares.

Subcontractor D is a sole-proprietor and it primarily engages in engineering and construction works.

Subcontractor E is a partnership and it primarily engages in manpower supply.

Subcontractor F is a private limited liability company and it primarily engages in civil construction works.

Subcontractor G is a partnership and it is a contractor primarily engages in building and construction works.

Subcontractor H is a private limited liability company and it primarily engages in construction works.

Subcontractor I is a subcontractor which primarily engages in manufacturing and sale of roller shutter and is a subsidiary of a company listed in Malaysia. The consolidated revenue of the listed group amounted to approximately RM64.3 million for the year ended 30 June 2018.

Subcontractor J is a private limited liability company and it primarily engages in building and construction services.

Subcontractor K is a private limited company and it primarily engages in construction and engineering works.

Subcontractor L is a private limited liability company and it primarily engages in sale and installation of electrical products.

Subcontractor M is a private limited liability company and it primarily engages in building and construction works.

Subcontractor N is a private limited company and it primarily engages in building and construction works.

None of the Directors, their respective close associates or any Shareholder (who or which, to the best knowledge of the Directors, owns more than 5% of the issued share capital of the Company as at the Latest Practicable Date) has any interest in any of the Group's five largest subcontractors during the Track Record Period. All of these five largest subcontractors are Independent Third Parties. During the Track Record Period and up to the Latest Practicable Date, the Group did not have any material dispute with the Group's subcontractors.

Basis of selecting subcontractors

The Group maintains an internal list of approved subcontractors which it reviews and updates on a periodical basis. The Group carefully evaluates the performance of its subcontractors and select subcontractors based on a range of factors such as their background, technical capability, equipment availability, experience, fee quotations, service quality, track records, timeliness of delivery and reputation. The Group reviews and updates its internal list of subcontractors according to its assessment of their performance on a continuous basis.

Key terms of subcontracting engagement

As the customers engage the Group on a project basis, the Group does not enter into any long-term contract with its subcontractors. The Group enters into a written agreement (generally with a term of engagement to be on a back-to-back basis to the contract with the Group's customer) with its subcontractor setting out the general terms of subcontracting arrangement. The following summarise the common key terms of engagement with the Group's subcontractors:

Scope of works and specifications	:	The scope and specifications of the works the Group subcontracts to its subcontractors.
Subcontracting charges	:	The amount of fee to be payable by the Group to the subcontractor for completing the scope of works in the subcontract.
Payment terms	:	In general, payment is settled once a month according to the value of works performed in the previous month.
Bills of quantities/ schedule of rates	:	Description of the type of work and the specification of the works together with the quantity and the unit price.
Defects liability period and retention money	:	A defects liability period is generally provided, if applicable, by the subcontractor after completion of its works during the period the subcontractor is required to make good of any defects identified. Depending on the subcontract works and negotiation with subcontractors, the Group may also withhold a retention of 5% to 10% from each interim payment. The release of the retention money to the subcontractors will be subject to the receipt of the corresponding payment from the customer.
Safety	:	The subcontractors shall be responsible for all safety measures as required by the Group, the main contractor and statutory requirements.
Due compliance	:	The subcontractors shall fully assume and ensure due compliance of all the obligations and duties expressly stated or implied in the main contract, laws and regulations and on behalf of the main contractor.
Insurance	:	Employees' compensation insurance, contractor's all risks and third party insurance are provided by the subcontractor.
Approval on purchase of materials	:	The subcontractors shall obtain approval from the Group before purchasing raw materials.

Control over subcontractors

In order to closely monitor the performance of the Group's subcontractors and to ensure that the subcontractors comply with the contractual requirements and the relevant laws and regulations, the Group requires its subcontractors to follow its internal control measures in relation to quality assurance, safety and environmental compliance. During the course of the project, the Group's project team regularly convenes meetings with its subcontractors and closely monitors their work progress and performance as well as their compliance with the relevant on-site safety environmental protection measures and the Group's quality standards. For further information about the Group's measures in relation to quality assurance, safety and environmental protection, please refer to the paragraphs headed "Quality management system", "Workplace safety" and "Environmental protection and compliance" in this section.

During the Track Record Period and up to the Latest Practicable Date, there were no material disputes between the Group and its customers regarding the quality of work performed by the Group and its subcontractors.

INVENTORIES

The Group does not maintain inventories during the Track Record Period as its direct materials are purchased and consumed immediately on a project-by-project basis.

MACHINERY

The Group relies on the use of different types of machinery for its projects. For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group acquired new site equipment in the amount of approximately RM3.2 million, RM2.7 million, RM3.6 million and RM4.9 million, respectively. As at 31 March 2019, the Group's plant and machinery, excavators, loader and motor vehicles carried a net book value of approximately RM10.4 million. The following are major types of machinery and motor vehicles used by the Group:

Machinery	**Function**
Air compressor	Force air into a chamber and compress the air to provide high-pressure air to power pneumatic tools, such as jackhammers
Crawler crane	To grab, chisel and lift during large diameter bored piling operation
Excavator	Consist of boom, arm, bucket and cab on an upper structure which could rotate. The upper structure sits atop an undercarriage with tracks or wheels
Tower crane	To provide a combination of height, distance and lifting capacity during construction of buildings
Roller compactor	To compact soil, gravel, concrete, or asphalt in the construction of roads and foundations

The Group adopts a straight-line depreciation policy on its machinery. For details of relevant accounting policies and estimates, please refer to note 4 to the Accountants' Report.

In general, the Directors consider that the optimal life of the Group's machinery during which it operates most efficiently is approximately the first three to five years after it comes into operation. After such period, the efficiency of the Group's machinery generally starts to deteriorate and the cost of maintenance gradually increases. As at the Latest Practicable Date, the Group had a total of 107 machinery and equipment with total useful life ranging from 3 to 20 years, the remaining useful life of the Group's machinery range from 0 to 8 years and approximately 35.5% of the machinery have no remaining useful life. The Directors currently have no intention to use the proceeds from the Listing to replace its current machinery with no remaining useful life as long as they are still usable. The Group engages third party service providers to repair and maintain its machinery. For the years end 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019, the Group's expenses in repairing and maintaining its machinery amounted to approximately RM0.5 million, RM0.9 million, RM0.7 million and RM0.9 million, respectively. During the Track Record Period and up to the Latest Practicable Date, the Group did not experience any material work interruption due to malfunction of its machinery.

As at the Latest Practicable Date, the Directors consider that the Group's existing machinery and motor vehicles were in working condition. The Group does not have a pre-determined or regular replacement cycle for its machinery and motor vehicles and replacement decisions are made on a case-by-case basis having regard to the operating condition of the individual units of machinery and motor vehicles.

Financing arrangements for the purchase of plant and equipment

During the Track Record Period, the Group purchased certain plant, machinery and motor vehicles from suppliers through finance lease arrangements with financial institutions. Since the terms of these finance leases transfer substantially all the risks and rewards of ownership of the plant, machinery and motor vehicles to the Group as the lessee, the relevant plant, machinery and motor vehicles was accounted for as the Group's assets under the category of plant and equipment.

For the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019, the effective interest rates ranged from approximately 2.28% to 4.26% per annum for the Group's finance leases. The Group had plant and equipment and motor vehicles under finance leases with net book value of approximately RM9.6 million as at 31 March 2019.

Service capacity and utility rate

Due to the nature of the Group's business and operations, it is not feasible and not practicable for the Group to quantify and disclose detailed service capacity and utilisation rate of its machinery for the following reasons:

(i) different projects require different types of machinery depending on their scope of work and it is therefore not feasible and meaningful to quantify the capacity of each piece of machinery by making reference to an objective and comparable scale or standard of measurement;

(ii) a typical civil and structural works project requires the use of different machinery at different stages, and machinery from time to time is left unused in active construction sites pending completion of other stages;

(iii) in addition to the Group's own machinery, it also leases machinery to and from Independent Third Parties, which cannot be taken into account in the typical calculation method of utilisation rate; and

(iv) the Group subcontracts parts of its works to subcontractors, some of which had their own fleet of machinery for performing the subcontracted works. It is impracticable for the Group to keep track of the subcontractors' machinery usage. If any of the Group's machinery is idle, the same type of machinery owned by its subcontractors may be in use in the Group's projects. Therefore, the calculation of utilisation rate may be misleading regarding the construction activities of the Group's projects.

In view of the above, it would be difficult and impracticable for the Group to define appropriate and accurate utilisation rate of machinery in general and to make a full account of the daily/hourly usage of each individual machinery. Nevertheless, for illustration purpose, the Directors considered that all of the Group's owned machinery is 100% utilised during the Track Record Period *(Note)*.

Note: The machinery is considered to be utilised when it is assigned to a specific project.

Lease of machinery

The Group as lessor

The machinery and motor vehicles are usually mobilised among the work sites of the projects. Occasionally, the machinery and motor vehicles are leased to other Independent Third Party customers and/or contractors. During the Track Record Period, the Group leased the machinery and motor vehicles to the customers and/or contractors if there is emergency need from other customers and/or contractors in the same work site. Prior to entering into any leasing arrangements, the Group will evaluate whether such arrangement would impede the Group's ability to complete the ongoing projects. The duration of the leasing period is usually relatively short and the motor vehicle and machinery leasing activities are conducted only if there is emergency request from customers and/or contractors for completion of works in the same working site. The rental charges are determined by duration of the lease and the rate of usage. For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group derived rental income of approximately RM81,000, RM183,000, RM180,000 and RM250,000, respectively. The Directors will continue to lease the machinery and motor vehicles to Independent Third Parties on the basis that the rental would not have a detrimental effect on or delay the project works.

The Group as lessee

From time to time, the Group may lease machinery and equipment from Independent Third Party lessors to provide it with flexibility to supplement its fleet of machinery. During the Track Record Period, the machinery that the Group rented from lessors including cranes, crane lorries, scissor lifts and excavators. For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group incurred machinery leasing expenses of approximately RM268,000, RM1.5 million, RM353,000 and RM2,492,000, respectively. With the possession of the Group's own machinery and motor vehicles, the Directors consider that the Group can reduce the reliance on its suppliers for machinery and motor vehicle rental services and expect that the benefits of reducing rental expenses would outweigh the depreciation and maintenance expenses of self-owned machinery and equipment.

AWARDS AND ACCREDITATION

The Group has received a number of awards or certificates during its operating history in recognition of its commitment and dedication in safety management and quality assurance. The table below sets out the major awards or certificates obtained by the Group:

Year of grant	Description	Awarding organisation/ Institution
2010	Certificate of Appreciation	Customer H
2013	Successfully Completed All Civil Underground Piping & Earthing Work With No Incidents	Shell Hijau, Malaysia
2014	500,000 Man-Hours Worked Without Lost Time Injury	Customer D
2016	Best Subcontractor for May 2016	Tecnicas Reunidas Malaysia Sdn. Bhd.
2016	Best Subcontractor Performance Award	Tecnicas Reunidas Malaysia Sdn. Bhd.
2017	Best Subcontractor in April 2017	Customer I
2017	Focused recognition for Zero Lost Time Injury and Progress Ahead of Schedule	Customer I
2017	Focused recognition for Meeting the Project Quality requirement	Customer I
2017	Best Quality Subcontractor Performance in June 2017 for RAPID Package 3 Project	Customer I
2017	Best Subcontractor	Tecnicas Reunidas Malaysia Sdn. Bhd.
2017	Focused recognition for Best Performer in RAPID Package 22 and Zero Lost Time Injury to date	Customer I

Year of grant	Description	Awarding organisation/ Institution
2017	Project Management engagement on Health, Safety, Security, & Environment and being committed to participate and cooperate in achieving the Project HSSE Objectives	Tecnicas Reunidas Malaysia Sdn. Bhd.

QUALITY MANAGEMENT SYSTEM

Quality management system

The Group endeavours to maintain a high standard of quality management, environmental management and occupational health and safety control during the course of project implementation. The Group has established an effective quality management system which, in the opinions of the Directors, will ensure the high quality of the Group's works, prevent the occurrence of industrial accidents and reduce construction risks, thereby enhancing its customers' confidence in its services and creating a positive corporate image. For some of the Group's customers and potential customers, compliance with workplace safety is one of the assessment criteria in the selection of construction service providers, and the Directors believe that a proven track record of compliance and an effective management system will increase the Group's chances in obtaining or successfully bidding for future contracts.

The Group's relevant project management team comprising its project manager, construction manager and quality manager is responsible for the quality control of the Group's works and services in each project. To ensure that its works can meet the required standards, the Group normally assigns a quality manager to station at each of the construction sites. Such quality manager is responsible for monitoring the quality of works carried out by the Group's workers and sub-contractors. The project managers are responsible for monitoring progress and quality of works and ensuring that the works are completed according to schedule. Furthermore, the Group's project management team communicates frequently with and reports to its project director and chief executive officer to ensure that the works (i) meet its customers' requirements; (ii) are completed within the time stipulated in the contract and the budget allocated for the project; and (iii) comply with all relevant laws and regulations applicable to the works.

Some of the quality control measures under the Group's quality management system include:

(i) ensuring sufficient planning prior to project implementation to ensure that quality standards and procedures are adhered to and that the works completed will be of satisfactory quality;

(ii) maintaining a list of approved suppliers and sub-contractors and only engaging those on this list for the Group's projects to ensure the quality of materials and services used. The Group also selects its suppliers and sub-contractors based on certain factors. Please refer to the paragraphs headed ''Suppliers'' and ''Subcontracting arrangements'' in this section above for further details;

(iii) establishing rules and procedures for inspection of incoming raw materials. In order to ensure that the raw materials meet the Group's project requirements, technical specifications and quality standards, the Group checks and inspects the raw materials based on the raw material requirements plan prepared by the project management team. Raw materials that are defective or do not meet the Group's requirements, specifications or standards will be returned to suppliers; and

(iv) maintaining records such as inspection and test records, submissions, approvals and certificates of completion.

WORKPLACE SAFETY

Safety management system

Maintaining the health and safety standard in work sites is one of the key focus of the project owners and/or EPCC contractors in the oil and gas industry in Malaysia. Since major customers of the Group are (i) mainly national oil and gas company, international conglomerates and EPCC contractors in oil and gas industry; and (ii) subject to disclosure of any material hazards, accidents or injuries in the work sites to the public, customers of the Group usually have strict health and safety measures to minimise any hazards, accidents or injuries in the work sites. Therefore, the Group has to comply with the strict health and safety standards set out by the project owners and/or EPCC contractors in the work sites. Besides, the future tender success rate of the Group could be adversely affected if the Group fails to meet the health and safety measure set out by customers. For further detail, please refer to section headed "Risk Factor — Risks relating to the Group's business" in this prospectus.

According to Frost & Sullivan, civil and structural works contractors in the oil and gas industry are generally required to execute and manage contracting activities in compliance with Health, Safety, Security and Environment (HSSE) regulations issued by local authorities, project owners, and even EPCC contractors. Workers in civil and structural works for oil and gas facilities are usually required to pass training programmes including Oil & Gas Safety Passport (OGSP) and Confined Space Safety (CSS). Further, some project owners and EPCC contractors will set HSSE requirements for civil and structural works contractors as prerequisites for bidding, in which case bidders of civil and structural works for oil and gas facilities must submit a specific Site HSSE Plan including HSSE evaluation documents, copies of the procedure to be used, organisation chart, safety records over the last five years, and etc.

The Group is also committed to providing a safe and healthy working environment for both its employees and the employees of its sub-contractors and the Group treats their safety as a matter of the highest priority. The Group's safety management system therefore involves not only identification of risks in different types of works to reduce the risk levels, but also provision of information, instruction and, training and supervision to these employees to enhance their awareness on hazards, safe practises and to improve emergency preparedness.

Based on the latest available public information from the website of Department of Occupational Safety and Health, Ministry of Human Resources, the following table sets out the occurrence of occupational accidents in the construction industry in Malaysia for the periods stated:

Occupational accidents in the construction industry in Malaysia

	Number of reported occupational accidents			
Category of occupational accidents	**January–December 2016**	**January–December 2017**	**January–December 2018**	**January–June 2019** *(Note)*
Death	106	111	118	33
Permanent disability	6	6	8	5
Non permanent disability	135	123	106	80

Source: Department of Occupational Safety and Health, Ministry of Human Resources

Note: The latest publicly available data is up to June 2019

The following table sets out the Group's lost time injuries frequency rate during the Track Record Period:

For the year ended 30 June 2016	0.6
For the year ended 30 June 2017	—
For the year ended 30 June 2018	—
For the nine months ended 31 March 2019	—

Lost time injuries[(1)]

The safety plan adopted and used during the Track Record Period sets out the Group's work safety measures to prevent common accidents which could happen at construction sites. The key issues of the Group's safety plan are set out below:

(i) safety policies, objectives and records are documented, maintained and displayed in the work sites and offices;

(ii) the safety officer will prepare a project safety plan at the commencement of the project. He will identify any risks and hazards relating to work activities and prescribe measures to mitigate the identified risks. The Group will establish a site safety committee comprising representatives from its employees and subcontractors to review the effectiveness of the project safety plan, analyse the potential accidents at the site, monitor safety issues at the site and look into the welfare of the workers. Monthly meetings will be held by the site safety committee to discuss safety issues;

Note:

(1) Lost time injuries frequency rate represents the number of lost time injuries (i.e. an occurrence that resulted in a fatality, permanent disability or time lost from work of more than four days) per one million man-hours worked. It is calculated as the number of lost time injuries during the financial year divided by the number of man-hours worked, then multiplied by 1,000,000.

(iii) special safety briefings for workers engaged in hazardous tasks, especially in relation to the use of personal protective equipment;

(iv) all personnel as well as the subcontractors and their workers are required to follow the general safety rules and the safety policies and measures adopted by the Group. They are required to receive site safety induction training before they commence working on site, and have to attend weekly tool box meetings with briefings on health and safety issues; and

(v) site inspections and visits are carried out by the CIDB Safety Health Assessment System In Construction (SHASSIC) and the Malaysian Occupational, Safety and Health Practitioner Association (MOSHPA) to ensure compliance with statutory provisions by all workers including subcontractors' employees.

During the Track Record Period and up to the Latest Practicable Date, the Group recorded one reportable accident involving one worker who was employed by the Group. The Group had taken out relevant employee's compensation insurance policies during the Track Record Period and up to the Latest Practicable Date. The following table sets out the nature of the reportable accidents recorded during the Track Record Period and up to the Latest Practicable Date:

Date of accident	**Details of the reportable accident and nature of injuries**	**Total amount settled** *RM* *(approximate)*	**Status as at the Latest Practicable Date**
29 July 2016	Rib and left scapular fracture	6,100	Settled

Save as disclosed above, the Group did not have any other material accidents involving its employees or its sub-contractors (including their employees) nor any fatalities in construction sites under its management and supervision during the Track Record Period and up to the Latest Practicable Date. To the best of the Directors' knowledge and belief, the Group has not suffered from any removal, suspension, downgrading or demotion of its qualifications or licences due to accidents or breaches of workplace safety regulations.

ENVIRONMENTAL PROTECTION AND COMPLIANCE

Compliance with environmental laws and regulations

The Group is aware of and is committed to its corporate responsibility to the society. The Group ensures that environmental compliance and protection measures are properly implemented for its projects.

Besides its own corporate responsibility, the Group is required to comply with the laws and regulations in relation to environmental protection in Malaysia, including the Environmental Quality Act 1974. For further details, please refer to the section headed "Laws and Regulations" in this prospectus. Possible breach of the aforesaid environmental laws and regulations may lead to a penalty or fine by the relevant government authorities or even termination of works. Given the Group's substantial experience in the industry and its established operation workflow which includes preliminary site visits by its staff to determine possible environmental compliance issues, the Group has been able to address such environmental compliance issues.

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

INSURANCE

The Group generally has insurance over employees' compensation working in its office and in the work sites of its construction projects. In relation to the Group's projects in Malaysia and in line with industry practice, when the Group serves as the main contractor, it will generally purchase workmen compensation insurance and contractor's all risks insurance for the entire project. To minimise the risks of under-insurance, the Group reviews its insurance policies on a regular basis to ensure that there is adequate coverage on its assets, employees and construction projects with the relevant insurance policies such as contractors' all risk insurance, fire insurance and workers' insurance in order to manage any losses which may arise for its project needs. The insurance policy generally covers the entire contract period, including the defects liability period following completion of the project. When the Group is engaged as a sub-contractor, it generally obtains insurance coverage from the main contractor.

The Directors believe that the Group's insurance coverage is sufficient and adequate and in line with the industry norm. However, there can be no assurance that all liabilities incurred will be sufficiently covered by insurance and as such, claims for damages arising from the Group's operations which are not adequately covered by its insurance coverage may have an adverse impact on the Group's financial condition or results of operations. Please refer to the section headed "Risk Factors — Risks relating to the Group's business" in this prospectus for further details. Notwithstanding the above, the Group did not experience any claim for damages arising from its operations which was not sufficiently covered by insurance during the Track Record Period.

COMPETITIVE LANDSCAPE

For the civil and structural works sector, the overall gross output value of works grew between 2014 and 2018, according to the Frost & Sullivan Report, and the growing trend is expected to continue and reach RM17.1 billion in 2023. Frost & Sullivan noted that the civil and structural works in the oil and gas industry in Malaysia is relatively concentrated, large EPCC contractors such as Sapura Energy Berhad, Dialog Group Berhad and Muhibbah Engineering Berhad are all listed companies. According to the Frost & Sullivan Report, contractors in Malaysia compete on several key factors, including the required licences and qualifications, capital investment, good relationships with customers and quality of works, details of which are set out in the section headed "Industry Overview — Competitive landscape of civil and structural works for oil and gas facilities market in Malaysia" in this prospectus.

The Directors are of the view that the Group has spent considerable efforts in maintaining its competitiveness. In respect of licences and qualifications, the Group has maintained the G7 licence issued by CIDB. The Directors believe that the Group's proven track record of more than 30 years of civil and structural works for oil and gas markets and high health, safety, security and environmental standards, as proven by the completion of a civil and structural project with over 500,000 man-hours without lost time injuries in 2014 and multiple safety awards awarded to the Group by one of the world's six largest publicly traded oil and gas companies from 2013 to 2016, gives the Group a competitive advantage over other general civil and structural engineering contractors. The Directors and project management team have placed emphasis on technical expertise and quality of works and consider that customer relationship is an important aspect of the Group's business. During the Track Record Period, some of the Group's major customers had engaged the Group for more than one project. During the Track Record Period, the Group's civil and structural works services were provided to both PIPC Project and non-PIPC Project. PIPC has five phases of projects located in different areas of Pengerang, Johor and each phase requires three different categories of works, namely (i) civil construction, (ii) construction of buildings, and (iii) mechanical and electrical engineering. The aforesaid three categories of works have similar gross profit margins. Among the three categories of works, the Group only undertakes civil construction and construction of buildings. To the best knowledge, information and belief of the Directors, projects within the PIPC project in these three categories all have similar gross profit margins, but may be affected by various factors, including but not limited to, complexity and time schedule of each individual projects.

During the Track Record Period, the Group had increased the size of its fleet of machinery and equipment and the number of vehicles, which, together with its abundance of experience in the civil and structural works in the oil and gas industry, will, the Directors believe, maintain the competitive position of the Group in Malaysia.

PROPERTIES

Owned properties

As at the Latest Practicable Date, the Group owned 19 parcels of land and buildings with aggregate area of over 166,000 sq.m. The following table summarises the information regarding the Group's owned properties as at the Latest Practicable Date:

Property	**Use of the property**	**Gross floor area** *(approximate, nearest sq.m.)*
Lot 333, Kampung Paya 71000 Port Dickson State of Negeri Sembilan Malaysia	Industrial, office and ancillary uses	3,250.2
Apartment Unit Classic 1, D7, Block D Sebana Cove, 81620 Pengerang District of Kota Tinggi State of Johor Malaysia	Management quarter	181
Apartment Unit Classic 1, E3A, Block E Sebana Cove, 81620 Pengerang Mukim Pengerang District of Kota Tinggi State of Johor Malaysia	Management quarter	130
Title No. GRN 509784, Lot 205181 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	Open storage use	5,277
Title No. GRN 509783, Lot 205180 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	Open storage use	2,710

Property	Use of the property	Gross floor area *(approximate, nearest sq.m.)*
Title No. GRN 509782, Lot 205179 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	Open storage use	2,070
Title No. GRN 509781, Lot 205178 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	Open storage use	2,044
No. 2, Jalan Sebana 1/6 Sebana Cove, 81600 Pengerang District of Kota Tinggi State of Johor Malaysia	Vacant	1,323.2
Title No. GRN 62945 for Lot 159 Town of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	Clear site	3,012
Title No. GRN 62945 for Lot 159 Town of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	Clear site	1,795
Title No. GM 1964, Lot No. 12282 Mukim Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	Vacant	6,985
Lot 1183, Geran 63806 Pekan Port Dickson Daerah Port Dickson State of Negeri Sembilan Malaysia	Vacant	8,094
Title No. GRN 238131, Lot No. 13324 Pekan Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	Vacant	8,288
No. 1, Jalan Siakap 3, Taman Pasir Putih, 81700 Pasir Gudang, Mukim of Plentong District of Johor Bahru State of Johor Malaysia	Vacant	807.33
No. E-33–3A, Dataran 3 Two Square No. 2, Jalan 19/1, 46300 Pertaling Jaya District of Petaling State of Selangor Malaysia	Vacant	250

Property	Use of the property	Gross floor area *(approximate, nearest sq.m.)*
Title No. PN 42976, Lot No. 5713 (formerly HSD 107784, Lot No. PT 181) Pekan Panchor District of Seremban State of Negeri Sembilan Malaysia	Vacant	4,292
Title No. GM 1475, Lot No. 9270 Mukim Si Rusa District of Port Dickson State of Negeri Sembilan Malaysia	Partially vacant and partially occupied for residential use	14,240
Title No. GRN 21093, Lot No. 4769 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan[(1)]	Vacant	42,770
Title No. GRN 21092, Lot No. 4768 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan[(1)]	Vacant	58,770

Note:

(1) These are Distributed Lands and were distributed to the Controlling Shareholders in the form of distribution-in-specie on 19 July 2019.

The Distributed Lands were declared as payment of dividend to the shareholders of TBK, please refer to the section headed "Financial Information — Dividend policy" in this prospectus for further details. For further detail of the remaining self-owned properties of the Group, please refer to property valuation report set out in Appendix IV in this prospectus.

INTELLECTUAL PROPERTIES

As at the Latest Practicable Date, the Group has applied one trademark in Malaysia and registered one trademark in Hong Kong and has registered one domain name in Malaysia.

Information relating to the Group's intellectual property rights is set out in the section headed "Statutory and General Information — Further information about the business of the Group" of Appendix VI in this prospectus. As at the Latest Practicable Date, (i) the Group was not aware of any dispute or infringements by the Group of any intellectual property rights owned by third parties, and (ii) the Group was not aware of any dispute or pending or threatened claims against the Group in relation to material infringement of any intellectual property rights of third parties.

LICENCES, PERMITS AND REGISTRATION

As advised by the Malaysian Legal Advisers, save for those listed hereunder, there are no further licences, permits or approvals required to be obtained for the Group to carry on its business as a contractor undertaking civil and structural works projects and the Group had obtained all relevant licences, permits and approvals.

The following table summarises details of registrations held by the Group members as at the Latest Practicable Date:

Licence/certification	Granting authority	Holder	Work scope permitted	Date of grant	Expiry date
Licence for trade, business, industry and other professions for the business address located at Lot 333, Kampung Paya, Bandar PD, Batu 2–3, Jalan Seremban, 71000 Port Dickson, Negeri Sembilan	Port Dickson Municipal Council	TBK	The use of the designated premise to carry out or engage in business activities	23 January 2019	31 December 2019
Certificate of Registration as Contractor Registration No.: 1961114-NS014951	Construction Industry Development Board, Malaysia	TBK	**Grade G7, Category B**(Note 1) B04: Construction work on buildings B26: Demolition **Grade G7, Category CE**(Note 1) CE1: Road and pavement construction CE21: Civil engineering construction CE24: Tower structure CE34: Precast concrete installation CE36: Earthwork **Grade G7, Category ME**(Note 1) M15: Miscellaneous mechanical equipment	20 February 2018	31 March 2021

Note 1: As at the Latest Practicable Date, the Group has five staff who meets the Grade G7 technical personnel requirements. For further detail of the Grade G7 technical personnel requirements, please refer to the section headed "Regulatory Overview — Laws and regulations relating to the Group's business in Malaysia". The Directors are of the view that there are sufficient candidates available in the Group to fulfill the Grade G7 technical personnel requirements. Therefore, departures of any of the five staff would not have a material adverse impact on the Group's license and operations.

Licence/certification	Granting authority	Holder	Work scope permitted	Date of grant	Expiry date
Temporary Building Permit Reference No: MPPD 436/122/ 2018/04	Port Dickson District Council	TBK	The occupation and use of temporary buildings in the form of 6 units of car porch, 2 units of shelter, 1 unit of office, 1 unit of guard house, 2 units of store room, 1 unit of container (office), 1 unit of living quarters, 7 units of toilet existing on Lot 14471 GM 2554 Daerah Port Dickson Negeri Sembilan Darul Khusus	24 October 2018	31 December 2019

Licence/certification	Granting authority	Holder	Work scope permitted	Date of grant	Expiry date
Certificate of Fitness for Machinery (Hoisting Machine) Registration No.: SL PMA 45155	Inspector of Factories and Machinery	TBK	The use of the Rough Terrain Crane with the following details: Engine No.: 6M60-210524 Chasis No.: GR-500EXL-541424 JPJ Registration No.: TBT 5515 Withstandable Load: 51000 kilograms Manufacturer: 320 — Tadano Ltd. Manufacturer's No.: 541424 Power: 200 kilowatts Location: Punj Lloyd Sdn Bhd (JH/14/03/6680) Pengerang, Kota Tinggi, Johor. 81900 Kota Tinggi Johor	1 November 2018	28 January 2020
Certificate of Fitness for Machinery (Hoisting Machine) Registration No.: WP PMA 18250	Inspector of Factories and Machinery	TBK	The use of the Mobile Crane with the following details: Engine No.: 402.901–504–893441 Chasis No.: W09309448TZM10147 JPJ Registration No.: BMF 8851 Withstandable Load: 80000 kilograms Manufacturer: Demag Mannesmann Manufacturer's No.: W09309448TZM10147 Power: 165 kilowatts Location: Punj Lloyd Sdn Bhd (JH/14/03/6680) Pengerang, Kota Tinggi, Johor. 81900 Kota Tinggi Johor	1 November 2018	28 January 2020

Licence/certification	Granting authority	Holder	Work scope permitted	Date of grant	Expiry date
Certificate of Fitness for Machinery (Hoisting Machine) Registration No.: PK PMA 3111	Inspector of Factories and Machinery	TBK	The use of the Mobile Crane with the following details: Engine No.: 6D22-232549 Chasis No.: KR451-1040 JPJ Registration No.: BLB 8058 Withstandable Load: 45000 kilograms Manufacturer: Kato Iron Manufacturer's No.: KR451 Power: 145 kilowatts Location: Punj Lloyd Sdn Bhd (JH/14/03/6680) Pengerang, Kota Tinggi, Johor. 81900 Kota Tinggi Johor	1 November 2018	24 December 2019
Certificate of Fitness for Machinery (Hoisting Machine) Registration No.: NS PMA 1243	Inspector of Factories and Machinery	TBK	The use of the Kato Mobile Crane with the following details: Engine No. 6D16: 628635 Chasis No.: KR253-1835 JPJ Registration No.: BJS 3491 Withstandable Load: 25000 kilograms Manufacturer: Kato Manufacturer's No.: KR253-1835 Power: 200 kilowatts Location: Tan Bock Kwee & Sons Sdn. Bhd. (NSB1945) Lot 333, Kampong Paya, 71000 Port Dickson Negeri Sembilan	19 November 2018	15 February 2020
Certificate of Registration as Contractor Registration No.: 1961227-SL020528	Construction Industry Development Board, Malaysia	PS	**Grade G5, Category B** B04: Piling **Grade G5, Category CE** CE21: Civil engineering construction **Grade G5, Category ME** ME15: Miscellaneous mechanical equipment	6 April 2018	26 March 2020

Licence/certification	Granting authority	Holder	Work scope permitted	Date of grant	Expiry date
Certificate of Fitness for Machinery (Hoisting Machine) Registration No.: NS PMA 1377	Inspector of Factories and Machinery	PS	The use of the Kobelco Rough Terrain Crane with the following details: Engine No.: 6D16-509540 Chasis No.: R252-1041 JPJ Registration No.: JKX9275 Withstandable Load: 25000 kilograms Manufacturer: Kobelco Kobe Steel, Ltd. Manufacturer's No.: R252-1041 Power: 7545 kilowatts Location: Prestasi Senadi Sdn Bhd (NS/06/22/1140) Lot 333, Kampung Paya Batu 2, Jln Seremban, 71000 Port Dickson Negeri Sembilan	24 September 2018	20 November 2019

Except as discussed in the paragraph headed "Legal and Regulatory Compliance" in this section, the Directors have confirmed that the Group has obtained all material licenses, permits and approvals for the carrying out of its business activities during the Track Record Period up to the Latest Practicable Date.

RESEARCH AND DEVELOPMENT

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

EMPLOYEES, MANAGEMENT AND STAFF TRAINING

As at 30 June 2016 and 31 March 2019, the Group had 213 and 460 employees, respectively. During the Track Record Period, the net increase in the number of employees was 247. As at the Latest Practicable Date, the Group had 448 employees who were directly employed by the Group. A breakdown of the Group's employees by function as at the dates as indicated is set out below:

	As at the Latest Practicable Date
Directors	2
Project management	40
Quantity surveying	1
Engineering	7
Safety	19
Accounting and administration	38
Site working	341
Total	448

The Group generally recruits its staff from the open market through placing recruitment advertisements or websites. The Directors believe that the relationship and co-operation between the Group's management and employees have been good and the Directors expect that such relationship and co-operation will stay amicable going forward. There has not been any incident of strike or labour shortage or material labour dispute during the Track Record Period which adversely affected the Group's operations.

The Group's employees are invaluable assets of the Group and it is dedicated to managing human capital. The Directors believe that continuous staff training and development will not only improve the Group's staff's performance, but will also enhance loyalty and staff morale. For its new recruits, the Group offers induction training courses which cover practical and technical aspects of their works, together with its corporate culture and core value.

The Group also provides ongoing training programmes for its employees and provide subsidies to staff for recognised courses. The Group's workers are also provided with training on workplace safety and in other job related areas to facilitate them to maintain their qualifications on site. The Directors believe that these measures will also serve as a means to retain quality staff.

Remuneration package the Group's offer to its staff includes basic salary, discretionary bonuses and allowance. The Directors review the performance of the Group's employees on a periodical basis in order to determine salary adjustment and promotions and keep the Group's remuneration package competitive.

The Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, the Group had no material non-compliance with all the applicable employment laws, rules and regulations in Malaysia.

LITIGATION, ARBITRATION AND POTENTIAL CLAIMS

During the Track Record Period and up to the Latest Practicable Date, the Directors are not aware of any litigation, arbitration or claim of material importance against any member of the Group and no litigation, arbitration or claims of material importance is known to the Group to be pending or threatened against any member of the Group.

Save as disclosed in the paragraph headed "Workplace Safety" in this section, as at the Latest Practicable Date, the Group did not record any accident which may lead to potential employee's compensation and personal injury claims whereby a claim has not yet been filed or settled.

The Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, the Group was not subject to any actual or threatened claims and neither the Group nor its Directors, shareholders, or company secretary was engaged in any litigation or arbitration proceedings of any material importance in Malaysia, whether in the form of winding up, bankruptcy or otherwise.

LEGAL AND REGULATORY COMPLIANCE

The Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, there was no non-compliance incident which constitute material impact non-compliance or systemic non-compliance and the Group has obtained all the approvals, permits, consents, licences and registrations required for its business and operations in Malaysia and all of them are valid and subsisting.

INTERNAL CONTROL

The Group has adopted or will adopt the following corporate governance and internal control measures to monitor the ongoing implementation of its risk management policies and corporate governance measures after Listing. The Directors believe that the Group's internal control system is sufficient in terms of comprehensiveness, practicability and effectiveness. The Group will refine and enhance its internal control systems to respond to any new requirements of its operations as appropriate. To strengthen the Group's internal control and ensure future compliance with the applicable laws and regulations (including the Listing Rules) after the Listing, it has adopted the following additional internal control measures:

(i) the Group will establish an audit committee prior to the Listing, which will establish formal arrangements to apply financial reporting and internal control principles in accounting and financial matters to ensure compliance with the Listing Rules and all relevant laws and regulations;

(ii) the Group's internal control measures, policies and procedures which were codified, adopted and implemented by it, have been updated and revised;

(iii) subject to recommendation from the Group's audit committee, it will appoint an external internal control adviser to perform periodic review of its internal control system to evaluate the effectiveness and formulate plans and recommendations for improvement of its internal control measures and policies;

(iv) the Group will appoint its executive Director, Mr. HP Tan, as compliance officer. He will be responsible for, among other things, the oversight of compliance of applicable laws and regulations;

(v) the Group has appointed Red Sun Capital Limited as its compliance adviser upon the Listing to provide advice to its Directors and management team in respect of matters relating to the Listing Rules; and

(vi) each of the Directors has received and reviewed a training memorandum prepared by the Group's Hong Kong legal advisers and attended a training session conducted by its Hong Kong legal advisers in relation to responsibilities and duties of directors of a listed company in Hong Kong.

RISK MANAGEMENT

The Directors confirmed that during the ordinary course of the Group's business, the Group is exposed to various types of risks, including (i) control risks relating to the overall monitoring system; (ii) regulatory risks in relation to the Group's business; and (iii) operational risk. For further details, please refer to the section headed "Risk Factors" in this prospectus.

The Group has designed and implemented risk management policies to address these potential risks identified in relation to the Group's business. The Group's risk management system sets out procedures to identify, analyse, assess, mitigate and monitor any potential risks. The executive Directors are responsible for overseeing the overall risk management system and each department carries out their own risk management identification exercise and proposes risk response plan according to the overall risk assessment program. Each department of the Group is required to set up appropriate risk management strategies based on the risk identified and their proposed risk response plan and is responsible for the implementation and supervision. For material deficiency or risks identified, the relevant department should report the situation to the Board for further investigation, internal control review and enhancement and supervision.

CONTROLLING SHAREHOLDERS

Immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), 60% of the issued share capital of the Company will be owned by TBKS International, which is a company wholly-owned by Mr. HT Tan and Mr. HP Tan as to 70% and 30% respectively. In this regard, TBKS International, Mr. HT Tan and Mr. HP Tan are the Controlling Shareholders of the Company within the meaning of the Listing Rules. For the background of Mr. HT Tan and Mr. HP Tan, please refer to section headed "Directors and senior management" of this prospectus.

Save as disclosed above, there is no other person who will, immediately following the completion of the Share Offer and Capitalisation Issue (without taking into account the allotment and issue of Shares upon the exercise of options to be granted under the Share Option Scheme), be directly or indirectly interested in 30% or more of the Shares then in issue or have a direct or indirect equity interest in any member of the Group representing 30% or more of the equity in such entity.

RULE 8.10 OF THE LISTING RULES

The Controlling Shareholders and Directors confirmed that they do not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the Group's business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM THE CONTROLLING SHAREHOLDERS

Having considered the following factors, the Directors consider that the Group is capable of carrying on its business independently from the Controlling Shareholders and their respective close associates (other than the members of the Group) upon the Listing.

Financial independence

The Group is financially independent of the Controlling Shareholders and their respective close associates. The Group has sufficient capital and is able to independently obtain banking facilities to operate its business independently, and has adequate resources to support its daily operations. In addition, the Group has an independent financial system and makes financial decisions according to its own business needs. All guarantees provided by the Controlling Shareholders or companies controlled by them on the Group's borrowings will be fully released and replaced by corporate guarantees to be provided by the Company upon Listing. All amount due to Directors will be fully settled before Listing. Based on the above, the Directors are satisfied that the Group is able to maintain financial independence from the Controlling Shareholders and their respective close associates.

Operational independence

The Group has sufficient operational capacity in terms of capital, facilities, premises and employees to operate its business independently. The Group also has independent access to suppliers and customers.

The Group has established its own organisational structure made up of individual departments, each with specific areas of responsibilities. The Group had not shared any operational resources, such as office premises, sales and marketing and general administration resources with the Controlling Shareholders and their close associates during the Track Record Period. The Group has also established a set of internal controls procedures to facilitate the effective operation of its business. The Group also has its own capabilities and personnel to perform all essential administrative functions, including financial and accounting management, invoicing and billing, human resources and information technology.

The Group's customers and suppliers are all independent from the Controlling Shareholders. The Group does not rely on the Controlling Shareholders or their close associates and have independent access to its suppliers for the provision of services and materials.

Based on the above, the Directors are satisfied that the Group has been operating independently from the Controlling Shareholders during the Track Record Period and will continue to operate independently.

Management independence

Although the Controlling Shareholders will maintain controlling interests in the Company upon completion of the Share Offer and the Capitalisation Issue, the day-to-day management and operations of the Group will be the responsibility of all the executive Directors and senior management of the Company. The Board has six Directors comprising two executive Directors, one non-executive Director and three independent non-executive Directors.

The Board and senior management operate as a matter of fact independently of the Controlling Shareholders and they are in a position to fully discharge their duties to the Shareholders as a whole after the Listing without reference to the Controlling Shareholders.

Each of the Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit of and in the best interests of the Company and does not allow any conflict between his/her duties as a Director and his/her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective close associates, the interested Director(s) will abstain from voting at the relevant Board meetings of the Company in respect of such transactions and will not be counted in the quorum. In the circumstances where all the executive Directors are required to abstain from voting on board resolutions due to potential conflict of interest, it will fall to the independent non-executive Directors to exercise their business judgement to make decision as the Board. Given the experience of the independent non-executive Directors, details of which are set out in the section headed "Directors and senior management" of this prospectus, the Directors believe that the remaining Board can still function properly in the event that all the executive Directors are required to abstain from voting. The Group has also employed other senior management members who have the experience and calibre to conduct the Group's business.

Having considered the above factors, the Directors are satisfied that they are able to perform their roles in the Company independently, and the Directors are of the view that the Company is capable of managing the Group's business independently from the Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

The Company will adopt the following measures to strengthen its corporate governance practice and to safeguard the interests of the Shareholders:

(a) the Company has appointed Red Sun Capital as its compliance adviser to advise on compliance matters in accordance with the Listing Rules;

(b) the independent non-executive Directors may appoint an independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to connected transaction(s) at the cost of the Company; and

(c) in the event that there is any potential conflict of interests relating to the business of the Group between the Group and the Controlling Shareholders, the interested Directors, or as the case may be, the Controlling Shareholders would, according to the Articles or the Listing Rules, be required to declare his interests and, where required, abstain from participating in the relevant Board meeting or general meeting and voting on the transaction and not count as quorum where required.

OVERVIEW

The Board of Directors consists of two executive Directors, one non-executive Director and three independent non-executive Directors. The senior management team consists of four individuals (excluding the executive Directors). The following table sets out information concerning the Directors and senior management:

Directors

Name	Age	Date of joining the Group	Present position within the Group	Date of appointment as a Director	Roles and responsibilities	Relationship with other Director(s)/ senior management (other than that through or relating to the Group)
Executive Directors						
Mr. HT Tan	63	1 September 1975	Chairman and executive Director	8 November 2018	Overseeing and managing projects of the Group	Brother to Mr. HP Tan
Mr. HP Tan	53	1 March 1996	Executive Director and chief executive officer	8 November 2018	Overall strategic planning, management, operation and business development of the Group	Brother to Mr. HT Tan
Non-executive Director						
Ms. Chooi Pey Nee (徐佩妮)	51	24 January 2019	Non-executive Director	24 January 2019	Formulating corporate and business strategies, and supervising and providing advice to the Board	Nil
Independent non-executive Directors						
Mr. Tan Chade Phang (Chen Yifan)	43	5 September 2019	Independent non-executive Director	5 September 2019	Providing independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct	Nil

Name	Age	Date of joining the Group	Present position within the Group	Date of appointment as a Director	Roles and responsibilities	Relationship with other Director(s)/ senior management (other than that through or relating to the Group)
Mr. Ng Chiou Gee Willy	49	5 September 2019	Independent non-executive Director	5 September 2019	Providing independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct	Nil
Mr. Chu Hoe Tin (朱浩天)	36	5 September 2019	Independent non-executive Director	5 September 2019	Providing independent judgement to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conduct	Nil

Senior Management

Name	Age	Date of joining the Group	Present position within the Group	Roles and responsibilities	Relationship with other Director(s)/ senior management (other than that through or relating to the Group)
Mr. Sim Thean Wah	53	1 May 2018	Chief financial officer	Overseeing the financial management and administration of the Group	Nil
Mr. Low Yik Son	42	1 July 1998	Head of contract, tender & procurement	Overseeing the tendering and procurement operations and managing the contracts of the Group	Nil
Mr. Tan Yeong Li	35	1 October 2004	Head of logistics & fixed assets	Overseeing the logistics, equipment and fixed assets of the Group	Son of Mr. HT Tan
Mr. Surendran Tanchontuan	34	18 December 2004	Project manager	Overseeing the operations and delivery of projects of the Group	Nil

DIRECTORS

Executive Directors

Mr. Tan Hun Tiong, aged 63, joined the Group in September 1975. He was appointed as a Director on 8 November 2018 and re-designated as the chairman and an executive Director of the Company on 29 January 2019. He is responsible for the overall management of the Group and overseeing and managing the projects of the Group including monitoring the works and progress of site developments as well as the site management and liaison with subcontractors in all site related matters.

Mr. HT Tan has accumulated over 43 years' experience in the civil construction industry since he joined the Group as project superintendent in 1975. He was appointed as a director of TBK in July 1981 and Prestasi Senadi in December 1994 and finally promoted to be the project director of the Group in 1997.

Mr. HT Tan completed his secondary education to form five in Malaysia in 1973.

Mr. HT Tan was previously a director/partner of the companies shown in the table below which were struck off, dissolved or expired due to cessation of business:

Name of company	Place of incorporation/ registration	Nature of business	Date of cessation of being a director/ partner	Status date	Status
D'lifestyle Design Sdn Bhd	Malaysia	Dormant	13 November 2018	13 November 2018	Dissolved
Rank Projects Sdn Bhd	Malaysia	Property development	18 August 2010	18 August 2010	Dissolved
Vibrant Returns Sdn Bhd	Malaysia	Trading of sand	14 October 2011	14 October 2011	Dissolved
Jelai Teguh Enterprise	Malaysia	General, electrical, mechanical, laboratory, furniture contractor	12 October 2007	12 October 2007	Expired

Mr. Tan Han Peng, aged 53, joined the Group in March 1996. He was appointed as a Director on 8 November 2018 and re-designated as an executive Director and the chief executive officer of the Company on 29 January 2019. He is mainly responsible for the overall strategic planning, management, operation and business development of the Group and oversees day-to-day aspects of its operations including finance, contracts and logistics operations and implements strategies that aim to achieve the Group's missions.

Mr. HP Tan has accumulated approximately 23 years' experience in the civil construction industry since he joined the Group as project manager in 1996. He was appointed as a director of TBK in April 1997 and Prestasi Senadi in June 1997 and promoted to be the managing director of the Group in April 1997. Prior to joining the Group, Mr. HP Tan worked as a programmer with Arthur Andersen Sdn. Bhd. from 1989 to 1990. From 1990 to 1992, he worked as a system analyst with Andersen Consulting Sdn. Bhd. Since 1992, he has run a housing development company in Malaysia.

Mr. HP Tan obtained a Bachelor of Science degree from the University of Wisconsin Green Bay, United States of America, in May 1988.

Mr. HP Tan was previously a director/partner of the companies shown in the table below which were struck off, dissolved or expired due to cessation of business:

Name of company	Place of incorporation/ registration	Nature of business	Date of cessation of being a director/ partner	Status date	Status
Rank Projects Sdn Bhd	Malaysia	Property development	18 August 2010	18 August 2010	Dissolved
Vibrant Returns Sdn Bhd	Malaysia	Trading of sand	14 October 2011	14 October 2011	Dissolved
Wenzhou Jilong Tyre Sdn Bhd	Malaysia	Investment	26 December 2006	26 December 2006	Dissolved
Millennia Technologies Sdn Bhd	Malaysia	Dormant	23 October 2017	23 October 2017	Dissolved
Tanjung Kelana Sdn Bhd	Malaysia	Investment	26 December 2006	26 December 2006	Dissolved
Beauty Focus	Malaysia	Help center	12 June 2018	12 June 2018	Expired

Non-executive Director

Ms. Chooi Pey Nee (徐佩妮), aged 51, was appointed as a Director on 24 January 2019 and was re-designated as a non-executive Director on 29 January 2019. Ms. Chooi has over 20 years of professional experience in audit, dealing in securities, operations of fund management companies and compliance.

Ms. Chooi joined Soochow Securities CSSD (Singapore) Pte. Ltd. in July 2017 and currently holds the position of Vice President, Compliance, Risk Management & Admin. Since June 2017, she has been appointed as an independent non-executive director of GT Steel Construction Group Limited, a company listed in GEM of the Stock Exchange (Stock code: 8402).

Ms. Chooi graduated from the University of Malaya, Malaysia with a degree of Bachelor of Accounting in July 1993. Her relevant professional experience are as follows: from 1993 to 2003, Ms. Chooi worked as an auditor at Price Waterhouse and worked in various firms such as Halim Securities Sdn Bhd, Pengkalan Securities Sdn Bhd and AM Securities Sdn Bhd in Malaysia where she gained exposure and experience in brokerage, analysis, portfolio management, equity research and investment analysis, etc.; from August 2011 to March 2015, she worked at ISR Capital Limited (formerly known as Asiasons WFG Financial Ltd.) and her last held the position of head of compliance; from March 2015 to December 2015, she worked as the chief operating officer at Kingsbridge Capital Pte Ltd. (formerly known as Infiniti Asset Management Pte. Ltd.); and from July 2016 to June 2017, she worked at Four Seasons Asia Investment Pte. Ltd. and her last held position was vice president of compliance and internal audit.

Independent non-executive Directors

Mr. Tan Chade Phang (Chen Yifan), aged 43, was appointed as an independent non-executive Director on 5 September 2019. Mr. Tan has over 15 years of professional experience in finance and business analysis. He has been the CEO of Voyage Research Pte Ltd (formerly known as SIAS Research Pte Ltd) since January 2009 and is currently the president of Small and Middle Capitalization Company Association in Singapore since November 2015.

From August 2005 to December 2006, Mr. Tan was the lead investment analyst at SIAS Research Pte Ltd. From January 2007 to December 2008, he was an investment analyst with Standard Chartered Bank in Singapore. He has also been appointed as an independent director of Starland Holdings Limited, a company listed on the Singapore Exchange, since February 2016; an independent director of Dapai International Holdings Co., Ltd., a company formerly listed on the Singapore Exchange, from March 2016 to July 2018; and the lead independent director of OUE Lippo Healthcare Ltd, a company listed on the Singapore Exchange, since January 2017. From May 2017 to February 2018, Mr. Tan was an independent director of Transcorp Holdings Limited, a company listed on the Singapore Exchange.

Mr. Tan graduated with a Bachelor of Business in Accountancy Degree from RMIT University in 2000 and obtained a Master of Finance from the same university in 2002.

Mr. Tan was previously a director/alternate director of the companies shown in the table below which were struck off due to cessation of business:

Name of company	**Place of incorporation/ registration**	**Nature of business**	**Date of cessation of being a director/alternate director**	**Status date**	**Status**
An Le Management Pte. Ltd.	Singapore	Management consultancy services	29 April 2008	15 April 2009	Struck off
Bodhi Tree Network Pte. Ltd.	Singapore	Event/concert organisers	4 September 2018	4 September 2018	Struck off
JX Domu Pte. Ltd.	Singapore	Management consultancy services	5 September 2008	5 September 2008	Struck off
Oaktree Associates Pte. Ltd.	Singapore	Management consultancy services	27 October 2006	27 October 2006	Struck off
Palace Management Pte. Ltd	Singapore	Management consultancy services	4 August 2007	4 August 2007	Struck off

Further, prior to his appointment as the lead independent director of OUE Lippo Healthcare Ltd in January 2017, a receiver was appointed over charged shares of certain subsidiaries of that company in 2016, the proceedings in relation to which are ongoing. Mr. Tan is not concerned or related in any way to the appointment of the receiver relating to that company.

Mr. Ng Chiou Gee Willy, aged 49, was appointed as an independent non-executive Director on 5 September 2019. Mr. Ng has approximately 25 years of professional experience in audit, finance, accounting and taxation. Between January 1994 to September 2005, he has worked in different international accounting firms such as Moore Stephens in Singapore and KPMG in Beijing, China. He re-joined Moore Stephens in Singapore in October 2005 and is currently an audit partner, a position he has held since January 2008.

Mr. Ng completed his education in Singapore and obtained his professional accountancy qualification from the Association of Chartered Certified Accountants (ACCA) in 1997 and was admitted as a member of ACCA in September 1997. Mr. Ng was also admitted as a practicing member of the Institute of Certified Public Accountants of Singapore, now known as the Institute of Singapore Chartered Accountants (ISCA), in October 2007 and was admitted as a Chartered Accountant of Singapore of ISCA in July 2013.

Mr. Chu Hoe Tin (朱浩天), aged 36, was appointed as an independent non-executive Director on 5 September 2019. He has over 13 years of professional experience in accounting, audit and taxation. Mr. Chu has been the company secretary of SRE Group Limited, a company listed on the Stock Exchange (stock code: 1207), since July 2019.

From September 2006 to July 2013, Mr. Chu worked at an audit firm B.T. Wong & Co where his last position was audit senior. From August 2013 to February 2016, he was a senior accountant at Long Tai Hong (Holding) Limited. From February 2016 to July 2019, he was an accounting manager at China Minsheng DIT Group Limited, a company listed on the Stock Exchange (stock code: 726).

Mr. Chu has been a member of the Hong Kong Institute of Certified Public Accountants and the Hong Kong Institute of Chartered Secretaries since 2013 and 2019 respectively. Mr. Chu graduated with a Bachelor of Arts (Hons) in Accounting from Napier University, United Kingdom in January 2007 and obtained the degree of Master of Corporate Governance by The Open University of Hong Kong in November 2018.

Disclosure under Rule 13.51(2) of the Listing Rules

Except as disclosed in this section above, each of the Directors and senior management are independent from and not related to any of the other Directors or senior management and has confirmed that (i) save as disclosed in this section above, he/she has not held directorships in the last three years in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas as at the Latest Practicable Date; and (ii) save as disclosed in the paragraph headed "Further information about the Directors and substantial Shareholders" in Appendix VI to this prospectus, he/she does not have any interest in the Shares within the meaning of Part XV of the SFO as at the Latest Practicable Date.

None of the Directors have any interests in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with business of the Group. Please refer to the paragraph headed "Further information about the Directors and substantial Shareholders" in Appendix VI to this prospectus for further information about the Directors, including details of the interest of the Directors in the Shares and underlying Shares of the Company (within the meaning of Part XV of the SFO) and particular of their service contract and remuneration.

Except as disclosed in this section above, each of the Directors has confirmed that there are no other matters relating to his/her appointment as a Director that need to be brought to the attention of the Shareholders and there is no information which is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules.

SENIOR MANAGEMENT

Mr. Sim Thean Wah, aged 53, is the chief financial officer of the Group. He joined the Group in May 2018. He is primarily responsible for overseeing and managing financial management and administration of the Group including developing trends and projections for the Group's finances and assisting in the preparation of the Group's budget and liaising with auditors to ensure that appropriate monitoring of the Group's finance is maintained.

Mr. Sim has over 25 years of experience in accounting, financial advisory and financial management. From October 1990 to March 2005, he worked at PricewaterhouseCoopers Advisory Services Sdn. Bhd. and his last position was managing consultant. From November 2008 to May 2009, he worked as director of finance at Asia Neuro & Cardiac Centre. Mr. Sim was appointed as an independent non-executive director of Mangotone Berhad from August 2009 to October 2010 and an independent non-executive director of Cubic Electronics Sdn. Bhd. from September 2009 to June 2010. He had been a director of Dulang Ekuiti Sdn. Bhd. from February 2013 to December 2014. From January 2011 to December 2015, he was also appointed an independent non-executive director and the chairman of the audit committee of Advance Information Marketing Berhad, a company listed on Bursa Malaysia (stock code: 0122) and he was re-designated as an executive director in December 2015 and held that position until November 2017.

Mr. Sim obtained a Bachelor of Commerce degree from the University of Queensland, Australia in December 1988 and is a member of the Malaysian Institute of Accountants since 2001.

Mr. Low Yik Son, aged 42, is the head of contract, tender and procurement of the Group. Mr. Low began his career when he joined the Group as a surveyor and site supervisor in 1998 and has since accumulated approximately 20 years of experience in the construction industry. He rose through the ranks and was promoted as assistant project manager in 2004 and later promoted as head of contract, tender and procurement in 2017. Mr. Low currently oversees all aspects of the operations of the contract, tender and procurement division including cost estimation, budget calculation and negotiation of contracts. Mr. Low is responsible for managing the Group's day-to-day purchasing activities in order to lower the costs of doing business and briefing contracts and technical information to employees.

Mr. Low obtained a Certificate in Technology (Architecture) from Tunku Abdul Rahman College in May 1997.

Mr. Tan Yeong Li, aged 35, is the head of logistics and fixed assets of the Group. He joined the Group as site supervisor in 2004 and has since accumulated approximately 14 years of experience in the construction industry. He was promoted as project coordinator in 2008 and was subsequently promoted as head of logistics and fixed assets in October 2018. Mr. Tan currently oversees equipment and logistic arrangements to various projects and coordinates with and provide supports to project teams.

Mr. Tan obtained a Bachelor of Business (Information Systems) degree from Swinburne University of Technology, Australia in July 2007.

Mr. Surendran Tanchontuan, aged 34, is project manager of the Group. He joined the Group as safety and site supervisor in 2004 and has since accumulated approximately 14 years of experience in the construction industry. He was promoted as site manager in 2008 and was subsequently promoted as project manager in 2017. Mr. Tanchontuan is responsible for supervising construction workers, monitoring activities on site as well as developing work-around for project delays and other issues. He also trains workers and subcontractors and ensures all projects meet all health and safety codes.

Mr. Tanchontuan obtained a diploma in civil engineering in July 2006 from Port Dickson Polytechnic of Ministry of Higher Education in Malaysia.

COMPANY SECRETARY

Mr. Lam Wing Tai (林永泰), aged 53, was appointed as the company secretary on 24 January 2019. He was the company secretary of Worldgate Global Logistics Limited, a company listed on the GEM of the Stock Exchange (stock code: 8292), during March 2016 to 21 May 2019 and has been for Linocraft Holdings Limited, a company listed on the GEM of the Stock Exchange (stock code: 8383), since April 2017. From 1992 to 2016, he worked in various firms in different industries as accountant, financial controller, director and company secretary and carried on his own business ventures and investments between 2001 and 2011.

Mr. Lam was admitted as a certified practicing accountant of the Certified Practicing Accountants Australia in May 1995 and a certified public accountant of the Hong Kong Institute of Certified Public Accountants in January 1996. He studied accounting at the Australian National University and obtained a bachelor degree in commerce in 1991. He is a non-practising member of the Hong Kong Institute of Certified Public Accountants.

BOARD COMMITTEES

The Group has established an audit committee, a remuneration committee and a nomination committee. Each committee operates in accordance with its terms of reference established by the Board.

Audit committee

The audit committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code and Corporate Governance Report (the "**Corporate Governance Code**") as set out in Appendix 14 to the Listing Rules. The audit committee comprises three independent non-executive Directors, namely Mr. Chu Hoe Tin, Mr. Ng Chiou Gee Willy and Mr. Tan Chade Phang. The chairperson of the audit committee is Mr. Chu Hoe Tin.

The role of the audit committee includes reviewing and monitoring the Group's external auditor's independence and objectivity and the effectiveness of the audit process, monitoring the integrity of the Group's financial information and reviewing significant financial reporting judgements and overseeing the Group's financial reporting system and risk management and internal control systems.

Remuneration committee

The remuneration committee was established on 5 September 2019 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph B.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The remuneration committee comprises three Directors, namely Mr. Ng Chiou Gee Willy, Mr. Tan Chade Phang and Mr. Tan Han Peng. The chairperson of the remuneration committee is Mr. Tan Chade Phang.

The role of the remuneration committee includes making recommendations to the Board on the Group's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing the Group's remuneration policy, reviewing and approving management's remuneration proposals, determining or making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, making recommendations to the Board on the remuneration of Directors, reviewing and approving compensation payable to executive Directors and senior management for loss of office, reviewing and approving compensation arrangements relating to the dismissal or removal of Directors and ensuring that no Director or his/her associate is involved in deciding his/her own remuneration.

Nomination committee

The nomination committee was established on 5 September 2019 with written terms of reference in compliance with paragraph A.5 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The nomination committee comprises three Directors, namely Mr. Chu Hoe Tin, Mr. Ng Chiou Gee Willy and Mr. Tan Han Peng. The chairperson of the nomination committee is Mr. Ng Chiou Gee Willy.

The role of the nomination committee includes conducting an annual review of the structure, size and composition of the Board and making recommendations on any proposed changes to the Board, identifying suitably qualified individuals to become Board members and making recommendations to the Board on the selection of individuals nominated for Board membership, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Directors and members of the senior management receive compensation in the form of fees, salaries, discretionary bonuses and defined contributions, and their respective remuneration is determined with reference to salaries paid by comparable companies, experience, responsibilities, workload, the time devoted to the Group, individual performance and the performance of the Group. The Group also reimburses them for expenses which are necessarily and reasonably incurred for providing services to the Group or executing their functions in relation to the operations of the Group.

The Group regularly reviews and determines the remuneration packages of the Directors and senior management. After Listing, the remuneration committee will assist the Board in reviewing and determining the remuneration packages.

During the three years ended 30 June 2018, the aggregate amount of compensation (including fees, salaries, discretionary bonuses and defined contributions) paid by the Group to the Directors was approximately RM0.8 million, RM0.8 million and RM1.8 million, respectively.

During the three years ended 30 June 2018, the aggregate amount of compensation (including salaries, discretionary bonuses and defined contributions) paid by the Group to the five highest paid individuals (including the executive Directors) was approximately RM1.1 million, RM1.3 million and RM2.3 million, respectively.

The aggregate amount of compensation (excluding payment pursuant to any discretionary benefits or bonuses or other fringe benefits) payable by the Group to the Directors for the financial year ended 30 June 2019 was approximately RM1.6 million.

The Directors' remuneration is determined with reference to salaries paid by comparable companies, experience, responsibilities, workload, the time devoted to the Group, individual performance and the performance of the Group. Please refer to notes 11 and 12 to the Accountants' Report for details of the remuneration of the Directors and five highest paid individuals during the Track Record Period and refer to the paragraph headed "Further information about the Directors and substantial Shareholders — 9. Particulars of Directors' service contracts and letters of appointment" in Appendix VI to this prospectus for details of the terms of the Directors' service contracts.

During the Track Record Period, no remuneration was paid by the Group to, or receivable by, the Directors or the five largest paid individuals as an inducement to join or upon joining the Group. No compensation was paid by the Group to, or receivable by, the Directors, past Directors or the five highest paid individuals during the Track Record Period for the loss of any office in connection with the management of the affairs of any member of the Group. None of the Directors waived or agreed to waive any emoluments during the Track Record Period. Save as disclosed in this paragraph headed "Remuneration of Directors and senior management", no other payments have been paid, or are payable, by the Company or any of its subsidiaries to the Directors and the five highest paid individuals during the Track Record Period.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company will comply with the Corporate Governance Code in Appendix 14 to the Listing Rules.

The Directors will review the Group's corporate governance policies and compliance with the Corporate Governance Code each financial year and apply the "comply or explain" principle in its corporate governance report which will be included in its annual reports after the Listing.

The Directors have a balanced mix of experiences and industry background, including but not limited to experiences in the civil and structural works in the oil and gas industry. The three independent non-executive Directors who have different industry backgrounds, represent more than one third of the Board members.

The Group has adopted a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Group's business growth. Pursuant to the board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge, and industry experience. The Group has also adopted a nomination policy which provides for the nomination procedures and the process and criteria adopted by the Nomination Committee in the selection and recommendation of candidates for directorship. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee is responsible for ensuring the diversity of the Board. After the Listing, the Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness and the Group will disclose the implementation of the board diversity policy in the corporate governance report on an annual basis.

COMPLIANCE ADVISER

In compliance with Rule 3A.19 of the Listing Rules, the Company has appointed Red Sun Capital as its compliance adviser to provide advisory services to the Company. Pursuant to Rule 3A.23 of the Listing Rules, it is expected that the compliance adviser will, amongst other things, advise the Company with due care and skill on the following circumstances:

(i) before the publication of any regulatory announcements, circulars or financial reports;

(ii) where a transaction, which might be discloseable or being a notifiable or connected transaction under Chapters 14 and/or 14A of the Listing Rules, is contemplated including shares issues and share repurchases;

(iii) where the Group proposes to use the net proceeds from the Share Offer in a manner different from that detailed in this prospectus or where its business activities, developments or results deviate from any forecast, estimate, or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry to the Company regarding unusual movements in the price or trading volume of the Shares or other issues under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the Listing Date and end on the date on which the Company distributes its annual report in respect of its financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

SHARE CAPITAL

The authorised and issued share capital of the Company fully paid up or credited as fully paid up immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the Share Option Scheme) is as follows:

Authorised share capital:		*HK$*
10,000,000,000	Shares	100,000,000
Shares in issue or to be issued, fully paid or credited as fully paid:		
100	Shares in issue	1
749,999,900	Shares to be issued pursuant to Capitalisation Issue *(Note)*	7,499,999
250,000,000	Shares to be issued pursuant to the Share Offer	2,500,000
1,000,000,000	Total Shares	10,000,000

Note: Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, conditional upon the share premium account of the Company being credited as a result of the Share Offer, the Directors were authorised to capitalise the amount of HK$7,499,999 from the amount standing to the credit of the share premium account of the Company and to apply such amount in paying up in full at par 749,999,900 Shares for allotment and issue to those shareholders of the Company registered as such at the close of business on 5 September 2019.

ASSUMPTIONS

The above table assumes that the Share Offer becomes unconditional and the issue of Shares pursuant to the Share Offer and the Capitalisation Issue are made. It takes no account of any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares as described below.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 8.08(1) of the Listing Rules, at the time of Listing and at all time thereafter, the Company must maintain the minimum prescribed percentage of 25% of its issued share capital in the hands of the public (as defined in the Listing Rules).

RANKINGS

The Offer Shares will be ordinary shares in the share capital of the Company and will rank pari passu in all respects with all Shares in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalisation Issue.

CAPITALISATION ISSUE

Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, subject to the share premium account of the Company being credited as a result of the Listing, the Directors were authorised to allot and issue a total of 749,999,900 new Shares to the Shareholders registered as such at the close of business on 5 September 2019, credited as fully paid at par, by way of capitalisation of the sum of HK$7,499,999 standing to the credit of the share premium account of the Company, and the Shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the Shares in issue (save for the right to participate in the Capitalisation Issue).

CIRCUMSTANCES WHERE GENERAL MEETING OF THE COMPANY IS REQUIRED

The circumstances under which general meeting and class meeting are required are provided in the Articles, details of which are set out in the paragraph headed "2. Articles of Association — (e) Meetings of members — (iv) Notices of meetings and business to be conducted" in Appendix V to this prospectus.

SHARE OPTION SCHEME

Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, the Company has conditionally adopted the Share Option Scheme. The principal terms of the Share Option Scheme are summarised in the paragraph headed "Further information about the Directors and substantial Shareholders — 13. Share Option Scheme" in Appendix VI to this prospectus.

GENERAL MANDATE TO ALLOT AND ISSUE SHARES

Conditional on the conditions as stated in the section headed "Structure and conditions of the Share Offer" of this prospectus being fulfilled, the Directors have been granted a general unconditional mandate to allot, issue and deal with Shares and to make or grant offers, agreements or options which might require such Shares to be allotted and issued or dealt with subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued (otherwise than pursuant to a rights issue, or scrip dividend scheme or similar arrangements, or a specific authority granted by the Shareholders) shall not exceed:

(a) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following the completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme); and

(b) the aggregate nominal value of the share capital of the Company repurchased pursuant to the authority granted to the Directors as referred to in the paragraph headed "General mandate to repurchase Shares" below.

This general mandate to issue Shares will remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any other applicable laws of the Cayman Islands to be held; or

(c) the time when such mandate is revoked or varied or renewed by an ordinary resolution of the Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed "Further information about the Group — 4. Written resolutions of all the Shareholders passed on 5 September 2019" in Appendix VI to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions set forth in the section headed "Structure and conditions of the Share Offer" of this prospectus being fulfilled, the Directors have been granted a general mandate to exercise all the powers of the Company to purchase on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent an aggregate nominal amount of not exceeding 10% of the aggregate nominal value of the Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to any options which may be granted under the Share Option Scheme).

This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed and which is recognised by the SFC and the Stock Exchange for this purpose, and such repurchases are made in accordance with all applicable laws and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in the paragraph headed "Further information about the Group — 6. Repurchase by the Company of its own securities" in Appendix VI to this prospectus.

The general mandates to repurchase Shares will remain in effect until the earliest of:

(a) the conclusion of the next annual general meeting of the Company;

(b) the expiration of the period within which the next annual general meeting of the Company is required under the Articles or any other applicable laws of the Cayman Islands to be held; or

(c) the time when such mandate is revoked or varied or renewed by an ordinary resolution of the Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed "Further information about the Group — 6. Repurchase by the Company of its own securities" in Appendix VI to this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the Companies Law and the terms of the Memorandum and Articles of Association, the Company may from time to time by ordinary resolution of Shareholders (i) increase its share capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) divide its Shares into several classes; (iv) subdivide its Shares into shares of smaller amount; and (v) cancel any Shares which have not been taken. In addition, the Company may, subject to the provisions of the Companies Law, reduce the share capital or capital redemption reserve by the Shareholders passing a special resolution. For further details, please refer to the paragraph headed "2. Articles of Association — (a) Shares — (iii) Alteration of capital" in Appendix V to this prospectus.

Pursuant to the Companies Law and the terms of the Memorandum and Articles of Association, all or any of the special rights attached to the Shares or any class of shares may be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. For further details, please refer to the paragraph headed "2. Articles of Association — (a) Shares — (ii) Variation of rights of existing shares or classes of shares" in Appendix V to this prospectus.

SUBSTANTIAL SHAREHOLDERS

Immediately following completion of the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), based on the information available on the Latest Practicable Date, the following persons/entities will have an interest or a short position in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity/Nature of interest	Number of Shares held as at the date of this prospectus	Percentage of shareholding as at the date of this prospectus	Number of Shares held immediately after the Share Offer and the Capitalisation Issue *(Note 1)*	Percentage of shareholding immediately after the Share Offer and the Capitalisation Issue
TBKS International	Beneficial owner *(Note 2)*	80 (L)	80%	600,000,000 (L)	60%
Mr. HT Tan	Interest of controlled corporation *(Note 2)*	80 (L)	80%	600,000,000 (L)	60%
Mr. HP Tan	Interest of controlled corporation *(Note 2)*	80 (L)	80%	600,000,000 (L)	60%
Ms. Tan Siew Hong	Interest of spouse *(Note 3)*	80 (L)	80%	600,000,000 (L)	60%
Pre-IPO Investor	Beneficial owner *(Note 4)*	20 (L)	20%	150,000,000 (L)	15%
Fuji Investment SPC	Interest of controlled corporation *(Note 4)*	20 (L)	20%	150,000,000 (L)	15%

Notes:

1. The letter "L" denotes the person's long position in the relevant Shares.

2. The entire share capital of TBKS International are beneficially owned by Mr. HT Tan and Mr. HP Tan as to 70% and 30% respectively who are deemed to be interested in all the Shares held by TBKS International by virtue of the SFO. Mr. HT Tan and Mr. HP Tan are a group of Controlling Shareholders.

3. Ms. Tan Siew Hong is the spouse of Mr. HT Tan. By virtue of the SFO, Ms. Tan Siew Hong is deemed to be interested in all the Shares in which Mr. HT Tan is interested or deemed to be interested under the SFO.

4. The entire share capital of the Pre-IPO Investor is beneficially owned by Fuji Investment SPC for the account of Project B Segregated Portfolio, a segregated portfolio designated by Fuji Investment SPC whose investment objective and strategy is to generate interest income and long term capital appreciation through investing primarily in a diversified portfolio of companies in Asia with a proposed listing on the Stock Exchange.

Save as disclosed above, the Directors are not aware of any person who will, immediately following the Share Offer and the Capitalisation Issue (excluding Shares which may be allotted and issued pursuant to any options which may be granted under the Share Option Scheme), have an interest or short position in the Shares or underlying Shares which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group. The Directors are not aware of any arrangement which may at a subsequent date result in a change of control of the Company.

UNDERTAKINGS

Each of the Controlling Shareholders has given certain undertakings in respect of the Shares held by them to the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Stock Exchange, details of which are set out in the section headed "Underwriting" of this prospectus. The Controlling Shareholders and the Company have also given undertakings in respect of the Shares to the Stock Exchange as required by Rules 10.07(1) and 10.08 of the Listing Rules, respectively.

You should read this section in conjunction with the Group's audited combined financial statements, including the notes thereto, as set out in the Accountants' Report. The combined financial information has been prepared in accordance with IFRSs. You should read the entire Accountants' Report and not merely rely on the information contained in this section.

The following discussion and analysis contains certain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by the Group in light of the Group's experience and perception of historical trends, current conditions, and expected future developments, as well as other factors the Group believes are appropriate under the circumstances. However, whether actual outcomes and development will meet the Group's expectations and projections depend on a number of risks and uncertainties over which the Group does not have control. For further information, please refer to the section headed "Risk Factors" in this prospectus.

OVERVIEW

The Group is a civil and structural works contractor with a long history of undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. During the Track Record Period, the Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving steel reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry.

The Group recognised revenue of approximately RM33.3 million, RM132.7 million, RM146.2 million and RM158.2 million and net profit of approximately RM3.7 million, RM17.2 million, RM18.3 million and RM11.9 million for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively.

BASIS OF PRESENTATION

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 5 September 2019. The Reorganisation involved the insertion of the Company and TBKS Investments as new intermediate holding companies above the operating subsidiaries which are TBK and Prestasi Senadi. The Company and TBKS Investments have not been involved in any other business prior to the Reorganisation and their operations do not meet the definition of business. The Reorganisation does not result in any changes in business substance. Accordingly, the financial statements of the Group have been prepared on the basis as if the current group structure had been in existence throughout the Track Record Period, using the principles of merger accounting as set out below.

The combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows are prepared as if the current group structure had been in existence throughout the Track Record Period taking into account the respective dates of incorporation of companies. The combined statements of financial position of the Group as at 30 June 2016, 2017, 2018, 31 March 2018 and 31 March 2019 have been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates taking into account the respective dates of incorporation of companies.

The Directors have consistently adopted the applicable IFRSs which are effective for annual periods beginning on or after 1 January 2018 in the preparation of the financial statements of the Group for the Track Record Period.

FACTORS AFFECTING THE RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

The results of operations and financial condition have been and will continue to be affected by a number of factors, many of which may be beyond the Group's control. The Directors have identified the risk factors that will affect the Group's results of operations and financial conditions in the section headed ''Risk Factors'' of this prospectus as well as the following factors:

Malaysia's economic condition and demand for civil and structural works

The Group derives its revenue mainly from the provision of civil and structural works for downstream sector oil and gas industry in Malaysia, the demand of which relates to the number of infrastructure projects where the Group provides services. For more detail of the industry environment where the Group operates, please refer to the section headed ''Industry Overview'' of this prospectus. Such demand may vary according to a combination of factors including spending of oil and gas companies, demand of upgrade activities in the oil and gas industry which drives the planning for construction, the supply of land, and the general conditions as well as the prospect of the economy. The increase or decrease in the demand for civil and structural works service would therefore affect the demand of the Group's services and the competition environment where the Group operates. There is a risk that the number of civil and structural works projects in the oil and gas industry in Malaysia would decrease which may in turn adversely and materially affect the Group's business in general and the results of operation.

Fluctuation in the cost of sales

The key components of cost of sales in the provision of the civil and structural works activities are, among others, (i) subcontracting charges; (ii) cost of direct materials: and (iii) direct labour costs. For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the aggregate of subcontracting charges, cost of direct materials and direct labour costs represented 87.4%, 92.6%, 92.9% and 92.5% of the total cost of sales, respectively. For the details of the components comprising the cost of sales, please refer to the paragraph headed ''Description of selected components of the combined statements of profit or loss and other comprehensive income — Cost of sales'' in this section.

Sand, concrete, steel, wood and fuel are direct materials primarily employed in the civil and structural works projects, which the Group purchases from its suppliers. The Group may also rent machinery from third parties which are necessary to perform its works.

Fluctuation in any of the aforesaid costs will directly affect the profit during the implementation of the civil and structural works. In the event that the cost of sales increase unexpectedly to a level that the Group has to incur substantial extra costs, and if the Group is not compensated for such unexpected increase, the financial performance will be adversely affected.

To illustrate the potential effect on the financial performance, the sensitivity analysis below shows the impact on the Group's profit for the respective year/period with a 5.0% and 10.0% increase or decrease in subcontracting charges, which corresponds to the approximate CAGR in average daily wage of workers from 2013 to 2016 as shown in the Frost & Sullivan Report and is therefore considered reasonable for the purpose of this sensitivity analysis:

Hypothetical fluctuation in subcontracting charges	-10.0%	-5.0%	5.0%	10.0%
Increase/(decrease) in profit before income tax	*RM'000*	*RM'000*	*RM'000*	*RM'000*
For the year ended 30 June 2016	305	153	(153)	(305)
For the year ended 30 June 2017	5,788	2,894	(2,894)	(5,788)
For the year ended 30 June 2018	6,819	3,409	(3,409)	(6,819)
For the nine months ended 31 March 2019	8,320	4,160	(4,160)	(8,320)

To illustrate the potential effect on the financial performance, the sensitivity analysis below shows the impact on the Group's profit for the respective year/period with a 5.0% and 15.0% increase or decrease in costs of direct materials, which corresponds to the approximate CAGR in the price of steel reinforcements and concrete, respectively, from 2013 to 2016 as shown in the Frost & Sullivan Report and is therefore considered reasonable for the purpose of this sensitivity analysis:

Hypothetical fluctuation in cost of direct materials	-15.0%	-5.0%	5.0%	15.0%
Increase/(decrease) in profit before income tax	*RM'000*	*RM'000*	*RM'000*	*RM'000*
For the year ended 30 June 2016	1,832	611	(611)	(1,832)
For the year ended 30 June 2017	4,459	1,486	(1,486)	(4,459)
For the year ended 30 June 2018	3,424	1,141	(1,141)	(3,424)
For the nine months ended 31 March 2019	3,607	1,202	(1,202)	(3,607)

To illustrate the potential effect on the financial performance, the sensitivity analysis below shows the impact on the Group's profit for the respective year/period with a 5.0% and 10.0% increase or decrease in direct labour costs, which corresponds to the approximate CAGR in average daily wage of workers from 2013 to 2017 as shown in the Frost & Sullivan Report and is therefore considered reasonable for the purpose of this sensitivity analysis:

Hypothetical fluctuation in direct labour costs	-10.0%	-5.0%	5.0%	10.0%
Increase/(decrease) in profit before income tax	*RM'000*	*RM'000*	*RM'000*	*RM'000*
For the year ended 30 June 2016	598	299	(299)	(598)
For the year ended 30 June 2017	988	494	(494)	(988)
For the year ended 30 June 2018	1,505	752	(752)	(1,505)
For the nine months ended 31 March 2019	1,140	570	(570)	(1,140)

Collectability of trade receivables and retention money and the timing of collection

The Group's customers normally applies progress payments to the Group on a monthly basis with reference to the value of work done in the previous period, during which the Group may have incurred costs and settled certain payments to the suppliers or service providers. Before paying progress payments to the Group, the customers would certify the work done and a portion of the progress payments, ranging from 5% to 10%, is usually withheld by the customers as retention money. The release of the retention money or warranty bond is normally due after the end of the defects liability period and the issuance of a maintenance certificate by the contractor and/or the project owner. Accordingly, the Group may experience significant cashflow mismatch, especially at the beginning of a civil and structural works project when the Group normally has cash outflows meeting the payment obligations before the customers certify the works and make progress payments to the Group. The Group may also be subject to considerable credit risk and there can be no assurance that the trade receivables and retention money will be settled and remitted to the Group by its customers on a timely basis and in full. As at 31 March 2019, the gross trade receivables amounted to approximately RM31.2 million and the retention money amounted to approximately RM27.6 million. Any late payment to the Group, whether arising from payment practice of the customers or delay in completion of the construction project, may adversely affect the future liquidity position.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The Group has identified certain accounting policies that are significant to the preparation of the combined financial information in accordance with the IFRSs. These significant accounting policies which the Directors believe are important for an understanding of the financial condition and results of operation of the Group. For more details regarding other significant accounting policies, please refer to note 4 to the Accountants' Report. Some of the accounting policies involve subjective assumptions and estimates, as well as complex judgment related to accounting items such as assets, liabilities, income and expenses. The Group bases its estimates on historical experience and other assumptions which the management believes to be reasonable under the circumstances. Results may differ under different assumptions and conditions. For more details of the estimates and judgements, please refer to note 5 to the Accountants' Report. The Group has identified the below accounting policies and estimates that are most critical to the preparation of its combined financial information.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenue is recognised when or as the control of the goods or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time.

Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

Provision of civil and structural works

Recognition

The Group provides civil and structural works based on contracts entered with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the civil and structural works performed by the Group creates or enhances a property that the customers controls as the property is created or enhanced. Revenue from provision of civil and structural works is therefore recognised over time using output method, i.e. based on surveys of civil and structural works completed by the Group to date with reference to payment certificates issued by architects, surveyors or other representatives appointed by the customer. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations under IFRS 15 Revenue from Contracts with Customers.

For contracts that contain variable consideration the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the change in circumstances during the reporting period.

For warranty embedded to the civil and structural works, the Group accounts for the warranty in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets unless the warranty provides the customer with a service in addition to the assurance that the contracting work complies with the agreed-upon specifications.

If at any time the unavoidable costs of meeting contractual obligations are estimated to exceed the remaining amount of the economic benefits expected to be received under the contract, then a provision is recognised in accordance with policy set out in "Onerous contracts" below.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract asset is recognised when (i) the Group completes the civil and structural works under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

Contract costs

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

The Group does not expect that the adoption of IFRS 9 and IFRS 15 will have significant impact on the Group's combined financial statements when compared to that of IAS 39 and IAS 18.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

A summary of the Group's combined statements of profit or loss and other comprehensive income for the periods indicated, as extracted from the Accountants' Report is set forth below:

	Year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Revenue	33,346	132,658	146,241	115,718	158,186
Cost of sales	(24,304)	(105,318)	(114,146)	(87,499)	(128,295)
Gross profit	9,042	27,340	32,095	28,219	29,891
Other income/(expenses), net	430	485	(143)	(164)	314
Administrative expenses	(3,615)	(4,675)	(6,024)	(3,288)	(4,269)
Finance costs	(832)	(867)	(1,129)	(842)	(799)
Listing expenses	—	—	—	—	(6,702)
Profit before income tax expense	5,025	22,283	24,799	23,925	18,435
Income tax expense	(1,321)	(5,126)	(6,476)	(6,090)	(6,548)
Profit and total comprehensive income for the year/period	**3,704**	**17,157**	**18,323**	**17,835**	**11,887**

DESCRIPTION OF SELECTED COMPONENTS OF THE COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group's revenue was principally derived from three major revenue components, namely: the provision of (i) civil works projects; (ii) site preparation works projects; and (iii) building works projects, with revenue derived from (i) provision of civil works projects of approximately RM3.4 million, RM90.0 million, RM107.7 million and RM130.1 million, respectively; (ii) provision of site preparation works projects from of approximately RM1.9 million, RM7.8 million, RM10.2 million and RM0.4 million, respectively; and (iii) provision of building works projects of approximately RM28.1 million, RM34.9 million, RM28.4 million and RM27.6 million, respectively.

Revenue from provision of civil works project is recognised over time using output method, which is based on surveys of civil works completed by the Group to date with reference to payment certificates issued by architects, surveyors or other representatives appointed by the customer. For contracts that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The following table sets forth the breakdown of the revenue by nature of works during the Track Record Period:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* *(unaudited)*	*%*	*RM'000*	*%*
Civil works projects	3,366	10.1	90,021	67.8	107,687	73.6	86,650	74.9	130,132	82.3
Site preparation works projects	1,853	5.6	7,779	5.9	10,165	7.0	5,961	5.1	449	0.3
Building works projects	28,127	84.3	34,858	26.3	28,389	19.4	23,107	20.0	27,605	17.4
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

For each of the years ended 30 June 2016, 2017, 2018 and the nine months ended 31 March 2019, the Group's revenue attributable to variation orders amounted to approximately RM3.1 million, RM7.9 million, RM9.1 million and RM4.9 million, respectively, representing approximately 9.2%, 5.9%, 6.2% and 3.1% of the Group's total revenue, respectively.

The Group undertakes civil and structural works projects as either the main contractor or subcontractor, the following table sets forth a breakdown of revenue derived from main contractor's or subcontractor's works during the Track Record Period:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* *(unaudited)*	*%*	*RM'000*	*%*
Main contractor	—	—	—	—	53,578	36.6	38,820	33.5	104,339	66.0
Subcontractor	33,346	100.0	132,658	100.0	92,663	63.4	76,898	66.5	53,847	34.0
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

During the Track Record Period, the Group derived all its revenue from Malaysia and undertook works for both PIPC projects and non-PIPC projects. The following table sets forth a breakdown of the Group's revenue attributable to PIPC and non-PIPC for the Track Record Period:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* *(unaudited)*	*%*	*RM'000*	*%*
PIPC projects	28,972	86.9	107,613	81.1	106,538	72.9	80,963	70.0	124,917	79.0
Non-PIPC projects	4,374	13.1	25,045	18.9	39,703	27.1	34,755	30.0	33,269	21.0
Total	33,346	100.0	132,658	100.0	146,241	100.0	115,718	100.0	158,186	100.0

During the Track Record Period and up to the Latest Practicable Date, the Group was involved in 42 civil and structural works projects, of which 29 were completed during the Track Record Period. As at Latest Practicable Date, the Group has nine projects on hand, which are expected to generate revenue of approximately RM179.6 million:

Projects completed

A summary of the revenue recognised during the Track Record Period for the 33 projects the Group completed during the Track Record Period and up to the Latest Practicable Date is set out below:

Project	Particulars and location	Type of works	PIPC/ Non-PIPC projects	Commencement date	Completion date	Initial contract sum (Note 1) RM'000	Revenue recognised for the year ended 30 June 2016 RM'000	2017 RM'000	2018 RM'000	Revenue recognised for the nine months ended 31 March 2019 RM'000	Total RM'000
Project 2	An oil storage at Johor	Civil works	Non-PIPC	March 2014	October 2015	29,300	1,140	—	—	—	1,140
Project 3	A refinery at Pengerang	Building works	PIPC	April 2015	December 2015	10,110	7,573	—	—	—	7,573
Project 4	A refinery at Pengerang	Building works	PIPC	November 2015	July 2019	40,592	20,127	34,858	28,388	27,605	110,978
Project 5 (Note 3)	A plant at Pasir Gudang	Civil works	Non-PIPC	April 2016	May 2017	21,522	382	20,076	75 (Note 2)	—	20,533
Project 6	A power plant at Port Dickson	Site preparation works	Non-PIPC	April 2016	April 2017	4,496	666	4,002	607 (Note 2)	—	5,275
Project 8	A refinery at Port Dickson	Site preparation works	Non-PIPC	August 2017	January 2019	4,998	—	—	5,117	—	5,117
Project 9	A refinery at Port Dickson	Civil works	Non-PIPC	August 2017	February 2019	15,665	—	—	26,131	8,339	34,470
Project 10	A refinery at Pengerang	Civil works	PIPC	September 2017	June 2019	12,217	—	—	11,746	454	12,200
Project 12	A refinery at Melaka	Site preparation works	Non-PIPC	March 2018	July 2019	4,426	—	—	4,205	—	4,205
Project 14	A refinery at Pengerang	Civil works	Non-PIPC	July 2017	April 2019	2,487	—	—	2,050	355	2,405
Project 15	A refinery at Pengerang	Site preparation works	PIPC	June 2016	October 2016	1,620	120	1,449	51 (Note 2)	—	1,620
Project 17	A refinery at Port Dickson	Site preparation works	Non-PIPC	November 2018	July 2019	898	—	—	—	449	449
	Other civil and structural works projects with initial contract sum of each less than RM1 million						1,864	2,488	220	—	4,572

Note 1: For projects undertaken with fixed sum, the awarded contract sum is based on the initial agreement between the customer and the Group and may not include additions, modifications due to subsequent additional works orders, as such final revenue recognised from a contract may differ from the awarded contract sum.

For projects undertaken with bills of quantity, the estimated contract sum is based on the provisional contract price stated in the initial agreement between the customer and the Group and the final revenue recognised may differ from the estimated contract sum.

Note 2: The amount was subsequently certified after issuance of provisional certificate from customers.

Note 3: Two contracts were combined into one project due to same job nature and location.

Note 4: Projects were substantially completed and pending issuance of provisional certificates from customers.

Projects on hand

As at the Latest Practicable Date, the Group had nine projects on hand (including projects that have commenced but not yet completed and projects that have been awarded to the Group but not yet commenced). A summary of the projects on hand in terms of awarded or estimated contract sum is set out below:

Project	Particulars and location	Type of works	PIPC/ Non-PIPC projects	Commencement date	Expected Completion date *(Note 1)*	Initial contract sum *(Note 2)*	Revenue recognised for the year ended 30 June			Revenue recognised for the nine months ended 31 March	Revenue recognised for the three months ending 30 June	Revenue recognised for the year ending 30 June	Estimated revenue to be recognised for the year ending 30 June	Estimated revenue to be recognised after the year ending 30 June
							2016	2017	2018	2019	2019	2019	2020	2020
						RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Project 1	A refinery at Port Dickson	Civil works	Non-PIPC	May 2013	September 2019	– *(Note 3)*	1,474	967	1,520	5,439	799	6,238	1,036	–
Project 7	A refinery at Pengerang	Civil works	PIPC	June 2016	October 2019	82,000	–	68,818	43,801	858	1,908	2,766	–	–
Project 11	A refinery at Pengerang	Civil works	PIPC	October 2017	April 2020	349,990	–	–	22,330	96,000	15,438	111,438	66,232	–
Project 13	A refinery at Melaka	Civil works	Non-PIPC	March 2018	December 2019	39,551	–	–	–	12,653	7,345	19,998	46,630	–
Project 16	A plant at Port Dickson	Civil works	Non-PIPC	October 2018	October 2019	10,018	–	–	–	6,033	2,049	8,082	1,936	–
Project 18	Petro-chemical plants in East Malaysia	Civil works	Non-PIPC	March 2019	February 2022	40,000 *(Note 5)*	–	–	–	–	–	–	8,400	31,600
Project 19	A refinery at Pengerang	Civil works	PIPC	April 2019	July 2020	16,458	–	–	–	–	1,941	1,941	12,660	1,857
Project 20	A tank farm facilities expansion at Tg Bin	Civil works	Non-PIPC	May 2019	June 2020	27,000	–	–	–	–	1,786	1,786	18,027	7,187
Project 21	A refinery at Port Dickson	Civil works	Non-PIPC	May 2019	October 2019	650	–	–	–	–	–	–	650	–

Note 1: The expected completion date for a particular contract is provided based on the management's best estimation. In making the estimation, the management takes into account factors including the expected completion date specified in the relevant contract (if any), the extension period granted by the customers (if any) and the actual work schedule.

Note 2: For projects undertaken with fixed sum, the awarded contract sum is based on the initial agreement between the customer and the Group and may not include additions, modifications due to subsequent additional works orders, as such final revenue recognised from a contract may differ from the awarded contract sum.

For projects undertaken with bills of quantity, the estimated contract sum is based on the provisional contract price stated in the initial agreement between the customer and the Group and the final revenue recognised may differ from the estimated contract sum.

Note 3: The contract price is determined based on the actual bill of quantity of work done, which will multiply the rates set out in the schedules of relevant purchase order placed by the customer onto the Group such as the schedule of price and rate, the unit rate for manpower and the unit rate for equipment.

Note 4: The estimated revenue to be recognised in this project is based on the management's best estimation considering the quantity of work done, the rates set out in the schedules of relevant purchase order placed by the customer onto the Group such as the schedule of price and rate, the unit rate for manpower and the unit rate for equipment.

Note 5: The provisional contract price stated in the letter of award was RM40 million per year for a period of three years with an option to extend for one year and additional one more year depending on the performance and the need of service.

Cost of sales

The Group's cost of sales mainly comprises cost of direct materials, subcontracting charges, direct labour costs. The following table sets out the breakdown of the Group's direct costs during the Track Record Period:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (*unaudited*)	*%*	*RM'000*	*%*
Direct materials	12,211	50.2	29,729	28.2	22,826	20.0	17,564	20.1	24,048	18.7
Subcontracting charges	3,052	12.6	57,879	55.0	68,189	59.7	54,452	62.2	83,200	64.9
Direct labour	5,982	24.6	9,885	9.4	15,047	13.2	9,979	11.4	11,404	8.9
Rental of machinery and equipment	268	1.1	1,492	1.4	353	0.3	184	0.2	2,492	1.9
Depreciation	1,104	4.5	1,653	1.6	2,152	1.9	1,657	1.9	1,876	1.5
Other costs	1,687	7.0	4,680	4.4	5,579	4.9	3,663	4.2	5,275	4.1
Total	24,304	100.0	105,318	100.0	114,146	100.0	87,499	100.0	128,295	100.0

Consumption of direct materials and their costs may vary from project to project, as (i) the consumption of raw materials varies according to different types of works performed; and (ii) the cost of direct materials may be agreed to be borne by the Group or by its customers or subcontractors depending on the contract terms with different customers and subcontractors, resulting in fluctuations in the proportions of these costs from project to project.

The Group's cost of sales during the Track Record Period mainly comprised:

(a) direct materials, which mainly represent direct costs for the purchase of construction materials, such as sand, steel, concrete, wood and fuel, that are directly attributable to the project works;

(b) subcontracting charges, which represent fees and charges paid to or payable to subcontractors who provide civil works, site preparation works and/or building works at project sites;

(c) direct labour costs, which represent remuneration to employees directly attributable to the projects; and

(d) other costs, which include various miscellaneous expenses such as transportation fee, safety consultancy fee and insurance expenses for the Group's projects.

Gross profit and gross profit margin

The following table sets forth a breakdown of the gross profit and gross profit margin by type of business segments during the Track Record Period:

	Year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*Gross profit margin (%)*	*RM'000*	*Gross profit margin (%)*	*RM'000*	*Gross profit margin (%)*	*RM'000 (unaudited)*	*Gross profit margin (%)*	*RM'000*	*Gross profit margin (%)*
Civil works projects	840	25.0	16,365	18.2	22,104	20.5	19,783	22.8	23,406	18.0
Site preparation works projects	474	25.6	1,861	23.9	2,353	23.1	1,649	27.7	99	22.0
Building works projects	7,728	27.5	9,114	26.1	7,638	26.9	6,787	29.4	6,386	23.1
	9,042	27.1	27,340	20.6	32,095	21.9	28,219	24.4	29,891	18.9

During the Track Record Period, the Group's gross profit margin varied across projects. The Group's project gross profit and gross profit margin depended on a number of factors, including (i) the agreed price; (ii) the nature and complexity of projects that were undertaken by the Group; (iii) the progress of such projects during the relevant financial year/period; and (iv) the Group's cost control and management. As such, the gross profit margin achieved in a financial year/period is not an accurate indicator of the Group's gross profit margin that may be achieved in a subsequent financial year. Accordingly, for all of the Group's projects, whether civil works, site preparation works or building works, the Directors are of the view that no clear benchmark of profit margin based on the Group's different business segments could be established. It is the Directors' objective to maximise gross profit margin for each project.

Other income/(expenses), net

The following table sets out the nature of other income of the Group during the Track Record Period:

	Year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000 (unaudited)*	*RM'000*
Rental income	81	183	180	180	250
Interest income	29	128	55	40	28
Gain on disposal of property, plant and equipment	10	—	5	5	—
Sundry income	324	174	69	56	36
Write-off of property, plant and equipment	(14)	—	(5)	—	—
Loss on disposal of an associate	—	—	(2)	—	—
Foreign exchange loss	—	—	(445)	(445)	—
Total	430	485	(143)	(164)	314

The Group's other income and/or expenses mainly consists of sundry income and rental income. The Group recorded other income of approximately RM430,000, RM485,000 and RM314,000 for the years ended 30 June 2016 and 2017 and for the nine months ended 31 March 2019, respectively. For the year ended 30 June 2018, the Group recorded other expenses of approximately RM143,000 mainly attributable to the realised exchange difference arising from the advance payment received from one of its customers in 2016 which were denominated in USD.

Administrative expenses

Administrative expenses of the Group for the Track Record Period primarily consist of depreciation, staff costs, repair and maintenance and legal and professional fees and other charges.

The following table sets out the breakdown of the administrative expenses during the Track Record Period:

	For the year ended 30 June						Nine months ended 31 March			
	2016		2017		2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (unaudited)	*%*	*RM'000*	*%*
Staff costs (including Directors' remuneration)	1,043	28.9	1,463	31.3	2,300	38.2	1,021	31.0	1,736	40.7
Depreciation	580	16.0	618	13.2	791	13.1	610	18.6	709	16.6
Repair and maintenance	629	17.4	474	10.1	427	7.1	24	0.7	55	1.3
Legal and professional fee and other charges	773	21.4	1,173	25.1	1,066	17.7	486	14.8	435	10.2
Utilities and travelling	243	6.7	344	7.4	487	8.1	386	11.7	298	7.0
Agent fees	—	—	21	0.4	288	4.8	253	7.7	24	0.5
Staff training	16	0.4	35	0.7	74	1.2	12	0.4	296	6.9
Others	333	9.2	547	11.8	591	9.8	496	15.1	716	16.8
	3,615	100.0	4,675	100.0	6,024	100.0	3,288	100.0	4,269	100.0

The Group's administrative expenses during the Track Record Period mainly comprised:

(i) staff costs (including Directors' remuneration), which include salaries and benefits provided to the Directors and the management, administrative and back office staff;

(ii) depreciation expenses, which include depreciation of the Group's motor vehicles, furniture and fixtures and office equipment;

(iii) repair and maintenance expenses, which mainly represent expenses incurred for general office maintenance and motor vehicle maintenance;

(iv) legal and professional fees and other charges, which mainly include auditors' remuneration, legal and advisory fees and bank charges; and

(v) utilities and travelling expenses mainly include costs of electricity, water, telephone, postage and travelling.

Finance costs

The following table sets out the breakdown of the finance costs during the Track Record Period:

	For the year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Interest on:					
— bank overdrafts	322	245	220	178	133
— term loans	281	325	523	370	210
— obligations under finance leases	180	250	313	239	291
— banker's acceptances	49	47	73	55	165
Total	832	867	1,129	842	799

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group recorded finance costs of approximately RM0.8 million, RM0.9 million, RM1.1 million and RM0.8 million, respectively. The increase in finance costs for the year ended 30 June 2018 was mainly attributable to the increase in interest on term loans and obligations under finance leases.

Income tax expense

During the Track Record Period, the Group was subject to Malaysian corporate income tax for its operation in Malaysia. TBK and Prestasi Senadi, each with paid up capital below RM2.5 million, can enjoy lower corporate income tax rate in Malaysia of 19.0%, 18.0%, 18.0% and 18.0% on the first taxable profit of RM0.5 million for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively, while a corporate income tax rate of 24.0% is charged on the taxable profit in excess of RM0.5 million for the respective periods.

In addition, for the years ended 30 June 2017 and 2018, a further reduced corporate income tax rate of 23.0%, 22.0%, 21.0%, 20.0% respectively on the incremental taxable profit of 5.0% to 9.99%, 10.0% to 14.99%, 15.0% to 19.99% and 20.0% and above as compared to the immediate preceding year of assessment is available.

The income tax expense for the Track Record Period can be reconciled to the profit before income tax expense per the combined statements of profit or loss and other comprehensive income as follows:

	Year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Profit before income tax expense	5,025	22,283	24,799	23,925	18,435
Tax calculated at Malaysian statutory corporate income tax rate	1,206	5,348	5,952	5,742	4,424
Tax effect of expenses not deductible for tax purposes	146	691	701	408	2,057
Reduction in tax rate on the incremental taxable profit	—	(853)	(199)	—	—
Reduction in tax rate on the first taxable profit of RM500,000	(31)	(60)	(60)	(60)	(38)
Under provision in respect of prior years	—	—	58	—	22
Tax penalty	—	—	24	—	83
Income tax expense	1,321	5,126	6,476	6,090	6,548
Effective tax rate	26.3%	23.0%	26.1%	25.5%	35.5%

The Group's income tax expense was approximately RM1.3 million, RM5.1 million, RM6.5 million and RM6.5 million for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively, and the effective tax rate for the relevant year/period was approximately 26.3%, 23.0%, 26.1% and 35.5%, respectively. The increase in effective tax rate was mainly attributable to listing expenses of approximately RM6.7 million, which is non-tax deductible expenses, was recorded during the nine months ended 31 March 2019.

COMPARISON OF RESULTS OF OPERATIONS

Nine months ended 31 March 2018 compared with nine months ended 31 March 2019

Revenue

The Group's revenue increased by approximately 36.7% from approximately RM115.7 million for the nine months ended 31 March 2018 to approximately RM158.2 million for the nine months ended 31 March 2019, which was a combined result of (i) the increase in revenue from civil works projects by approximately RM43.5 million; (ii) the decrease in revenue from site preparation works projects by approximately RM5.5 million; and (iii) the increase in revenue from building works projects by approximately RM4.5 million.

Civil works projects

Revenue from civil works projects increased from approximately RM86.7 million for the nine months ended 31 March 2018 to approximately RM130.1 million for the nine months ended 31 March 2019, representing an increase of approximately 50.1%. Such increase was mainly attributable to Project 11, which is on-going from the previous year, with approximately RM96.0 million revenue recognised during the nine months ended 31 March 2019 as Pengerang Integrated Complex ("**PIC**") is poised for its refinery start-up in 2019. For the nine months ended 31 March 2018, revenue from civil works was mainly derived from Project 7, such project was close to completion during the nine months ended 31 March 2019 and accordingly less revenue was derived from it during the nine months ended 31 March 2019.

Site preparation works projects

Revenue from site preparation works projects decreased from approximately RM6.0 million for the nine months ended 31 March 2018 to RM0.4 million for the nine months ended 31 March 2019. Such decrease was attributable to the substantial completion of most of the site preparation projects on hand.

Building works projects

Revenue from building works projects increased from approximately RM23.1 million for the nine months ended 31 March 2018 to approximately RM27.6 million for the nine months ended 31 March 2019, representing an increase of approximately 19.5%. For the nine months ended 31 March 2018 and 2019, revenue from building works were attributable to more work orders received from Project 4 as PIC is poised for its refinery start-up in 2019.

Cost of sales

The Group's cost of sales increased from approximately RM87.5 million for the nine months ended 31 March 2018 to approximately RM128.3 million for the nine months ended 31 March 2019, representing an increase of approximately 46.6%.

The following is a discussion of the changes in the key components of the Group's cost of sales for the nine months ended 31 March 2018 compared to the nine months ended 31 March 2019:

(i) subcontracting charges increased from approximately RM54.5 million for the nine months ended 31 March 2018 to approximately RM83.2 million for the nine months ended 31 March 2019, representing an increase of approximately 52.7%. Such increase was mainly attributable to the increase in the use of subcontractor during the nine months ended 31 March 2019 as a result of the closing of projects on hand and orders were received from customers; and

(ii) cost of direct materials increased from approximately RM17.6 million for the nine months ended 31 March 2018 to approximately RM24.0 million for the nine months ended 31 March 2019, representing an increase of approximately 36.4%. Such increase was largely in line with the increase in revenue.

Gross profit and gross profit margin

The Group's gross profit increased from approximately RM28.2 million to RM29.9 million for the nine months ended 31 March 2018 and 2019, respectively, representing an increase of approximately 6.0%; while the Group's gross profit margin decreased from approximately 24.4% to 18.9% for the nine months ended 31 March 2018 and 2019, respectively. The decrease in gross profit and gross profit margin was mainly attributable to (i) the completion of most of the site preparation projects on hand which generally have relatively higher gross profit margin; and (ii) an increase in subcontracting cost.

Civil works projects

The Group's gross profit from civil works projects increased by approximately 18.2% from approximately RM19.8 million for the nine months ended 31 March 2018 to approximately RM23.4 million for the nine months ended 31 March 2019; while the gross profit margin of civil works decreased from approximately 22.8% for the nine months ended 31 March 2018 to approximately 18.0% for the nine months ended 31 March 2019. The decrease in gross profit margin of civil works projects was mainly attributable to (i) more initial costs, such as mobilisation cost and reallocation costs, were incurred for Project 13 for the nine months ended 31 March 2019 due to more stringent working environmental (i.e. restricted working hours) which lowered the gross profit of the project; (ii) more subcontracting cost was incurred for Project 11, which was mainly because work orders were received from the customer as PIC is poised for its refinery start-up in 2019 and additional subcontractors were engaged for assisting the project. Accordingly, the gross profit margin of civil works decreased to approximately 18.0% for the nine months ended 31 March 2019.

Site preparation works projects

The Group's gross profit from site preparation works projects decreased from approximately RM1.6 million for the nine months ended 31 March 2018 to approximately RM0.1 million for the nine months ended 31 March 2019. Such decrease was mainly attributable to the substantial completion of most of the site preparation projects on hand for the nine months ended 31 March 2019.

Building works projects

The Group's gross profit from building works projects remained stable at approximately RM6.8 million and approximately RM6.4 million for the nine months ended 31 March 2018 and 2019, respectively; while the gross profit margin of building works projects decreased from approximately 29.4% for the nine months ended 31 March 2018 to approximately 23.1% for the nine months ended 31 March 2019. For the nine months ended 31 March 2018 and 2019, revenue and gross profit from building works projects were contributed by Project 4 throughout the two periods. The decrease in gross profit margin was mainly attributable to more direct labour and material cost incurred for the nine months ended 31 March 2019 for completion of Project 4.

Other income/(expenses), net

The Group recorded other expenses of approximately RM0.2 million for the nine months ended 31 March 2018, which was mainly attributable to the fact that the Group recorded a foreign exchange loss for the nine months ended 31 March 2018. The Group recorded other income of approximately RM0.3 million for the nine months ended 31 March 2019, which is mainly attributable to rental income of approximately RM0.3 million recorded during the period.

Administrative expenses

The Group's administrative expenses increased from approximately RM3.3 million for the nine months ended 31 March 2018 to approximately RM4.3 million for the nine months ended 31 March 2019. As increase was mainly attributable to (i) the increase in staff costs; and (ii) the increase in staff training cost incurred for project in a live plant, in particular, Project 13.

Finance costs

The Group's finance costs remained stable at approximately RM0.8 million for the nine months ended 31 March 2018 and 2019, respectively.

Income tax expense

The Group's income tax expense increased from approximately RM6.1 million to RM6.5 million for the nine months ended 31 March 2018 and 2019, respectively, representing an increase of approximately 6.6%. The increase in income tax expense was mainly attributable to the increase in non-deductible expenses.

Profit and total comprehensive income for the period and net profit margin

As a result of the foregoing, the Group's profit and total comprehensive income was approximately RM17.8 million and RM11.9 million for the nine months ended 31 March 2018 and 2019, respectively. The Group's net profit margin was approximately 15.4% and 7.5% for the nine months ended 31 March 2018 and 2019, respectively. Such decrease in the profit and total comprehensive income and net profit margin were mainly attributable to listing expenses of approximately RM6.7 million incurred for the nine months ended 31 March 2019.

Year ended 30 June 2018 compared with year ended 30 June 2017

Revenue

The Group's revenue increased by 10.2% from approximately RM132.7 million for the year ended 30 June 2017 to approximately RM146.2 million for the year ended 30 June 2018, which was a combined result of (i) the increase in revenue from civil works projects by approximately RM17.7 million; (ii) the increase in revenue from site preparation works projects by approximately RM2.4 million; and (iii) the decrease in revenue from building works projects by approximately RM6.5 million.

Civil works projects

Revenue from civil works projects increased from approximately RM90.0 million for the year ended 30 June 2017 to approximately RM107.7 million for the year ended 30 June 2018, representing an increase of approximately 19.7%. Such increase was mainly attributable to two new projects, namely, Project 9 and Project 11, which were commenced during the year ended 30 June 2018. For the year ended 30 June 2017, revenue from civil works projects was mainly derived from Project 7, with approximately RM68.8 million revenue recognised during the year.

For the year ended 30 June 2018, revenue from civil works projects was mainly derived from (i) Project 7 which is on-going from the previous year, with approximately RM43.8 million revenue was recognised during the year; and (ii) two new projects, namely Project 9 and Project 11, which commenced the respective civil works from August 2017 and October 2017, an aggregate revenue of approximately RM48.5 million was recognised from these two projects during the year.

Site preparation works projects

Revenue from site preparation works projects increased from approximately RM7.8 million for the year ended 30 June 2017 to approximately RM10.2 million for the year ended 30 June 2018, representing an increase of approximately 30.8%. Such increase was mainly attributable to two new projects, namely Project 8 and Project 12, which were commenced during the year ended 30 June 2018. For the year ended 30 June 2017, revenue from site preparation works projects was mainly derived from Project 6 with approximately RM4.0 million revenue was recognised during the year. For the year ended 30 June 2018, revenue from site preparation works projects was mainly derived from Project 8 and Project 12 which commenced the respective works from August 2017 and March 2018, an aggregate revenue of approximately RM9.3 million was recognised from these two projects during the year.

Building works projects

Revenue from building works projects decreased from approximately RM34.9 million for the year ended 30 June 2017 to approximately RM28.4 million for the year ended 30 June 2018, representing a decrease of approximately 18.6%. Such decrease was mainly attributable to the Project 4 which is expected to be completed by March 2019 had entered completion stage during the year ended 30 June 2018 and therefore less revenue was recognised during the year ended 30 June 2018. For the years ended 30 June 2017 and 2018, revenue from building works projects were mainly attributable to Project 4 with approximately RM34.9 million and RM28.4 million revenue recognised during the respective year.

Cost of sales

The Group's direct costs increased from approximately RM105.3 million for the year ended 30 June 2017 to approximately RM114.1 million for the year ended 30 June 2018, representing an increase of approximately 8.4%. Such increase was mainly consistent with the increase in revenue during the period, and was attributable to the increase in subcontracting charges.

The following is a discussion of the changes in the key components of the Group's cost of sales for the year ended 30 June 2017 compared to the year ended 30 June 2018:

(i) subcontracting charges increased from approximately RM57.9 million for the year ended 30 June 2017 to approximately RM68.2 million for the year ended 30 June 2018, representing an increase of approximately 17.8%. Such increase was mainly due to the increase in amount of work outsourced to subcontractors as a result of the growth in the Group's business for the year ended 30 June 2018 as illustrated by the increase in the Group's revenue as discussed above; and

(ii) cost of direct materials decreased from approximately RM29.7 million for the year ended 30 June 2017 to approximately RM22.8 million for the year ended 30 June 2018, representing a decrease of approximately 23.2%. Such decrease was mainly due to the increase in the use of subcontractors for the year ended 30 June 2018 which bore their own material costs.

Gross profit and gross profit margin

The Group's gross profit increased from approximately RM27.3 million to RM32.1 million for the years ended 30 June 2017 and 2018, respectively, representing an increase of approximately 17.6%; while the Group's gross profit margin remained stable at approximately 20.6% and 21.9% for the years ended 30 June 2017 and 2018, respectively.

Civil works projects

The Group's gross profit from civil works projects increased by 34.8% from approximately RM16.4 million for the year ended 30 June 2017 to approximately RM22.1 million for the year ended 30 June 2018; while the gross profit margin of civil works projects increased from approximately 18.2% for the year ended 30 June 2017 to approximately 20.5% for the year ended 30 June 2018. For the year ended 30 June 2018, revenue and gross profit from civil works projects were mainly derived from three projects, which included (i) Project 7, an on-going project from the previous year; and (ii) two new projects, namely, Project 9 and Project 11, which commenced the respective works from August 2017 and October 2017. For Project 7, its gross profit margin for the year ended 30 June 2018 was approximately 17.0%, was relatively lower than other civil works projects undertook by the Group during the year with an average gross profit margin of approximately 23.0%. The reason for such difference was mainly attributable to more subcontracting charges were incurred when carrying out Project 7, which results in a lower profit margin earned by the Group. As for the two new projects, the respective profit margin was largely in line with other civil works projects undertook by the Group.

Site preparation works projects

The Group's gross profit from site preparation works projects increased by 26.3% from approximately RM1.9 million for the year ended 30 June 2017 to approximately RM2.4 million for the year ended 30 June 2018; while the gross profit margin of site preparation works projects remained stable at approximately 23.9% and 23.1% for the years ended 30 June 2017 and 2018, respectively. For the year ended 30 June 2017, revenue and gross profit from site preparation works projects were mainly derived from Project 6 which was commenced from April 2016 and completed by April 2017. According, more revenue was recognised for the year ended 30 June 2017.

Building works projects

The Group's gross profit from building works projects decreased by 16.5% from approximately RM9.1 million for the year ended 30 June 2017 to approximately RM7.6 million for the year ended 30 June 2018; while the gross profit margin of building works projects remained stable at approximately 26.1% and 26.9% for the years ended 30 June 2017 and 2018, respectively. The decrease in gross profit margin was mainly attributable to Project 4 which is expected to be completed by March 2019 had entered completion stage during the year ended 30 June 2018 and therefore less revenue was recognised during the year ended 30 June 2018.

Other income/(expenses), net

The Group recorded other income of approximately RM0.5 million for the year ended 30 June 2017, and other expenses of approximately RM0.1 million for the year ended 30 June 2018. Such change was mainly attributable to (i) a one-off foreign exchange loss of approximately RM0.4 million recorded due to the advance payment received from one of its customers in 2016 which were denominated in USD for the year ended 30 June 2018; and (ii) the decrease in sundry income of approximately RM0.1 million from the year ended 30 June 2017 to the year ended 30 June 2018.

Administrative expenses

The Group's administrative expenses increased from approximately RM4.7 million to RM6.0 million for the years ended 30 June 2017 and 2018, respectively, representing an increase of approximately 27.7%. Such increase was mainly attributable to increase in staff costs as a result of the increase in salaries and benefits paid to the Directors and the Group's staff.

Finance costs

The Group's finance costs increased from approximately RM0.9 million to RM1.1 million for the years ended 30 June 2017 and 2018, respectively, representing an increase of approximately 22.2%. The increase in finance costs was mainly attributable to the increase in interest on term loans and obligations under finance leases.

Income tax expense

The Group's income tax expense increased from approximately RM5.1 million to RM6.5 million for the years ended 30 June 2017 and 2018, respectively, representing an increase of approximately 27.5%. The increase in income tax was mainly due to the increase in profit from operation.

Profit and total comprehensive income for the year and net profit margin

As a result of the foregoing, the Group's profit and total comprehensive income for the year were approximately RM17.2 million and RM18.3 million for the years ended 30 June 2017 and 2018, respectively. The Group's net profit margin remained stable at approximately 12.9% and 12.5% for the years ended 30 June 2017 and 2018, respectively.

Year ended 30 June 2017 compared with year ended 30 June 2016

Revenue

The Group's revenue increased by 298.5% from approximately RM33.3 million for the year ended 30 June 2016 to approximately RM132.7 million for the year ended 30 June 2017 which was a combined result of (i) the increase in revenue from civil works projects by approximately RM86.6 million; (ii) the increase in revenue from site preparation works projects by approximately RM5.9 million; and (iii) the increase in revenue from building works projects by approximately RM6.7 million. The increase was also due to the fact that the Group undertook more PIPC projects where the majority of work commenced in FY2017. Moreover, the Group first participated in PIPC projects through Project 3 in April 2015. The Directors consider that, with the quality of services delivered by the Group and its ability to meet tight work schedules, more opportunities became available to the Group and the Group was awarded with more PIPC projects and more sizable projects afterwards.

Civil works projects

Revenue from civil works projects increased from approximately RM3.4 million for the year ended 30 June 2016 to approximately RM90.0 million for the year ended 30 June 2017, representing an increase of approximately 2,547.1%. Such increase was mainly attributable to the fact that a large sum of revenue was recognised from Project 7, which is a project with a large contract sum and commenced from July 2016 during the year ended 30 June 2017. For the year ended 30 June 2016, revenue from civil works projects was mainly derived from Project 1, with approximately RM1.5 million revenue recognised during the year. For the year ended 30 June 2017, revenue from civil works projects was mainly derived from Project 7, with approximately RM68.8 million revenue recognised during the year.

Site preparation works projects

Revenue from site preparation works increased from approximately RM1.9 million for the year ended 30 June 2016 to approximately RM7.8 million for the year ended 30 June 2017, representing an increase of approximately 310.5%. Such increase was mainly attributable to more revenue being recognised from Project 6 for the year ended 30 June 2017 after its commencement on April 2016. For the years ended 30 June 2016 and 2017, revenue from site preparation works projects was mainly derived from Project 6, with approximately RM0.7 million and RM4.0 million revenue recognised during the respective year.

Building works projects

Revenue from building works projects increased from approximately RM28.1 million for the year ended 30 June 2016 to approximately RM34.9 million for the year ended 30 June 2017, representing an increase of approximately 24.2%. Such increase was mainly attributable to more revenue being recognised from Project 4 for the year ended 30 June 2017 as the amount of work done for this project is higher than that in the previous year when it was still in the preliminary stage and the project preparation process after its commencement in November 2015. For the years ended 30 June 2016 and 2017, revenue from building works projects were mainly derived from Project 4, with approximately RM20.1 million and RM34.9 million revenue were recognised during the respective year.

Cost of sales

The Group's cost of sales increased from approximately RM24.3 million for the year ended 30 June 2016 to approximately RM105.3 million for the year ended 30 June 2017, representing an increase of approximately 333.3%.

The following is a discussion of the changes in the key components of the Group's cost of sales for the year ended 30 June 2016 compared to the year ended 30 June 2017:

(i) subcontracting charges increased from approximately RM3.1 million for the year ended 30 June 2016 to approximately RM57.9 million for the year ended 30 June 2017, representing an increase of approximately 1,767.7%. Such increase was mainly due to the increase in amount of work outsourced to subcontractors as a result of the growth in the Group's business for the year ended 30 June 2017 as illustrated by the increase in the Group's revenue as discussed above; and

(ii) cost of direct materials increased from approximately RM12.2 million for the year ended 30 June 2016 to approximately RM29.7 million for the year ended 30 June 2017, representing an increase of approximately 143.4%. The less-than-proportionate increase in the Group's direct material costs when comparing to the increase in revenue was mainly due to the increase in the use of subcontractors for the year ended 30 June 2017 which bore their own material costs.

Gross profit and gross profit margin

The Group's gross profit increased from approximately RM9.0 million to RM27.3 million for the years ended 30 June 2016 and 2017, respectively, representing an increase of approximately 203.3%; while the Group's gross profit margin decreased from approximately 27.1% to 20.6% for the year ended 30 June 2016 and 2017, respectively.

Civil works projects

The Group's gross profit from civil works projects increased by 1,950.0% from approximately RM0.8 million for the year ended 30 June 2016 to approximately RM16.4 million for the year ended 30 June 2017; while the gross profit margin of civil works projects decreased from approximately 25.0% for the year ended 30 June 2016 to approximately 18.2% for the year ended 30 June 2017. For the year ended 30 June 2017, revenue and gross profit from civil works projects were mainly derived from Project 7 which was commenced from July 2016. The profit margin of Project 7 was relatively lower since more subcontracting charges were incurred. Accordingly, the gross profit margin of civil works projects was lower than that of 2016.

Site preparation works projects

The Group's gross profit from site preparation works projects increased by 280.0% from approximately RM0.5 million for the year ended 30 June 2016 to approximately RM1.9 million for the year ended 30 June 2017; while the gross profit margin of site preparation works projects decreased from approximately 25.6% for the year ended 30 June 2016 to approximately 23.9% for the year ended 30 June 2017.

For the year ended 30 June 2017, revenue and gross profit from site preparation works projects were mainly derived from Project 6, this project is located in Port Dickson which is close to TBK's office. Therefore, the Group could easily mobilise its labour, machinery and subcontractors when carrying out the project work. Accordingly, cost of sales were reduced and the gross profit margin for such project is relatively higher when compared to other site preparation works projects undertook by the Group. Project 6 was commenced from April 2016, accordingly, more revenue and gross profit were attributed by Project 6 during the year ended 30 June 2017. Gross profit margin of site preparation works projects remained stable at 25.6% and 23.9% for the two years ended 30 June 2016 and 2017, respectively.

Building works projects

The Group's gross profit from building works projects increased by 18.2% from approximately RM7.7 million for the year ended 30 June 2016 to approximately RM9.1 million for the year ended 30 June 2017; while the gross profit margin of building works projects remained stable at approximately 27.5% and 26.1% for the years ended 30 June 2016 and 2017, respectively. For the years ended 30 June 2016 and 2017, revenue and gross profit from building works projects were contributed significantly by Project 4 throughout the two years. Accordingly, profit margin of building works projects remained stable for the years ended 30 June 2016 and 2017.

Other income/(expenses), net

The Group's other income increased from approximately RM0.4 million to RM0.5 million for the years ended 30 June 2016 and 2017, respectively, representing an increase of approximately 25.0%. Such increase was mainly attributable to the increase in rental income and interest income.

Administrative expenses

The Group's administrative expenses increased from approximately RM3.6 million to RM4.7 million for the years ended 30 June 2016 and 2017, respectively, representing an increase of approximately 30.6%. Such increase was mainly attributable to increase in staff costs and legal and professional fees and charges.

Finance costs

The Group's finance costs increased from approximately RM0.8 million to RM0.9 million for the years ended 30 June 2016 and 2017, respectively, representing an increase of approximately 12.5%. The increase in finance costs was mainly attributable to the increase in interest on term loans and obligations under finance leases.

Income tax expense

The Group's income tax expense increased from approximately RM1.3 million to RM5.1 million for the years ended 30 June 2016 and 2017, respectively, representing an increase of approximately 292.3%. The increase in income tax was mainly due to the increase in profit from operation.

Profit and total comprehensive income for the year and net profit margin

As a result of the foregoing, the Group's profit and total comprehensive income for the year was approximately RM3.7 million and RM17.2 million for the year ended 30 June 2016 and 2017, respectively. Such increase was mainly attributable to the increase in revenue and gross profit contributed mainly by PIPC projects as discussed above. The Group's net profit margin was approximately 11.1% and 12.9% for the years ended 30 June 2016 and 2017, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Summary of cash flow movements

The following table is a condensed summary of the combined statements of cash flows during the Track Record Period:

	For the year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Cash flows before working capital changes	7,522	25,370	28,917	27,150	21,811
Net cash generated from/(used in) operating activities	2,004	14,957	25,210	16,604	(17,128)
Net cash (used in)/generated from investing activities	(3,291)	(10,115)	(9,684)	(8,614)	10,561
Net cash generated from/(used in) financing activities	734	(2,383)	(7,494)	(2,712)	12,105
Cash and cash equivalents at beginning of year/period	(5,265)	(5,818)	(3,359)	(3,359)	4,673
Cash and cash equivalents at end of year/period	(5,818)	(3,359)	4,673	1,919	10,211
Analysis of cash and cash equivalents:					
Cash and bank balances	281	589	6,279	5,702	12,740
Bank overdrafts	(6,099)	(3,948)	(1,606)	(3,783)	(2,529)
	(5,818)	(3,359)	4,673	1,919	10,211

Cash flow analysis

Net cash generated from/used in operating activities

The cash inflow from operating activities is principally generated from the receipts from the provision of services under civil and structural works. During the Track Record Period, the net cash flows from operating activities represented profit before income tax expense adjusted for changes in working capital and other non-cash items.

For the year ended 30 June 2016, the Group had net cash generated from operating activities of approximately RM2.0 million, which was largely attributable to the combined effect of (i) cash flows before working capital changes of approximately RM7.5 million, comprised primarily of profit before income tax expense of RM5.0 million and adjustment for depreciation of property, plant and equipment of RM1.7 million; (ii) the net working capital change of approximately RM3.3 million, which was primarily attributable to a combined effect of (a) the increase in trade receivables, other receivables, deposits and prepayments of approximately RM3.4 million; (b) the increase in contract assets of approximately RM4.1 million; (c) the increase in contract liabilities of approximately RM2.7 million; and (d) increase in trade and other payables of approximately RM1.5 million.

For the year ended 30 June 2017, the Group had net cash generated from operating activities of approximately RM15.0 million, which was largely attributable to the combined effect of (i) cash flows before working capital changes of approximately RM25.4 million, comprised primarily of profit before income tax expense of RM22.3 million and adjustment for depreciation of property, plant and equipment of approximately RM2.3 million; (ii) the net working capital change of approximately RM6.8 million, which was primarily attributable to a combined effect of (a) the increase in trade receivables, other receivables, deposits and prepayments of approximately RM4.9 million; (b) the increase in contract assets of approximately RM9.1 million; (c) the decrease in contract liabilities of approximately RM0.6 million; and (d) increase in trade and other payables of approximately RM7.8 million.

For the year ended 30 June 2018, the Group had net cash generated from operating activities of approximately RM25.2 million, which was largely attributable to the combined effect of (i) cash flows before working capital changes of approximately RM28.9 million, comprised primarily of profit before income tax expense of RM24.8 million and adjustment for depreciation of property, plant and equipment of approximately RM2.9 million; (ii) the net working capital change of approximately RM1.5 million, which was primarily attributable to a combined effect of (a) the decrease in trade receivables, other receivables, deposits and prepayments of approximately RM4.0 million; (b) the increase in contract assets of approximately RM12.0 million; (c) the decrease in contract liabilities of approximately RM2.2 million; and (d) increase in trade and other payables of approximately RM11.7 million.

For the nine months ended 31 March 2019, the Group had net cash used in operating activities of approximately RM17.1 million, which was largely attributable to the combined effect of (i) cash flows before working capital changes of approximately RM21.8 million, comprised primarily of profit before income tax expense of RM18.4 million and adjustment for depreciation of property, plant and equipment of approximately RM2.6 million; (ii) the net working capital change of approximately RM32.5 million, which was primarily attributable to a combined effect of (a) the increase in trade receivables, other receivables, deposits and prepayments of approximately RM23.3 million; (b) increase in contract assets of approximately RM44.1 million; and (c) the increase in trade and other payables of approximately RM35.0 million.

Net cash generated from/used in investing activities

The cash outflows from investing activities during the Track Record Period primarily consisted of purchase of property, plant and equipment and movements in pledged time deposits.

The Group recorded net cash used in investing activities of approximately RM3.3 million for the year ended 30 June 2016, which was primarily attributable to the movements in pledged time deposits of approximately RM2.5 million and the purchase of property, plant and equipment of approximately RM0.8 million.

The Group recorded net cash used in investing activities of approximately RM10.1 million for the year ended 30 June 2017, which was primarily attributable to (i) the movements in restricted bank balances of approximately RM10.4 million; (ii) the movements in pledged time deposits of approximately RM1.8 million and (iii) the purchase of property, plant and equipment of approximately RM1.7 million.

The Group recorded net cash used in investing activities of approximately RM9.7 million for the year ended 30 June 2018, which was primarily attributable to the (i) the movements in restricted bank balances of approximately RM6.5 million; and (ii) purchase of property, plant and equipment of approximately RM2.2 million.

The Group recorded net cash generated from investing activities of approximately RM10.6 million for the nine months ended 31 March 2019, which was primary attributable to (i) the movements in restricted bank balances of approximately RM16.9 million; and (ii) movement in pledged deposits and bank balances of approximately RM5.9 million.

Net cash generated from/used in financing activities

The cash inflows from financing activities during the Track Record Period primary consisted of bank borrowing, repayment of obligations under finance leases and amounts due to directors.

During the year ended 30 June 2016, the net cash generated from financing activities of approximately RM0.7 million was mainly attributable to (i) increase in amounts due to directors of approximately RM1.9 million and (ii) proceeds from bank borrowings of approximately RM1.5 million, which was partially offset by the repayment of obligations under finance leases of approximately RM1.6 million.

During the year ended 30 June 2017, the net cash used in financing activities of approximately RM2.4 million was mainly attributable to (i) the repayment of bank borrowings of approximately RM25.8 million; (ii) the repayment of amounts due to directors of approximately RM2.5 million; and (iii) the repayment of obligations under finance leases of approximately RM2.1 million, which was partially offset by proceeds from bank borrowings of approximately RM28.7 million.

During the year ended 30 June 2018, the net cash used in financing activities of approximately RM7.5 million was mainly attributable to (i) the repayment of bank borrowings of approximately RM32.8 million; (ii) the repayment of obligations under finance leases of approximately RM2.4 million; and (iii) repayment of amounts due to directors of approximately RM1.2 million, which was partially offset by proceeds from bank borrowing of approximately RM29.9 million.

During the nine months ended 31 March 2019, the net cash generated from financing activities of approximately RM12.1 million was mainly attributable to the (i) proceeds from issue of ordinary shares by TBKS Investments of approximately RM13.3 million; and (ii) proceeds from bank borrowings of approximately RM12.7 million, which was partially offset by (i) repayment of bank borrowings of approximately RM9.8 million; and (ii) repayment of obligations under finance leases of approximately RM2.5 million.

WORKING CAPITAL

Taking into account the financial resources of the Group, including its cash flow generated from the operating activities during the Track Record Period, its cash and cash equivalents balance of approximately RM26.4 million as at 31 July 2019, the existing bank borrowings and banking facilities available to the Group and the estimated net proceeds of the Share Offer, the Directors are of the opinion that the Group has sufficient working capital for the present requirements and for at least the next 12 months from the date of this prospectus.

WORKING CAPITAL MANAGEMENT

To ensure the Group is able to attain the minimum level of working capital for business operation, taking into account that a portion of payment received from customer was withheld by banks as sinking fund, the Group has adopted a prudent treasury management policy to (i) ensure that the Group's funds are properly and efficiently collected and deployed such that there is no material shortfall in cash which may interrupt the Group's daily business obligations; (ii) maintain sufficient level of funds to settle the Group's capital commitment when they fall due; (iii) maintain adequate liquidity to cover the Group's operation cash flows, project expenditures and administrative expenses; and (iv) streamline the Group's operational processes to achieve savings in construction-related costs, maintenance and other operating costs. In order to maintain sufficient level of funds to settle the Group's daily business obligation, to meet the deposit requirements of the bank and maintain adequate liquidity to cover the Group's operation cash flow, the Group used bank overdrafts and banker's acceptances as a short term funding to manage the working capital requirements.

NET CURRENT ASSETS

The following table sets forth the current assets and current liabilities as at 30 June 2016, 2017 and 2018, 31 March 2019 and 31 July 2019.

	As at 30 June			As at 31 March	As at 31 July
	2016	2017	2018	2019	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000* *(unaudited)*
Current assets					
Trade receivables, other receivables, deposits and prepayments	9,975	14,824	10,755	34,076	15,856
Assets held for distribution to Controlling Shareholders	—	—	—	2,101	—
Contract assets	8,697	17,812	29,797	73,918	68,585
Tax recoverable	692	—	—	—	—
Pledged time deposits	3,415	1,591	1,670	7,568	7,638
Restricted bank balances	—	10,376	16,906	—	—
Cash and cash equivalents	281	589	6,279	12,740	26,441
	23,060	45,192	65,407	130,403	118,520
Current liabilities					
Trade and other payables	8,501	16,345	28,031	63,018	53,771
Contract liabilities	2,735	2,162	—	—	—
Obligations under finance leases	1,702	1,830	2,163	2,838	2,991
Bank borrowings	7,951	8,090	3,559	7,735	3,874
Dividend payable	—	—	—	5,600	—
Tax payable	—	597	1,968	2,097	443
	20,889	29,024	35,721	81,288	61,079
Net current assets	2,171	16,168	29,686	49,115	57,441

As at 30 June 2016, the Group recorded a net current assets of approximately RM2.2 million. The key components of the Group's current assets as at such date included trade receivables, other receivables, deposits and prepayments, contract assets and pledged time deposits. The key components of the Group's current liabilities as at such date included trade and other payables and current portion of bank borrowings.

As at 30 June 2017, the Group recorded a net current assets of approximately RM16.2 million. The key components of the Group's current assets as at such date included contract assets, trade receivables, other receivables, deposits and prepayments, cash and cash equivalents and restricted bank balances. The key components of the Group's current liabilities as at such date included trade and other payables and current portion of bank borrowings.

The net current assets of the Group increased to approximately RM16.2 million as at 30 June 2017 from approximately RM2.2 million as at 30 June 2016. This was mainly attributable to the increase in current assets which consisted primarily of (i) the increase in restricted bank balances of approximately RM10.4 million; and (ii) the increase in contract assets of approximately RM9.1 million. Such increase in current assets was partially offset by the increase in trade and other payables of approximately RM7.8 million.

As at 30 June 2018, the Group recorded a net current assets of approximately RM29.7 million. The key components of the Group's current assets as at such date included contract assets, restricted bank balances and cash and cash equivalents. The key components of the Group's current liabilities as at such date included trade and other payables.

The net current assets of the Group increased to approximately RM29.7 million as at 30 June 2018 from approximately RM16.2 million as at 30 June 2017. This was attributable to the increase in current assets which consisted primarily of (i) the increase in cash and cash equivalents of approximately RM5.7 million; (ii) the increase in contract assets of approximately RM12.0 million; and (iii) the increase in restricted bank balances of approximately RM6.5 million. Such increase in current assets was partially offset by the increase in trade and other payables of approximately RM11.7 million.

As at 31 March 2019, the Group recorded a net current assets of approximately RM49.1 million. The key components of the Group's current assets as at such date included contract assets and trade receivables, other receivables, deposits and prepayments. The key components of the Group's current liabilities as at such date included trade and other payables.

The net current assets of the Group increased to approximately RM49.1 million as at 31 March 2019 from approximately RM29.7 million as at 30 June 2018. This was attributable to the increase in current assets which consisted primarily of (i) the increase in trade receivables, other receivables, deposits and prepayments of approximately RM23.3 million; (ii) the increase in contract assets of approximately RM44.1 million. Such increase in current assets was partially offset by the increase in trade and other payables of approximately RM35.0 million.

As at 31 July 2019, the Group recorded a net current assets of approximately RM57.4 million. The key components of the Group's current assets as at such date included contract assets, trade receivables, other receivables, deposits and prepayments and cash and cash equivalents. The key components of the Group's current liabilities as at such date included trade and other payables.

The net current assets of the Group increase to approximately RM57.4 million as at 31 July 2019 from approximately RM49.1 million as at 31 March 2019. This was mainly attributable to the decrease in current liabilities which consisted primarily of (i) the decrease in trade and other payables of approximately RM9.2 million; and (ii) decrease in bank borrowings of approximately RM3.9 million, which is partially offset by the decrease in contract assets of approximately RM5.3 million.

CERTAIN SELECTED STATEMENTS OF FINANCIAL POSITION LINE ITEMS

Property, plant and equipment

The following table sets out the respective net carrying amounts of the Group's property, plant and equipment as at the respective dates as indicated:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Freehold land	7,608	7,608	9,355	8,154
Freehold land and building	2,093	2,046	1,999	1,982
Leasehold land	422	417	412	408
Leasehold land and shophouse	1,311	1,281	2,963	2,932
Workshop	3	3	3	3
Plant and machinery, excavators, loader and motor vehicles	6,712	7,238	7,988	10,393
Furniture, fittings and office equipment	97	177	194	253
Construction in progress	860	1,723	—	—
Total	19,106	20,493	22,914	24,125

As at 30 June 2016, 2017 and 2018 and 31 March 2019, (i) freehold land, freehold land and buildings, leasehold land and leasehold land and building of the Group with total net carrying amount of approximately RM9.4 million, RM9.3 million, RM11.2 million and RM11.1 million, respectively, are pledged to licensed banks as security for credit facilities granted to the Group; and (ii) as at 30 June 2016 and 2017 construction in progress with net carrying amount of approximately RM0.9 million and RM1.7 million, respectively, have been charged to licensed banks for banking facilities granted to the Group. For more details, please refer to paragraph headed "Bank borrowings" in this section.

Cash and cash equivalents

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Cash and bank balances	281	589	5,908	12,740
Fixed deposits with licensed banks	—	—	371	—
	281	589	6,279	12,740

The cash and bank balances were denominated predominantly in RM. For further details of cash and cash equivalent movement during the Track Record Period, please refer to paragraph headed "Liquidity and capital resources" in this section.

Trade Receivables, Other Receivables, Deposits and Prepayments

Trade receivables, other receivables, deposits and prepayments primarily includes (i) trade receivables; (ii) advances paid to subcontractors and suppliers; (iii) other receivables; (iv) deposits; and (v) prepayments.

Trade Receivables

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Trade receivables	8,750	12,720	10,339	31,227
Less: Allowance for impairment losses	(40)	(91)	(188)	(208)
	8,710	12,629	10,151	31,019

The movements in the loss allowance provision of trade receivables are as follows:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of the year/period	4,542	40	91	188
Provision for loss allowance recognised in profit or loss	34	82	100	21
Reversal of impairment loss	(28)	(5)	—	(1)
Write off	(4,508)	(26)	(3)	—
At the end of year/period	40	91	188	208

At the end of each reporting period, the allowance for impairment has been recognised for trade receivables in accordance with the simplified approach, i.e. lifetime expected credit losses set out in IFRS 9. During the years ended 30 June 2016, 2017 and 2018 and for the nine months ended 31 March 2019, a provision of approximately RM34,000, RM82,000, RM100,000 and RM21,000 was made against the gross amounts of trade receivables, respectively. As at 30 June 2016, the write off on loss allowance provision trade receivables of approximately RM4.5 million mainly represents write off on loss allowance from two customers of approximately RM3.6 million and RM0.9 million, respectively.

The write off on allowance impairment losses of approximately RM3.6 million was related to revenue and trade receivables recognised from a civil work project over the years from 2007 to 2011. As such balance of trade receivables was overdue for over a year, a loss allowance provision of approximately RM3.6 million recognised for the year ended 30 June 2012. In 2012, the Group had taken legal action against the customer and its consortium partner for the receivable in respect of the outstanding and the retention money due. During the year ended 30 June 2016, the Court of Appeal of Malaysia had ruled in favour of the defendant. Accordingly, such provision was written off as at 30 June 2016.

The write off on allowance for impairment losses of approximately RM0.9 million was related to revenue and trade receivables recognised during the year ended 30 June 2015 for a building work project. As the Group did not receive any payment after rendering the invoice, work was suspended and a legal letter of demand was issued in January 2016. Subsequently, in order to avoid costs for legal proceedings, the Group decided not to proceed with legal actions against the customer and such provision was written off for the year ended 30 June 2016.

In general, the trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 45 days from date of invoice during the Track Record Period. Ageing analysis of trade receivables as at the respective dates during the Track Record Period, based on invoice dates, is as follows:

	As at 30 June			**As at 31 March**
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
0 to 45 days	4,498	7,960	5,293	23,703
46 to 90 days	4,016	4,292	1,371	4,086
91 to 180 days	29	468	3,675	2,394
Over 180 days	207	—	—	1,044
	8,750	12,720	10,339	31,227

For further details of impairment loss on trade receivables, please refer to note 34 of the Accountants' Report.

Based on past experience, the Directors are of the view that no further impairment allowance was necessary and the net trade receivables balances were considered to be fully recoverable.

The following table sets forth the trade receivables turnover days for the periods indicated:

	For the year ended 30 June			For the nine months ended 31 March
	2016	2017	2018	2019
Trade receivables turnover days *(Note)*	91.1 days	29.5 days	28.8 days	36.0 days

Note: Calculated as the average of the opening and closing balance of gross trade receivables for the relevant year or period divided by revenue for the relevant year or period and multiplied by 365 days for each of the year ended 30 June 2016, 2017 and 2018 and 274 days for the nine months ended 31 March 2019.

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, trade receivables turnover days were approximately 91.1 days, 29.5 days, 28.8 days and 36.0 days, respectively. The trade receivables turnover days increased from approximately 28.8 days for the year ended 30 June 2018 to approximately 36.0 days for the nine months ended 31 March 2019, which was mainly attributable to the increase in accounts receivable due from Tecnicas Reunidas Malaysia Sdn. Bhd. of approximately RM9.8 million following the significant amount of work done on Project 4 to approximately RM12.4 million as at 31 March 2019 and was subsequently fully settled. As at Latest Practicable Date, approximately RM30.5 million or 97.8% of the trade receivables as at 31 March 2019 had been settled.

The following table sets forth the trade receivables and contract assets turnover days during the Track Record Period based on the aggregate amount of (i) gross trade receivables; and (ii) contract assets (including retention money):

	For the year ended 30 June			For the nine months ended 31 March
	2016	2017	2018	2019
Trade receivables and contract assets turnover days *(Note)*	163.9 days	66.0 days	88.2 days	125.8 days

Note: Calculated as the average of the opening and closing balance of (i) gross trade receivables; and (ii) contract assets (including retention money) for the relevant year or period divided by revenue for the relevant year or period and multiplied by 365 days for each of the year ended 30 June 2016, 2017 and 2018 and 274 days for the nine months ended 31 March 2019.

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, trade receivables and contract assets turnover days were approximately 163.9 days, 66.0 days, 88.2 days and 125.8 days, respectively.

The trade receivables and contract assets turnover days decreased from approximately 163.9 days to approximately 66.0 days as a result of the increase in revenue for the year ended 30 June 2017. It further increased to approximately 88.2 days for the year ended 30 June 2018 as a result of the increase in retention assets as at 30 June 2018. The turnover days then increased to approximately 125.8 days for the nine months ended 31 March 2019. Such increase was mainly attributable to (i) the increase in contract assets as a result of (a) the increase in retention money for contract works of approximately RM11.2 million as more billings were made to customers during the nine months ended 31 March 2019; and (b) the increase in right to consideration for work completed and not billed of approximately RM22.7 million following the significant amount of work done on Project 11 for Customer I; and (ii) the increase in trade receivable as a result of increase in accounts receivable due from Tecnicas Reunidas Malaysia Sdn. Bhd. of approximately RM9.8 million following the significant amount of work done on Project 4.

Other Receivables, Deposits and Prepayments

				As at
		As at 30 June		**31 March**
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Advances paid to subcontractors and suppliers	32	432	193	732
Other receivables	598	598	100	131
Deposits	512	1,165	311	177
Prepayments	123	—	—	2,017
	1,265	2,195	604	3,057

As at 31 March 2019, other receivables, deposits and prepayments primarily included prepayments, which mainly consists of prepaid IPO related professional fees.

Contract assets/contract liabilities

Contract assets are recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses. Loss allowance for contract assets is measured at an amount equal to lifetime expected credit losses. Expected credit losses on contract assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the customers and an assessment of both the current and forecast general economic conditions at the reporting date. Contract assets are reclassified to receivables when the right to the consideration has become unconditional.

Contract liabilities are recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

The following table sets out the details of the contract assets and contract liabilities as at each reporting date:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Analysed for reporting purpose as:				
Contract assets	8,697	17,812	29,797	73,918
Contract liabilities	(2,735)	(2,162)	—	—
	5,962	15,650	29,797	73,918

As at 30 June 2016, 2017 and 2018 and 31 March 2019, the Group recorded (i) contract assets of approximately RM8.7 million, RM17.8 million, RM29.8 million and RM73.9 million, respectively; and (ii) contract liabilities of approximately RM2.7 million, RM2.2 million, nil and nil, respectively.

The Group's contract assets increased from approximately RM8.7 million as at 30 June 2016 to approximately RM17.8 million as at 30 June 2017, and further increased to approximately RM29.8 million and RM73.9 million as at 30 June 2018 and 31 March 2019, respectively. Such increase was mainly attributable to the increase in retention money for contract works amounted to approximately RM3.6 million, RM9.6 million and RM16.4 million as at 30 June 2016, 2017 and 2018, respectively. As at 31 March 2019, the increase in contract assets was mainly attributable to (i) the increase in retention money for contract works of approximately RM11.2 million as more billings were made to customers during the nine months ended 31 March 2019; and (ii) the increase in right to consideration for work completed and not billed of approximately RM22.7 million following the significant amount of work done on Project 11 for Customer I.

The Group's contract liabilities decreased from approximately RM2.7 million as at 30 June 2016 to approximately RM2.2 million as at 30 June 2017, and further decreased to nil as at 30 June 2018 and 31 March 2019. As at 30 June 2016 and 2017, the Group's contract liabilities comprise of advance from customers.

As at the Latest Practicable Date, (i) the Group's contract assets of approximately RM73.9 million had been fully certified; (ii) approximately RM47.5 million or 64.3% of the Group's contract assets as at 31 March 2019 was subsequently billed; and (iii) the remaining unbilled amount was retention money which is due after the end of the defects liability period and the issuance of a completion certificate by the contractor and/or the project owner.

Retention money

The retention money is to be settled, based on the completion of defects liability period at the end of each reporting period. Retention money is unsecured, interest-free and recoverable at the end of the defects liability period of individual contracts. The Group's retention money increased from approximately RM3.6 million as at 30 June 2016 to RM9.6 million as at 30 June 2017 and further increased to 16.4 million and RM27.6 million as at 30 June 2018 and 31 March 2019, respectively. Such increase was mainly attributable to there were more projects in construction stage during the Track Record Period. The following table sets forth the expected settlement date of retention money for each respective period end date:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within one year	1,961	1,271	14,479	26,834
After one year	1,594	8,342	1,901	747
	3,555	9,613	16,380	27,581

Trade and other payables

Trade payables

The following table sets forth the Group's trade payables as at the dates indicated:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Trade payables	6,463	8,075	19,211	58,097

As at 31 March 2019, the Company recorded trade payables of approximately RM58.1 million, representing an increase of approximately RM38.9 million as compared to approximately RM19.2 million recorded as at 30 June 2018. The increase was mainly due the delay in payment received from customer. During the Track Record Period, the trade payables of the Group mainly represented amounts payable to suppliers and subcontractors. Trade payables are non-interest bearing, the Group generally receives credit terms of 0 to 60 days from its suppliers and subcontractors. The increase in trade payables over the Track Record Period was generally in line with the business expansion during the Track Record Period.

The following table sets out the ageing analysis of the Group's trade payables as at each reporting date based on the invoice dates:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
0 to 30 days	1,822	4,019	4,084	17,105
31 to 60 days	2,336	916	6,324	15,182
61 to 90 days	389	1,245	2,282	12,216
Over 90 days	1,916	1,895	6,521	13,594
	6,463	8,075	19,211	58,097

As at Latest Practicable Date, approximately RM36.9 million or 63.5% of the trade payables as at 31 March 2019 had been settled.

The following table sets forth the trade payables turnover days for the periods indicated:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
Trade payables turnover days *(Note)*	92.4 days	25.2 days	43.6 days	82.6 days

Note: Calculated as the average of the opening and closing balance of gross trade payables for the relevant year or period divided by cost of sales for the relevant year or period and multiplied by 365 days for each of the year ended 30 June 2016, 2017 and 2018 and 274 days for the nine months ended 31 March 2019.

For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, trade payables' turnover days were approximately 92.4 days, 25.2 days, 43.6 days and 82.6 days, respectively. The Directors considered that the Group had stable relationship with its suppliers and subcontractors and confirmed that it had no material disputes with its suppliers and subcontractors during the Track Record Period.

Other payables and accruals

The following table sets forth the Group's other payables at the end of each reporting period during the Track Record Period:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Retention payables	48	56	687	418
Accruals	1,292	7,619	8,133	4,424
Other payables	679	595	—	79
Deposits received	19	—	—	—
	2,038	8,270	8,820	4,921

As at 31 March 2019, other payables primarily included accruals and retention payables. Retention payables to subcontractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

INDEBTEDNESS

The following table sets forth the Group's indebtedness as at the respective dates indicated:

	As at 30 June			As at 31 March	As at 31 July
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(unaudited)
Bank borrowings	11,927	12,606	7,334	11,157	6,849
Obligations under finance leases	4,330	4,182	4,893	6,937	6,622
	16,257	16,788	12,227	18,094	13,471

As at 30 June 2016, 30 June 2017 and 30 June 2018, 31 March 2019 and 31 July 2019, the Group had total indebtedness of approximately RM16.3 million, RM16.8 million, RM12.2 million, RM18.1 million and RM13.5 million, respectively. The Group's indebtedness was primarily bank borrowings of approximately RM11.9 million, RM12.6 million, RM7.3 million, RM11.2 million and RM6.8 million as at 30 June 2016, 2017 and 2018, 31 March 2019 and 31 July 2019.

As at 31 July 2019, the Group had total available banking facilities of approximately RM68.9 million, of which approximately RM42.9 million was utilised and approximately RM26.1 million was unutilised. Among the unutilised banking facilities, approximately RM4.1 million is for general purpose and approximately RM22.0 million is mainly for specific purpose, which is mainly assigned to specific project use, such as financing of respective performance bond. Based on the Directors' past experience, the banks in Malaysia will not normally grant banking facilities to non-listed companies without personal guarantees.

The Directors confirmed that, during the Track Record Period and up to the Latest Practicable Date, the Group has not experienced any difficulties in obtaining bank borrowings nor any default in repayment on bank borrowings. As confirmed by the Directors, the Group had not defaulted or delayed any payment, and/or breached any of the finance covenants of its banking facilities during the Track Record Period and up to the Latest Practicable Date.

Bank borrowings

				As at	As at
		As at 30 June		31 March	31 July
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(unaudited)
Term loans (secured)	4,364	7,483	4,228	3,898	3,415
Bank overdrafts (secured)	6,099	3,948	1,606	2,529	—
Banker's acceptances (secured)	1,464	1,175	1,500	4,730	3,434
	11,927	12,606	7,334	11,157	6,849

All bank borrowings were secured and denominated in RM. As at 30 June 2016, 2017 and 2018, 31 March 2019 and 31 July 2019, the Group's bank borrowings mainly consist of term loans, bank overdrafts and banker's acceptances. For more details of the Group's bank borrowings, please refer to note 23 to the Accountants' Report.

Obligations under finance leases

During the Track Record Period, the Group financed certain plant, machinery and motor vehicles purchase through finance lease arrangements. As at 30 June 2016, 2017 and 2018, 31 March 2019 and 31 July 2019, the Group's total finance lease obligations amounted to approximately RM4.3 million, RM4.2 million, RM4.9 million. RM6.9 million and RM6.6 million, respectively. Please refer to note 22 to the Accountants' Report for details of the present values of minimum lease payments in respect of the Group's finance lease obligations during the Track Record Period.

The effective interest rate of the Group's obligations under finance leases ranged from approximately 2.28% to 4.26% per annum during the Track Record Period. As at 31 July 2019, the finance lease obligations were secured by joint and several guarantees by the Controlling Shareholders, which shall be released upon Listing and replaced by corporate guarantees granted by the Company.

CAPITAL EXPENDITURE AND COMMITMENT

Capital expenditure

The Group incurred capital expenditure for addition of property, plant and equipment, which mainly includes purchase of freehold land, plant and machinery, excavators, loader and motor vehicles of approximately RM3.9 million, RM3.7 million, RM5.4 million and RM5.9 million for the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, respectively.

Capital commitments

The following are the details of capital expenditure contracted for but not provided for as at the dates indicated.

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Commitment for the acquisition of property, plant and equipment	1,051	—	—	—

CONTINGENT LIABILITIES

As at 30 June 2016, 2017 and 2018, 31 March 2019 and 30 June 2019, the Group had no significant contingent liabilities or outstanding litigation.

Performance guarantees

The Group's performance guarantees were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance guarantees have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance guarantees will be released upon completion of the contract works.

As at 30 June 2016, 2017 and 2018 and 31 March 2019, performance guarantees of approximately RM8.7 million, RM21.0 million, RM22.5 million and RM18.2 million respectively, the performance guarantees were granted under the banking facilities of the Group which were secured. For more details of the Group's performance guarantees, please refer to note 31 to the Accountants' Report.

The Directors are of the opinion that they do not consider it is probable that a claim will be made against the Group in respect of the abovementioned performance guarantees.

Save as above or as otherwise disclosed herein, the Group did not have any other outstanding loan, capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances, or acceptable credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities as at 30 June 2019.

KEY FINANCIAL RATIOS

		As at/for the year ended 30 June			As at/ for the nine months ended 31 March
	Note	**2016**	**2017**	**2018**	**2019**
Current ratio (times)	1	1.1	1.6	1.8	1.6
Quick ratio (times)	2	1.1	1.6	1.8	1.6
Gearing ratio (%)	3	183.4	64.3	26.4	31.1
Debt to equity ratio (%)	4	180.8	62.2	12.8	11.0
Return on equity (%)	5	34.0	61.2	39.5	N/A
Return on total assets (%)	6	8.8	26.1	20.5	N/A
Interest coverage (times)	7	7.0	26.7	23.0	24.1

Notes:

1. Current ratio is total current assets divided by total current liabilities.

2. Quick ratio is total current assets less inventories divided by total current liabilities.

3. Gearing ratio is total debt (i.e. sum of all obligations under finance leases, borrowings and amounts due to Directors) divided by total equity and multiplied by 100%.

4. Debt to equity ratio is total debt (i.e. sum of all obligations under finance leases, borrowings and amounts due to Directors) less cash and cash equivalents divided by total equity and multiplied by 100%.

5. Return on equity is profit for the year/period divided by total equity and multiplied by 100%.

6. Return on assets is profit for the year/period divided by total assets and multiplied by 100%.

7. Interest coverage is profit before interest and tax divided by finance costs.

Current ratio and quick ratio

As at 30 June 2016, 2017 and 2018 and 31 March 2019, the Group's current and quick ratios were approximately 1.1, 1.6, 1.8 and 1.6, respectively, such increase was mainly attributable to the increase in net profit during the Track Record Period. The Group had no inventories during the Track Record Period, hence, the quick ratio was the same as that of the current ratio as at the respective year/period end date.

Gearing ratio

The Group recorded gearing ratio of approximately 183.4%, 64.3%, 26.4% and 31.1% as at 30 June 2016, 2017 and 2018 and 31 March 2019, respectively. Such decrease was mainly attributable to the increase in total equity as a result of the increase in net profit during the Track Record Period. As at 31 March 2019, the Group's gearing ratio increased to 31.1% as a result of the increase in total debt which was attributable to the increase in amounts due to Directors. The Group's net debt as at 30 June 2016, 2017 and 2018 and 31 March 2019 mainly consisted of bank borrowings. For further details on the Group's indebtedness positions, please refer to the paragraph headed "Indebtedness" in the section.

Debt to equity ratio

As at 30 June 2016 and 2017, the Group recorded a debt to equity ratio of approximately 180.8% and 62.2%, respectively. Such decrease was mainly attributable to the increase in total equity to approximately RM28.0 million as at 30 June 2017 from approximately RM10.9 million as at 30 June 2016. As at 30 June 2018, the Group's debt to equity ratio further decreased to approximately 12.8% as a result of increase in cash and cash equivalents to approximately RM6.3 million. As at 31 March 2019, the Group's equity ratio remained stable at approximately 11.0%.

Return on equity

The Group recorded return on equity of approximately 34.0%, 61.2% and 39.5% for the years ended 30 June 2016, 2017 and 2018, respectively. The increase in return on equity from approximately 34.0% for the year ended 30 June 2016 to approximately 61.2% for the year ended 30 June 2017 was mainly attributable to the increase in net profit for the year as discussed under the paragraph headed "Year ended 30 June 2017 compared with year ended 30 June 2016" in this section.

For the year ended 30 June 2018, the Group's return on equity decreased to approximately 39.5%, which is mainly attributable to the increase in total equity of approximately RM18.4 million from approximately RM28.0 million as at 30 June 2017 to approximately RM46.4 million as at 30 June 2018.

Return on total assets

The Group recorded return on total assets of approximately 8.8%, 26.1% and 20.5% for the year ended 30 June 2016, 2017 and 2018, respectively. The increase in return on total assets from approximately 8.8% for the year ended 30 June 2016 to approximately 26.1% for the year ended 30 June 2017 was mainly attributable to the increase in net profit for the year as discussed under the paragraph headed "Year ended 30 June 2017 compared with year ended 30 June 2016" in this section. The return on total assets decreased to approximately 20.5% for the year ended 30 June 2018.

Interest coverage

The interest coverage of the Group was approximately 7.0 times, 26.7 times, 23.0 times and 24.1 times for the year ended 30 June 2016, 2017 and 2018 and 31 March 2019, respectively. The increase in interest coverage from approximately 7.0 times for the year ended 30 June 2016 to approximately 26.7 times for the year ended 30 June 2017 was mainly attributable to the increase in net profit for the year as discussed under the paragraph headed "Year ended 30 June 2017 compared with year ended 30 June 2016" in this section. The interest coverage decreased to approximately 23.0 times for the year ended 30

June 2018. Such decrease was mainly attributable to the increase in finance cost during the year. The finance costs of the Group comprised of interest on (i) bank overdrafts; (ii) term loans; (iii) obligations under finance leases; and (iv) bank borrowings. Please refer to the paragraph headed "Finance costs" in this section for more details. For the nine months ended 31 March 2019, the interest coverage of the Group remained stable at approximately 24.1 times.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

The Group is exposed mainly to interest rate risk, liquidity and cash flow risks and credit risk.

Interest rate risk

The Group is exposed to the risk of change in cash flows due to changes in interest rate of its borrowings at variable interest rates. Please refer to note 34 to the Accountants' Report for more details.

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its financial obligations as they become due. In the management of liquidity risk, the Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and long term. Please refer to note 34 to the Accountants' Report for more details.

Credit risk

The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations. The Group's maximum exposure to credit risk is limited to the carrying amounts of the financial assets at the end of each reporting date. In order to minimise credit risk, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Moreover, the Group also reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Please refer to note 34 to the Accountants' Report for more details.

LISTING EXPENSES

The Group's estimated listing expenses primarily consist of professional fees, including underwriting commission, in relation to the Listing. Assuming the Offer Price of HK$0.55 per Offer Share, being the mid-point of the indicative range of the Offer Price stated in this prospectus, the listing expenses are estimated to be approximately HK$36.0 million, of which approximately HK$17.0 million is directly attributable to the issue of new Shares and is to be accounted for as a deduction from equity in accordance with the relevant accounting standards. The remaining amount of approximately HK$15.5 million and HK$3.5 million would be chargeable to the consolidated statements of profit or loss and other comprehensive income for the year ended 30 June 2019 and the year ending 30 June 2020, and approximately HK$6.3 million is expected to be incurred after the Track Record Period. The estimated listing expenses are subject to adjustments based on the actual amount incurred or to be incurred.

RELATED PARTY TRANSACTIONS

Please refer to the note 30 to the Accountants' Report for details of the Group's related party transactions, including balance with related parties, during the Track Record Period.

The Directors are of the view that during the Track Record Period, the related party transactions were conducted based on normal commercial terms and were no less favorable to the Group than available to or from Independent Third Parties.

OFF-BALANCE SHEET ARRANGEMENTS AND COMMITMENTS

As at the Latest Practicable Date, save as disclosed, the Group has not, nor do the Group expect, to enter into, any off-balance sheet arrangements. In addition, the Group has not entered into any derivative contracts that are indexed to the Group's equity interests and classified as owners' equity. Furthermore, the Group does not have any retained or contingent interest in assets transferred to an uncombined entity that serves as credit, liquidity or market risk support to such entity. The Group does not have any variable interest in any uncombined entity that provides financing, liquidity, market risk or credit support to the Group or that engages in leasing, hedging or research and development services with the Group.

DIVIDEND

On 24 December 2018, TBK declared an interim dividend of RM5,600,000 to the Controlling Shareholders which was settled on 19 July 2019 in the form of a distribution-in-specie of two parcels of freehold land ("**Distributed Lands**") owned by the Group.

The Group currently intends to adopt, after Listing, a general annual dividend policy of declaring and paying dividends on an annual basis of approximately 10% of the Company's distributable profit for any particular financial year.

Declaration of dividends is subject to the discretion of the Directors, depending on the Group's results of operations, working capital, cash position, future operations, and capital requirements, as well as any other factors which the Directors may consider relevant. As the payment of dividends are at the discretion of the Directors, there is no assurance that any particular dividend amount or any dividend at all, will be distributed. Such discretion is subject to the applicable laws and regulations including the Companies Law and the Articles of Association which also require the approval of the Shareholders. Historical dividend payments are not indicative of the Company's payment of any future dividends.

PROPERTY INTERESTS

Grant Sherman Appraisal Limited, an independent property valuer, had valued the Group's property interests as at 30 June 2019 at approximately RM32.9 million.

The following table sets forth the reconciliation of aggregate amounts of property interests from the Group's audited combined statements of financial position as at 30 June 2019 to the unaudited net book value of the Group's property interests as at 30 June 2019:

	RM'000
Valuation of property interest as at 30 June 2019 as set out in the property valuation report in Appendix IV to this prospectus	32,945
Net book value of property interest as at 31 March 2019	
Freehold land, including assets held for distribution to Controlling Shareholders	10,255
Freehold land and building	1,982
Leasehold land	408
Leasehold land and shophouse	2,932
Depreciation	(24)
Net book value as at 30 June 2019	15,553
Revaluation surplus, before income tax	17,392

The full text of its letter and valuation certificate with regard to such property interests are set out in Appendix IV to this prospectus.

DISTRIBUTABLE RESERVE

As at 31 March 2019, the Company had no distributable reserve available for distribution to its shareholders.

UNAUDITED PRO FORMA ADJUSTED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted combined net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is for illustrative purposes only, and is set out herein to provide the prospective investors with further illustrative financial information about how the Share Offer might have affected the combined net tangible assets of the Group after the completion of the Share Offer as if the Share Offer had taken place on 31 March 2019. Because of its hypothetical nature, this unaudited pro forma statement of adjusted combined net tangible assets of the Group may not give a true picture of the combined net tangible assets of the Group had the Share Offer been completed on 31 March 2019, or at any future dates.

	Combined net tangible assets of the Group as at 31 March 2019	**Estimated net proceeds from the Share Offer**	**Unaudited pro forma adjusted combined net tangible assets of the Group**	**Unaudited pro forma adjusted combined net tangible assets per Share**	**Unaudited pro forma adjusted combined net tangible assets per Share**
	RM'000	*RM'000*	*RM'000*	*RM*	*HK$*
	Note 1	*Note 2*		*Note 3*	*Note 4*
Based on Offer Price of HK$0.60 per Offer Share	63,405	63,293	126,698	0.13	0.24
Based on Offer Price of HK$0.50 per Offer Share	63,405	51,336	114,741	0.11	0.22

Notes:

(1) The combined net tangible assets of the Group as at 31 March 2019 are based on audited combined net assets of the Group as at 31 March 2019 of RM63,405,000 as shown in the Accountants' Report.

(2) The estimated net proceeds from the Share Offer are based on 250,000,000 Offer Shares and the Offer Price of upper limit and lower limit of HK$0.60 and HK$0.50, respectively, after deduction of the underwriting fees and related expenses payable by the Company which have not been reflected in the combined net tangible assets of the Group as at 31 March 2019.

(3) The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 1,000,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue. It does not take into account any Shares which may be issued upon the exercise of any options that may be granted under the Share Option Scheme or any Share which may be allotted, issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchases of Shares.

(4) For the purpose of the unaudited pro forma adjusted net tangible assets, the balance stated in Malaysian Ringgit is converted into Hong Kong dollars and vice versa at a rate of RM1.00 to HK$1.9235. No representation is made that amounts in Malaysian Ringgit have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2019. Had the distribution-in-specie of the Distributed Lands been completed on 31 March 2019, the unaudited pro forma adjusted combined net tangible assets of the Group would have been RM130,197,000 and RM118,240,000, respectively based on Offer Price of upper limit of HK$0.60 and lower limit of HK$0.50, respectively. The unaudited pro forma adjusted combined net tangible assets per Share would have been RM0.13 or HK$0.25 and RM0.12 or HK$0.23, respectively.

RECENT DEVELOPMENT SUBSEQUENT TO THE TRACK RECORD PERIOD

Subsequent to the Track Record Period and up to the Latest Practicable Date, the Group has continued to focus on developing its business of undertaking civil and structural works in the oil and gas industry. As at the Latest Practicable Date, the Group had nine projects on hand, which are expected to generate revenue of approximately RM179.6 million. As at the Latest Practicable Date, all existing projects have continued to contribute revenue to the Group and none of them have had any material interruption. The amount of revenue expected to be recognised is subject to change due to the actual progress and commencement and completion dates of the projects. Please refer to the section headed ''Business — Projects'' for details.

Following the Track Record Period, the Group has been continuously approached by customers for submitting tenders or quotations for new projects, and the Group has identified thirteen tender opportunities with an aggregate tender sum of approximately RM1,438.2 million where the Group had submitted four tenders and in direct negotiation for one contract up to the Latest Practicable Date. The Group intends to submit tender for the remaining eight projects for competitive bidding. In this regard, the Directors has been cautiously optimistic in preparing the tenders or quotations with an aim to expand the business.

On 24 December 2018, members of the Group declared dividends to their then shareholders by way of distribution-in-specie of the Distributed Lands in the aggregate sum of RM5.6 million which was settled on 19 July 2019.

The Group has prepared unaudited preliminary financial information for the Group as of and for the year ended 30 June 2019, which is set forth in Appendix III to this prospectus.

MATERIAL ADVERSE CHANGES

Save as disclosed in the paragraph headed ''Recent development subsequent to the Track Record Period'' in this section, the Directors confirmed that, up to the date of this prospectus, there has been no material adverse change, other than the impact of the listing expenses, in the financial, operational or trading position of the Group since 31 March 2019, being the end of the period reported on in the Accountants' Report.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

The Directors have confirmed that, as at the Latest Practicable Date, they were not aware of any circumstances which would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

BUSINESS OBJECTIVE

The Group's business objective is to achieve sustainable growth in its business in Malaysia by consolidating and expanding the Group's works capacity in Malaysia.

BUSINESS STRATEGIES

Please refer to the paragraph headed "Business — Business Strategies" in this prospectus for the Group's business strategies.

USE OF PROCEEDS

The total amount of listing expenses including the underwriting fees and other expenses in connection with the Share Offer will be borne by the Group. On the basis that the Offer Price is set at HK$0.55 (being the mid-point of the indicative range of the Offer Price), the Directors estimate that the net proceeds to be received from the Share Offer (after deducting underwriting fees, brokerage, the Stock Exchange trading fee, the SFC transaction levy and other expenses) by the Group will be approximately HK$101.5 million. The Directors presently intend to apply such net proceeds as follows:

— Approximately HK$31.2 million, or 30.7% of the net proceeds is expected to be used for financing the upfront expenditures of new projects. The Group's projects normally incur net cash outflow at the early stages when the Group is required to pay for upfront expenditures, including (i) material costs to suppliers; (ii) direct labour costs; and (iii) prepayment and subcontracting charges to subcontractors, prior to receiving progress payments from the Group's customers. Only as the project progresses and progress payments accumulate, the cash flow of a particular project will start to turn from net outflow at the early stages into accumulative net inflow gradually. If the Group fails to properly manage its liquidity position in view of such working capital requirements and the possible cash flow mismatch associated with undertaking contract works, the Group's cash flows and financial position could be materially and adversely affected. For the Group's projects during the Track Record Period, the period between the commencement of projects and the Group receiving first progress payments from its customers generally ranged from approximately 3 months to 4 months. As confirmed by the Directors, the relevant cash outflow during such period may amount to a maximum of approximately 15.0% of the respective project's total contract sum. The length of such period and the amount of upfront payment depend on the respective customer's progress payment certifying procedure and pattern, and whether there is a performance bond requirement.

  As at the Latest Practicable Date, the Group had identified thirteen potential civil and structural works projects with needs for upfront cash outflow.

Details of these projects are set out in the following table:

	Type of project	PIPC or Non-PIPC	Expected project duration *months*	Expected contract sum *RM'million*	Expected start-up cost (15%) *RM'million*	Tender submitted	Tender submission date	Expected date of release of tender result	Target start date	Estimated Chance of winning tender
Potential Project 7	Civil works	Non-PIPC	14	40.0	6.0	direct negotiation	n/a	n/a	Third quarter of 2019	high *(Note)*
Potential Project 8	Civil works	PIPC	15	51.5	7.7	no	n/a	n/a	Forth quarter of 2019	high *(Note)*
Potential Project 9	Civil works	Non-PIPC	16	65.0	9.8	no	n/a	n/a	Forth quarter of 2019	low *(Note)*
Potential Project 10	Civil works	Non-PIPC	7	10.0	1.5	yes	30 March 2019	Third quarter of 2019	Forth quarter of 2019	high *(Note)*
Potential Project 12	Civil works	Non-PIPC	57	161.5	24.2	no	n/a	n/a	First quarter of 2021	low *(Note)*
Potential Project 13	Civil works	Non-PIPC	26	942.0	141.3	no	n/a	n/a	Second quarter of 2020	low *(Note)*
Potential Project 14	Civil works	Non-PIPC	3	2.4	0.4	yes	16 April 2019	Third quarter of 2019	Third quarter of 2019	medium *(Note)*
Potential Project 15	Civil works	PIPC	9	20.0	3.0	no	n/a	n/a	Forth quarter of 2019	medium *(Note)*
Potential Project 16	Civil works	Non-PIPC	24	16.1	2.4	no	n/a	n/a	Third quarter of 2020	high *(Note)*
Potential Project 17	Civil works	Non-PIPC	6	3.9	0.6	yes	29 June 2019	Third quarter of 2019	Third quarter of 2019	low *(Note)*
Potential Project 18	Civil works	Non-PIPC	16	25.0	3.8	no	n/a	n/a	First quarter of 2020	low *(Note)*
Potential Project 19	Civil works	Non-PIPC	16	86.2	12.9	no	n/a	n/a	Second quarter of 2020	low *(Note)*
Potential Project 20	Civil works	PIPC	6	14.6	2.2	yes	8 August 2019	Third quarter of 2019	Forth quater of 2019	high *(Note)*
Total				1,438.2	215.8					

Note: The estimated chances of successful tenders are based on the level of familiarity of the Group with the potential customer, previous working relationships, the preliminary indications from the potential customers (such as letters of intent), and/or the Group having ongoing discussions with the potential customers such as on pricing, design and actual work to be done for the project.

As estimated mentioned above, the relevant cash outflow during the project contract period may amount to approximately 15.0% of the respective project's total contract sum, and the Group would be required to finance its payment obligations by using its existing resources throughout such period. Based on information so far acquired by the Group on the potential size of these thirteen projects and 15% estimated upfront cost needed, the cash for upfront cost for these thirteen potential projects would amount to approximately RM215.8 million , and the upfront cost for those projects with a high chance of success would amount to approximately RM19.8 million. The Company assessed their chance of winning the tenders based on market intelligence, the level of familiarity with the potential customer, and the competitiveness (such as track record) of the competitors for that specific tender. Therefore, the Group would have to satisfy upfront cost requirements amounting to RM19.8 million for the potential projects with high chance of success. According to the Frost & Sullivan Report, in relation to large-scale civil and structural works, it is a common practice that main contractors may appoint sub-contractors to carry out different kinds of specialised works. An adequate amount of capital reserve is required for market participants to spend on raw materials procurements, labour recruitment and other operational expenses before the commencement of construction projects. Thus a stable and sufficient capital flow is crucial to guarantee the payment of wages to workers and the payment of subcontracting charges. When the Group receives tender notice or invitation to tender or quotation, the Group will assess the feasibility to undertake the project based on several factors such as the technical aspects of the project and the Group's resources availability including both manpower and financial capacities. In the event that the Listing is delayed or does not proceed, the Group will either turn down awarded projects or potential tender invitations and slow down the Group's business development, or the Group will have to seek for further banking facilities to finance the awarded and tendered projects. However, the Directors consider that the Group may have difficulties in securing further banking facilities taking into account that the Group's gearing ratio is approximately 31.1% as at 31 March 2019. Even if the Group is able to secure further banking facilities, the Directors consider that the Group may be subject to higher interest rates and finance costs and may significantly reduce the Group's profit margins or tender price competitiveness in addition to having to give or procure security and/or guarantees. Going forward, as the Group intends to undertake additional and/or sizeable projects, the Directors expect that the Group will experience higher working capital needs in financing the implementation of its projects. The Directors believe that with an enhanced financial position, the Group would be able to submit more proposals for sizeable projects with a more competitive pricing strategy.

— Approximately HK$10.4 million, representing 10.2% of the net proceeds, will be earmarked to take out performance bonds issued by banks or authorized insurers in the amount of certain percentage of the contract sum in favour of the customers for contracts that the Group plans to tender for the 6 months period ending 31 December 2019. It is not uncommon that the main contractors or subcontractors in the construction industry in Malaysia will be required to arrange with banks or insurance companies to provide performance bonds in the amount of certain percentage (usually 5% to 10%) of the contract sum to their customers to ensure contractor's due performance and observance of a contract. The performance bond requirement may result in lock-up of a portion of the Group's capital during the term of the performance bond and thereby affecting the Group's liquidity position. The Group had procured performance bonds amounting to approximately RM8.7 million, RM21.0 million, RM22.5 million and RM18.2 million as at 30 June 2016, 30 June 2017, 30 June 2018 and 31 March 2019, respectively. Despite the listing of the Company, performance bonds are still required in some contracts to be tendered. Approximately RM0.5 million, RM16.5 million and RM1.2 million was or will be released on 31 July 2019, 31 December 2019 and 1 February 2020, respectively.

The Directors consider that if the Group is to expand its customer base and market share by undertaking more construction projects (including projects of larger scale), the Group must continue to enhance its available financial resources and strengthen its liquidity position to satisfy the performance bond requirement for projects that may potentially be awarded to the Group. In this connection, the Group plans to finance its performance bond requirements from the net proceeds of the Share Offer.

As at the Latest Practicable Date, the Group had identified thirteen potential civil and structural works projects, all of which have performance bond requirements where the Group had already submitted four tenders and in direct negotiation for one contract and intends to submit tender for the remaining eight through competitive bidding. Based on market intelligence so far acquired by the Group on the potential size of these projects and the generally applicable percentage of contract sum on performance bond requirement, the Directors initially estimate that the performance bond requirement of these projects may amount to approximately RM143.8 million in aggregate. If only those projects with high chance of tender success are considered, the estimated performance bond requirement would be RM13.2 million. Therefore the Group would have to satisfy performance bonds requirements amounting to RM13.2 million for the potential projects with high chance of success and the majority of the Company's performance bonds which will be released on 31 December 2019 cannot help satisfy the immediate needs for performance bonds requirements for the potential projects with high chance of success.

Details of these projects are set out in the following table:

	Type of project	PIPC or Non-PIPC	Expected project duration	Expected contract sum	Expected performance bond amt (10%)	Tender submitted	Tender submission date	Expected date of release of tender result	Target start date	Estimated Chance of tender success
			months	*RM'million*	*RM'million*					
Potential Project 7	Civil works	Non-PIPC	14	40.0	4.0	direct negotiation	n/a	n/a	Third quarter of 2019	high *(Note)*
Potential Project 8	Civil works	PIPC	15	51.5	5.1	no	n/a	n/a	Forth quarter of 2019	high *(Note)*
Potential Project 9	Civil works	Non-PIPC	16	65.0	6.5	no	n/a	n/a	Forth quarter of 2019	low *(Note)*
Potential Project 10	Civil works	Non-PIPC	7	10.0	1.0	yes	30 March 2019	Third quarter of 2019	Forth quarter of 2019	high *(Note)*
Potential Project 12	Civil works	Non-PIPC	57	161.5	16.2	no	n/a	n/a	First quarter of 2021	low *(Note)*
Potential Project 13	Civil works	Non-PIPC	26	942.0	94.2	no	n/a	n/a	Second quarter of 2020	low *(Note)*
Potential Project 14	Civil works	Non-PIPC	3	2.4	0.2	yes	16 April 2019	Third quarter of 2019	Third quarter of 2019	medium *(Note)*
Potential Project 15	Civil works	PIPC	9	20.0	2.0	no	n/a	n/a	Forth quarter of 2019	medium *(Note)*
Potential Project 16	Civil works	Non-PIPC	24	16.1	1.6	no	n/a	n/a	Third quarter of 2020	high *(Note)*
Potential Project 17	Civil works	Non-PIPC	6	3.9	0.4	yes	29 June 2019	Third quarter of 2019	Third quarter of 2019	low *(Note)*
Potential Project 18	Civil works	Non-PIPC	16	25.0	2.5	no	n/a	n/a	First quarter of 2020	low *(Note)*
Potential Project 19	Civil works	Non-PIPC	16	86.2	8.6	no	n/a	n/a	Second quarter of 2020	low *(Note)*
Potential Project 20	Civil works	PIPC	6	14.6	1.5	yes	8 August 2019	Third quarter of 2019	Forth quarter of 2019	high *(Note)*
Total				1,438.2	143.8					

Note: The estimated chances of successful tenders are based on the level of familiarity of the Group with the potential customer, previous working relationships, the preliminary indications from the potential customers (such as letters of intent), and/or the Group having ongoing discussions with the potential customers such as on pricing, design and actual work to be done for the project.

Subject to the Group's capacity and resources level at the relevant time and the complexity and expected profitability of the projects, it is the Group's present intention to participate in the competitive tendering of projects that may require taking up of performance bond (including but not limited to those referred to above), and utilise the net proceeds to finance performance bond requirement if any of those projects are awarded to the Group. Whilst there is no assurance that the Group will succeed in securing these tenders, the Directors are confident that the Group will be awarded a part of these projects based on the Group's tender success rate during the Track Record Period and the Group's reputation in providing civil and structural works and services to customers in the oil and gas industry in Malaysia, noting that according to the Frost & Sullivan Report, the Group's revenue for the year ended 30 June 2018 accounted for approximately 1.7% in the market share in civil works for the downstream oil and gas industry in Malaysia in the calendar year of 2018.

In light of the above, the Directors consider that if the Group only relies on its internal resources or future cash flows from its operating activities for financing the taking up of performance bonds and for its other business strategies, there will be uncertainties in relation to (i) the timing of the generation of sufficient cash from its operation for taking up performance bonds and implementation of its expansion plans; (ii) the need to constantly adjust its expansion plans in view of the amount of cash to be generated from its operation and the amount of cash for taking up the performance bonds; (iii) the timing of the implementation of its business strategies; and (iv) the timing of capturing the growth opportunities in the civil and structural works industry particularly for customers in the oil and gas industry in Malaysia. The Directors consider that it is not in the best interest of the Group to be exposed to the abovementioned uncertainties.

— Approximately HK$15.6 million, representing approximately 15.4% of the net proceeds, will be used for expansion of the Group's workforce to ensure that the Group has sufficient manpower for the newly awarded projects and projects that the Group plans to tender for the years ending 30 June 2020. The following table sets out the position, qualification and expected years of experience required for the positions that the Group intends to recruit:

	Approximate monthly salary for each personnel *RM*	**Number of staff**	**Expected years of experience**	**Qualifications**	**To be assigned to**
Project director	40,000	1	20	• Minimum twenty years experiences in building or civil/structure or oil/gas plant construction. • Has been assigned as project manager, engineering manager or construction manager in at least two similar scale or larger projects in building or oil/gas plant construction.	Overall management and all projects (to be stationed in headquarter)
Project manager	30,000	2	15	• Minimum twenty years experiences in building or civil/structure or oil/gas plant construction. • Has been assigned as project manager, in at least two similar scale or larger projects in building or oil/gas plant construction.	Project 18 *(note)* Project 20 *(note)*
Construction manager	30,000	1	15	• Minimum fifteen years experiences in building or civil/structure or oil/gas plant construction. • Has been assigned as construction manager, in at least two similar scale or larger projects in building or oil/gas plant construction.	Project 18 *(note)*
Project control manager	30,000	1	15	• Minimum fifteen years experiences in building or civil/structure or oil/gas industry. • Has been assigned as project control manager/ Lead in at least two similar scale or larger projects in building or oil/gas plant construction.	Project 18 *(note)*

	Approximate monthly salary for each personnel *RM*	Number of staff	Expected years of experience	Qualifications	To be assigned to
Interface coordinator	18,000	1	10	• Ten years experiences in building civil/structure or oil/gas industry. • Has been assigned as project engineer, engineering lead or construction lead or interface coordinator, in at least two similar scale or larger projects in building or oil/gas plant construction.	All projects (to be stationed in headquarter)
Quality assurance engineers	20,000	4	10	• Minimum ten years experiences in building or civil/structure or oil/gas plant construction. • Has been assigned as quality assurance engineer in at least one previous similar scale or larger project in building or oil/gas plant construction.	Project 18 *(note)* Project 20 *(note)* Potential Project 7 Potential Project 8
Environmental manager	8,000	1	10	• Minimum ten years of experience in the development and implementation of the project environmental management plan, waste management plan, environmental coordination plan & environmental inspection program	All projects (to be stationed in headquarter)
Quality control head	25,000	1	15	• Minimum fifteen years experiences in building or civil/structure or oil/gas plant construction. • Has been assigned as quality assurance/quality control manager or quality assurance/quality control lead engineer position in at least one previous similar scale or larger project in building or oil/gas plant construction.	All projects (to be stationed in headquarter)
Quality control site manager	15,000	4	5	• Minimum five years experiences in building or civil/structure or oil/gas plant construction. • Has been assigned as quality assurance/quality control manager or quality assurance/quality control lead engineer position in at least one previous similar scale or larger project in building or oil/gas plant construction.	Project 18 *(note)* Project 20 *(note)* Potential Project 7 Potential Project 8
Health, safety, security and environment head	25,000	1	10	• Minimum ten years of health, safety, security and environment experience in building or oil/gas industry. • The Department of Safety and Health ("**DOSH**"), Safety & Health Officer ("**SHO**") certification and registration, as required under the Occupational Safety and Health (Safety and Health Officer) Regulation of 1997 (or equivalent/higher, local or international HSE certification).	All projects (to be stationed in headquarter)

	Approximate monthly salary for each personnel *RM*	Number of staff	Expected years of experience	Qualifications	To be assigned to
Health, safety, security and environment site manager	15,000	4	5	• Minimum five years of health, safety, security and environment experience in building or oil/gas industry. • The Department of Safety and Health ("**DOSH**"), Safety & Health Officer ("**SHO**") certification and registration, as required under the Occupational Safety and Health (Safety and Health Officer) Regulation of 1997 (or equivalent/higher, local or international HSE certification)	Project 18 *(note)* Project 20 *(note)* Potential Project 7 Potential Project 8

Note: Please refer to the section headed "Business — Projects on hand" in this prospectus.

The Group considers that it is imperative to expand its workforce given that:

(a) the Group needs to strengthen its manpower resources in view of the growth drivers and business opportunities in the construction industry in Malaysia. According to the Frost & Sullivan Report, the value of construction projects awarded in Malaysia has grown from RM131.0 billion in 2013 to RM158.5 billion in 2017, at a CAGR of 4.9%. As at the Latest Practicable Date, the Group's existing in-house project directors, project managers, construction managers, project control managers and engineers had been fully occupied. The Directors expect that the Group's manpower for its ongoing projects as at the Latest Practicable Date with expected project completion date in 2019 are fully occupied and they can be reallocated to other ongoing projects only after completion of its ongoing projects. The Directors consider that the Group's current personnel for the positions mentioned above would only be sufficient for its projects on hand. In view of the Group's business expansion plan to capture a larger market share in the civil and structural works and services market in Malaysia, its existing manpower is not sufficient to cater for the expected increase in number and size of projects.

(b) in tendering for new projects, availability of manpower resources is among the key assessment criteria. To increase the Group's tender success rate for the projects to be tendered, it is necessary for the Group to enhance its competitiveness by expanding its workforce. The Group plans to reduce outsourcing to subcontractors and use more of its own manpower and machinery after the receipt of the net proceeds from the Share Offer.

In light of the above, the Directors take the view that with an expanded workforce, the Group can take up more large-scale projects, enhance the quality control of its works and services and further improve project management work at the work sites, thereby encouraging its existing customers to continue to engage the Group for future projects and consolidating its reputation in the civil and structural works and services market in Malaysia. As such, the Group's revenue and profitability can be improved.

Commercial rationale for expanding the Group's workforce

The above allocation of net proceeds for expanding the Group's workforce is expected to cover up to approximately 24 months' basic remuneration of the additional staff, which is considered by the Directors to be commercially viable and prudent after considering the estimated timing of additional income and cash inflows to be generated as a result of the expansion of workforce and the inherent uncertainties associated thereof. Considering that the Group should secure sufficient cash inflow to cover the basic remuneration of such additional staff in the long run and ensure that the additional workforce would benefit the Group by generating sufficient additional income and cash inflows that enables the Group to cover the increased staff costs, there is a range of factors that may affect the length of time needed to achieve this. The Directors consider that the allocation of net proceeds from the Share Offer to cover up to approximately 24 months' basic remuneration of these additional staff and its workforce expansion plan are financially prudent and commercially sensible for the following reasons:

The factors that will affect the time when the Group's additional staff members can generate sufficient cash inflow to cover the Group's increased staff costs

Whether the Group's additional staff members, who are mainly professional staff including project directors, project managers, managers in construction, project control, environmental and quality control and quality assurance engineers with professional qualifications, can generate sufficient cash inflow to cover its increased staff costs is affected by a range of factors including (i) the availability of tender opportunities in bidding for large-scale projects that the Group can secure which require expertise in carrying out works at different stages of civil and structural works projects that the Group is able to secure; (ii) the time required for the tender process before a project is awarded to the Group, typically ranging from approximately 4 to 12 weeks; (iii) the time required to generate net cash inflows from the commencement of a project, typically ranging from 9 to 10 months, including the time required for execution of works, application for payments, progress certification, and credit period before payment is made, which can vary from project to project; (iv) the time required for completing its projects, typically ranging from 3 to 24 months from a project being awarded to the Group, during which progress payments received by the Group take time to reach a stage that is sufficient to generate regular net cash inflows adequate to cover its increased staff cost; (v) the number of competitors in the market who are competing with the Group for the same project which in turn affects its chance of securing the project; (vi) the financial condition and commercial success of its major customers which in turn affects its ability to recover significant amounts of trade receivables, its cash flow and financial position; (vii) the liquidity risk the Group faces in relation to working capital requirements associated with undertaking contract works causing a cash flow gap during the course of undertaking its projects; (viii) the possibility that the time and costs incurred in completing its projects may exceed its estimation which may result in the delay in completion of works and/or cost overruns; (ix) the underperformance or unavailability of its subcontractors resulting in unexpected delay in its scheduled completion time or even its ability to complete its projects; (x) whether the Group's customers will remain solvent or will settle its progress payments or release the retention money on time or that the Group will be able to recover its contract assets in full or at all in the future; (xi) the economy and civil and structural works and services market atmosphere in Malaysia. Given these range of factors affecting the time taken before the Group can generate sufficient income to cover its increased staff costs, the Directors consider that it is necessary to allocate sufficient proceeds to maintain its additional workforce to cater for such uncertainties.

The Group's projects are awarded to the Group by tender or quotation invitation on a project by project and non-recurring basis. Hence, in line with the industry practice, the Group does not enter into any long-term agreements with its customers. The scale of projects and the amount of revenue to be generated from a project may vary significantly from period to period. The Directors consider that it is not feasible to tender for and commit the Group to more sizeable civil and structural works projects than its workforce is able to cope with at any given time. This is particularly true when, based on the Directors' industry experience, new customers take into account the resources including manpower of a bidder when deciding whether to award a project to such potential service provider when establishing an initial business relationship. Although the Group was historically able to secure projects from major customers during the Track Record Period with its then existing workforce attributed to its long-standing business relationship with them, in light of the Group's plan to expand its business and diversify its customer base (please refer to the section headed "Business — Customers, Sales and Marketing — Customer concentration" in this prospectus), the Group expects to undertake more sizeable projects from both its existing customers and new customers. It is therefore important for the Group to demonstrate to both its existing customers and potential new customers that its resources, including its manpower, are capable of handling an even larger number of sizeable projects when its existing customers are performing ongoing assessment and its potential new customers are performing their initial assessment on the Group's ability to undertake their projects as demonstrated by the prequalification assessment conducted by its customers on its resources and job references.

The Group needs additional workforce if the projects to which it has high or medium chance of winning the tenders are to be carried out simultaneously

Of the seven potential projects identified by the Group to have a high or medium chance of winning the relevant tenders, three projects with a high chance of winning are expected to have a project duration of 14 months or above, and all of these seven potential projects are expected to start at similar timing during the third quarter of 2019. Moreover, two newly awarded projects are expected to have a project duration of over 16 months. According to the Frost & Sullivan Report, stimulated by (i) the positive economic outlook in Malaysia, (ii) the increasing demand for upgrade and maintenance works on the existing facilities and (iii) the stimulus policies and projects implemented by the government in Malaysia, the market of civil and structural works for oil and gas facilities is expected to further increase at a CAGR of 14.3% from 2019 to 2023. As such, besides the potential projects identified by the Group to have a high or medium chance of winning the relevant tenders as mentioned in this section, the Group will continue to seek for more new tender opportunities in the next 24 months, and hence, more projects are expected to be awarded to the Group, which would require additional workforce. On the other hand, while the size and composition of a project team is different among different projects depending on the scale of the relevant project to which the project team is accountable, if a few projects start at the same or similar time, the Group's existing workforce will not be sufficient to carry out the works in different projects simultaneously. The Directors consider that taking into account the project duration of the potential projects and other factors mentioned above, the allocation of net proceeds for expanding the Group's workforce to cover up to approximately 24 months' basic remuneration of the additional staff provides the reasonable buffer for the Group to better allocate its workforce when the above-mentioned potential projects and other new projects are to commence or be carried out simultaneously.

— Approximately HK$20.8 million, representing 20.5% of the net proceeds, will be used for acquisition of additional machinery and equipment. As (i) the Group is occasionally requested by the prospective customers to provide a list of machinery it possesses when it submits tender or quotations for projects; and (ii) when the Group asked prospective customers information on the winning quotation in the event that it did not secure the contract, they expressed their preference over main contractors or subcontractors with comprehensive machinery, the Directors believe that when bidding for projects, ownership of specialized machinery is also taken into consideration by the customers to determine bids to be awarded. In selecting machinery and equipment to be purchased, the Group has taken into account its demand for specialized machinery and equipment for its contracts on hand and tenders to be submitted. As such, the Directors are of the view that these machinery and equipment will increase the Group's technical capability and allow it to bid for projects similar to those that the Group previously failed to secure due to a lack of such machinery and equipment. These machinery and equipment will also help to cope with the Group's business expansion, strengthen its reputation and increase its overall capacity and capability in performing civil and structural works in the oil and gas industry in Malaysia.

The total capital expenditure for these machinery and equipment is expected to be approximately RM11.1 million, where the proposed allocation of the portion of the net proceeds among machinery and equipment is as follows:

		Quantity	Unit price *RM'mil*	Cost for purchase of machinery *RM'mil*	Approximate annual hiring and/or leasing cost per unit *RM'000*	Approximate annual hiring and/or leasing cost *RM'000*	Approximate annual depreciation *RM'000*	Approximate annual maintenance & other related expenses *RM'000*	Approximate annual insurance *RM'000*	Approximate total annual cost for self owned machinery per unit *RM'000*	Approximate total annual cost for self owned machinery *RM'000*	Approximate annual cost saving *RM'000*	To be assigned to
Rough Terrain Crane	25 tons	2	1.30	2.60	351	**702**	260	35	13	308	**616**	86	Project 18 *(note)*, Potential project 8
Rough Terrain Crane	55 tons	1	1.80	1.80	487.5	**487.5**	360	40	18	418	**418**	69.5	Project 20 *(note)*
Excavator	20 tons	2	0.40	0.80	214.5	**429**	80	30	4	114	**228**	201	Project 18 *(note)*, Project 20 *(note)*
Excavator	10 tons	2	0.30	0.60	156	**312**	60	25	3	88	**176**	136	Project 19 *(note)*, Potential project 8
Excavator	3 tons	5	0.05	0.25	58.5	**292.5**	10	18	0.5	28.5	**142.5**	150	Project 18 *(note)*, Potential project 7, Potential project 10
Dumpers	24 tons	4	0.40	1.60	192	**768**	80	30	4	114	**456**	312	Project 18 *(note)*, Project 20 *(note)*, Potential project 8
Low loader	60 tons– 7 axle	1	0.50	0.50	276	**276**	100	50	5	155	**155**	121	All projects
Roller compactor	1 ton	5	0.04	0.20	24	**120**	8	3	0.4	11.4	**57**	63	Project 18 *(note)*, Project 19 *(note)*, Project 20 *(note)*, Potential project 7, Potential project 8
Roller compactor	25 tons	1	0.30	0.30	156	**156**	60	5	3	68	**68**	88	Project 20 *(note)*
Water truck	8 tons	2	0.15	0.30	120	**240**	30	10	1.5	41.5	**83**	157	Project 19 *(note)*, Project 20 *(note)*
Arm roll lorry	7 tons	3	0.20	0.60	120	**360**	40	10	2	52	**156**	204	Project 18 *(note)*, Project 20 *(note)*, Potential project 8
Micro-bus	24 seater	2	0.20	0.40	120	**240**	40	10	2	52	**104**	136	All projects
Compressor	185cfm	5	0.05	0.25	24	**120**	10	5	0.5	15.5	**77.5**	42.5	Project 18 *(note)*
Bar benders/cutters	up to 35mm	5	0.06	0.30	30	**150**	12	3	0.6	15.6	**78**	72	Project 18 *(note)*, Project 20 *(note)*, Potential project 7, Potential project 8
Towel lighting	8000w	10	0.04	0.40	33.6	**336**	8	2	0.4	10.4	**104**	232	Project 18 *(note)*, Project 19 *(note)*, Project 20 *(note)*, Potential project 7, Potential project 8
Generator	50kv	1	0.06	0.06	30	**30**	12	5	0.6	17.6	**17.6**	12.4	Project 18 *(note)*
Generator	25kv	3	0.04	0.12	21.6	**64.8**	8	5	0.4	13.4	**40.2**	24.6	Project 18 *(note)*, Potential project 7
Total			5.89	11.08	2,414.7	**5,083.8**	1,178	286	58.9	1,522.9	**2,976.8**	2,107	

Note: Please refer to the section headed "Business — Projects on hand" in this prospectus.

Based on the above comparison, the approximate annual hiring and/or leasing cost is greater than the approximate annual depreciation and the approximate annual maintenance and insurance cost of the relevant machinery and equipment. Hence, it is more economical for the Group to purchase rather than hire/or lease the relevant machinery and equipment in order to save costs. If the Group were to purchase these machinery and equipment with finance leases, in addition to depreciation cost of RM1.2 million per annum, the Group would incur additional interest payment in aggregate of approximately RM1.9 million over a course of five years. Therefore, the Directors consider it is not in the interests of the Group to purchase these machinery and equipment with finance leases. In addition to saving costs, the Group also needs to incur additional time in seeking suitable machinery and equipment in performing its works and subcontractors who own such machinery and equipment. By purchasing additional machinery and equipment, the Group can (i) have higher flexibility in selecting subcontractors most suitable and economical for performing its works, as the Group will not be limited to selecting subcontractors who own the requisite machinery and equipment; (ii) reduce the subcontractor charges, rental fees and hence, the costs of production; (iii) mitigate potential increases in hiring and/or leasing costs of machinery and equipment in the future; (iv) save cost for transporting machinery from site to site which are in different areas of Malaysia; (v) meet certain customers' requirements on using new machinery; and (vi) have access to machinery and equipment with higher specification and technological advances for the Group's project works, as the Group intends to acquire the latest models available on the market and those which cannot be hired or leased from the market. The above factors will enhance the efficiency of the Group's works and hence increase its capacity to tender for more projects and thus improve the profitability of the Group.

During the Track Record Period, the Group owned all of the types of machinery that the Group intends to acquire with the net proceeds from the Listing and also rented excavators, rough terrain cranes and dumpers. For the years ended 30 June 2016, 2017 and 2018 and the nine months ended 31 March 2019, the Group incurred machinery rental costs of approximately RM268,000, RM1.5 million, RM353,000 and RM2,492,000 respectively. The fluctuations in the Group's machinery rental costs during the Track Record Period reflects the actual need of the Group to rent machinery based on individual project needs and the Group's available self-owned machinery at the specific time. Multiple work orders may come in at similar timing and the Group had to rent machinery to satisfy the needs of the projects. However, renting machinery is less economical than purchasing machinery in the long run as the approximate annual hiring and/or leasing cost is greater than the approximate annual depreciation and the approximate annual maintenance and insurance cost of the relevant machinery and equipment. The project duration of the Group's four newly awarded projects ranges from 3 to 36 months, some potential projects may span for more than two years and the Group will continue to bid for more projects. The Directors currently have no intention to use the proceeds from the Listing to replace its current machinery with no remaining useful life as long as they are still usable, instead, it plans to purchase additional machinery and equipment for its business expansion. By purchasing new machinery, the Group can reduce machinery rental expenses and more importantly, the Directors believe that this will increase the Group's technical capability and its chance in winning the bids for projects that require such machinery and equipment. While some of the New Projects awarded to the Group as at the Latest Practicable Date have already commenced, the majority of work in the beginning of the projects are preparatory works and do not require heavy machinery. However, in the event that these machinery are needed, the Group would have to rent the necessary machinery for the time being until Listing where needed.

— Approximately HK$15.6 million, or 15.4% of the net proceeds is expected to be used for acquisition of potential suitable companies and business that the Directors believe can facilitate the Group's expansion strategy, such as engineering contractors that are Bumiputera owned. These companies allow the Group to access new markets and establish local customer relationships to complement the Group's existing business. As at the Latest Practicable Date, the Group has not entered into any letter of intent or agreement for such acquisition nor identified any definite acquisition target. Strategically, once the Group has identified a target for acquisition, the Group would begin by acquiring up to 49% equity interests in such target company or forming business collaboration with it in order to understand its operation and to ascertain if its management team and business model can be integrated into the Group's management team and business model.

The Group plans to seek potential acquisition opportunities and select potential targets based on the Directors' industry experience and the following selection criteria:

Target geographical location: The Group plans to explore acquisition targets mainly in the Negeri Sembilan state in West Malaysia and the Sarawak state in East Malaysia. The Directors believe that these potential acquisitions will provide the Group with efficient access to new geographic markets and support its strategy to expand its operations. According to Frost & Sullivan, Negeri Sembilan is one of the important oil and gas hubs in Malaysia with two major oil refinery facilities located at Port Dickson. In 2017, one of the operators of the two refineries has approved an upgrading plan comprising two projects worth a total of US$211.0 million at its refining complex at Port Dickson with completion of first phase in 2020. It also stated that its upgrading projects complying with Euro 5 will commence in 2025 and onwards. In 2018, the other one also announced the plan to invest US$3.5 billion to expand its refinery at Port Dickson with expected completion in 2020.

With several gas-based petrochemical plants in Bintulu and Miri, Sarawak is the largest producer of liquefied natural gas (LNG) in Malaysia. Starting from 2018, Sarawak government has been taking actions including establishing a state-owned oil and gas exploration company and imposing sales tax on its petroleum export, with the aim of increasing presence of local enterprises and employment of Sarawakians in the oil and gas sector.

Management team: The Group plans to continue to seek potential acquisition targets with an experienced management team with relevant skills in engineering and design to develop civil and structural works and services. The Directors believe that the Group's investment strategy will enhance the Group's design and engineering capability which enables the Group to take on larger-size projects. The Group also looks for management teams with territorial expertise and marketing network to help the Group expand to new geographical location.

Ownership: The Group plans to acquire stakes in domestic companies in Malaysia which have Bumiputera ownership to meet the Bumiputera participation requirements for activities under the Standardised Work and Equipment Categories (SWEC). For further details, please refer to the section headed "Industry Overview — Overview of Civil and Structural Works for Oil and Gas Facilities Market in Malaysia — License and Registration with Petronas" of this prospectus.

Due to the Group's non-Bumiputera status, during the Track Record Period, the Group did not receive any tender invitations for upstream projects and downstream projects for Customer I and its associated Companies ("Customer I Group")*(Note)*, the largest oil and gas company in Malaysia and the largest project owner in PIC and PIPC according to Frost & Sullivan, except for one project*(Note)*. Also, due to the lack of engineering capacity, the Group did not receive any tender invitations to tender as EPCC contractor. After the acquisition of up to 49% equity interest in a Bumiputera-owned company with engineering capacity, the Group would be able to apply for the license from Customer I Group and participate in all upstream sector projects and downstream projects for Customer I Group*(Note)* and it can also act as EPCC contractor (where EPCC contracts generally have higher contract sum) for the downstream sector with the newly acquired engineering capacity.

Target size and scale of operation: The Group primarily looks for potential targets which are registered with a CIDB Grade 7 qualification in Category CE (Civil Engineering Construction), Category B (Building Construction) and Category ME (Mechanical and Electrical) and have the potential for future growth by leveraging the Group's qualifications and other resources. As confirmed by the Directors, the Group aims to acquire potential targets with net profits of approximately RM1.5 million or above.

If the acquisition costs exceed the net proceeds expected to be used for acquisition of business, the Group will fund the acquisitions with its own internal financial resources.

— Approximately HK$7.9 million, representing approximately 7.8% of the total net proceeds, will be used for the Group's general working capital and other general corporate purposes.

Note: The requirement for Bumiputera status and registration requirement have been waived for one downstream project with Customer I Group during the Track Record Period due to Customer I Group not being able to find a suitable Bumiputera-owned contractor for the work needed to be done in time. This is only a one-time waiver for the requirement for Bumiputera status and registration to tender for and work for Customer I Group's projects.

IMPLEMENTATION PLANS

The Group will endeavor to achieve the milestone events set out below during the period from the Latest Practicable Date to 30 June 2021. Their respective scheduled completion times are based on certain bases and assumptions as set out in the paragraph headed "Bases and Assumptions" in this section. These bases and assumptions are inherently subject to many uncertainties and unpredictable factors, in particular the risk factors set out in the section headed "Risk Factors" of this prospectus. There can be no assurance that the Group's plans will materialize in accordance with the expected time frame or that the Group's objective will be accomplished at all. Based on the business objectives, the Group intends to carry out the following implementation plans:

1. For the period from the Latest Practicable Date to 31 December 2019

To reserve more capital to satisfy the Group's potential customers' requirement for performance bond	—	To purchase performance bond as required for any new project
To expand the Group's workforce	—	To carry out recruitment including project director, project manager, construction manager, project control manager, interface coordinator, quality assurance engineer environmental manager, quality control head, quality control site manager, health, safety, security and environment head, health, safety, security and environment site manager
To acquire machinery	—	To acquire 2 cranes, 3 excavators, dumpers, low loader, 2 roller compactors, water truck, arm roll lorry, micro-bus, compressor, bar benders/cutters, towel lighting, generator
To finance for the upfront expenditures of new projects	—	To pay for the upfront costs of the Group's projects including startup costs such as subcontracting charges for work done by subcontractors, material costs and direct labour costs
To set aside for working capital purpose	—	To set aside, together with internal resources of the Group, for general working capital purpose

2. For the six months ending 30 June 2020

To retain the newly acquired workforce	—	Additional staff costs for retaining the aforesaid staff

3. For the six months ending 31 December 2020

To retain the newly acquired workforce	—	Additional staff costs for retaining the aforesaid additional staff
To acquire business	—	To acquire engineering contractors which have Bumiputera ownership

4. For the six months ending 30 June 2021

To retain the newly acquired workforce	—	Additional staff costs for retaining the aforesaid additional staff

A summary of the above-mentioned implementation plan is as follows:

	For the period from the Latest Practicable Date to 31 December 2019	For the six months ending 30 June 2020	31 December 2020	30 June 2021	Total	Approximate % of net proceeds
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	
To reserve more capital to satisfy the Group's potential customers' requirement for performance bond	10.4	—	—	—	10.4	10.2%
To expand the Group's workforce	1.7	5.0	4.9	4.0	15.6	15.4%
To acquire machinery	20.8	—	—	—	20.8	20.5%
To finance for the upfront expenditures of new projects	31.2	—	—	—	31.2	30.7%
To acquire business	—	—	15.6	—	15.6	15.4%
To set aside for working capital purpose	2.0	2.0	2.0	1.9	7.9	7.8%
Total	66.1	7.0	22.5	5.9	101.5	100.0%

If the Share Offer price is determined at the high-end of the indicative range of the Share Offer Price, the net proceeds from the Share Offer to be received by the Group (after deducting underwriting fees, brokerage, the Stock Exchange trading fee and SFC transaction levy for the New Shares and the estimated listing expenses in connection with the Share Offer to be borne by the Group) would be increased to approximately HK$113.4 million. The Group currently intends to apply such additional net proceeds to the above proposed usage items on a pro-rata basis.

If the Share Offer is determined at the low-end of the indicative range of the Share Offer Price, the net proceeds from the Share Offer to be received by the Group (after deducting underwriting fees, brokerage, the Stock Exchange trading fee and SFC transaction levy for the New Shares and the estimated listing expenses in connection with the Share Offer to be borne by the Group) would be decreased to approximately HK$90.4 million. The Group intends to reduce the net proceeds to the above proposed usage items on a pro-rata basis.

To the extent that the net proceeds from the Share Offer are not immediately required for the above purposes, it is the present intention of the Directors that they will be placed as short-term deposits with licensed banks in Hong Kong.

The Directors consider that the net proceeds from the Share Offer together with the Group's internal resources will be sufficient to finance the implementation of the Group's business plans as set forth in the section under "Future Plans and Use of Proceeds — Implementation Plans" in this prospectus. **Investors should be aware that any part of the Group's business plans may not proceed according to the time frame as described above due to various factors. Under such circumstances, the Directors will evaluate carefully the situation and will set aside the funds as short-term deposits until the relevant business plan(s) materialise.**

BASES AND ASSUMPTIONS

The business objective set forth by the Directors is based on the following bases and assumptions:

— there will be no significant economic changes in respect of inflation, interest rate, tax rate and currency exchange rate in Malaysia that will adversely affect the Group's business;

— the Group will have sufficient financial resources to meet their planned capital expenditure and business development requirements during the period to which the business objective relates;

— there will be no material changes in the existing laws (whether in Malaysia or any part of the world), policies or industry or regulatory treatment relating to the construction industry in Malaysia, or in the political, economic or market conditions in which the Group operates;

— there will be no changes in the funding requirement for each of the near term business objectives described in this prospectus from the amount as estimated by the Directors;

— there will be no material changes in the bases or rates of taxation applicable to the Group;

— there will be no disasters, natural, political or otherwise, which would materially disrupt the business or operations of the Group or cause substantial loss, damage or destruction to their properties or facilities;

— there will be no changes in the effectiveness of the licenses and permits obtained by the Group; and

— the Group will not be materially affected by the risk factors as set forth in the section headed "Risk Factors" in this prospectus.

REASONS FOR THE SHARE OFFER AND PROPOSED USE OF NET PROCEEDS

The Directors believe that the Listing will greatly benefit the Group for the following reasons:

Expected growth in the civil and structural works for oil and gas facilities market in Malaysia, which is highly relevant to the growth of the Group's business

According to the Frost & Sullivan Report, from 2014 to 2018, the market size of civil and structural works for downstream oil and gas facilities by value of work done in Malaysia increased from RM4.2 billion in 2014 to RM8.8 billion in 2018, representing a CAGR of approximately 20.3%. Stimulated by the positive economic outlook in Malaysia, there were increasing demands for upgrade and maintenance works on the existing facilities, and there are a number of stimulus government policies and projects including Pengerang Integrated Petroleum Complex (PIPC), Enhanced Oil Recovery (EOR), Economic Transformation Programme (ETP), Construction Industry Transformation Programme (CITP) and the establishment of Performance Management and Delivery Unit (PEMANDU) in place. The market size of civil and structural works for oil and gas facilities is expected to increase at a CAGR of 14.3% from 2019, reaching RM17.1 billion in 2023. The market size of civil and structural works for contractors and subcontractors (excluding EPCC Contractors) is expected to increase at a CAGR of 16.0% from 2019 reaching RM3.1 billion in 2023. In particular, the estimated value of work done by contractors excluding EPCC contractors (including work outsourced by EPCC contractors and work awarded directly by project owners) in 2018 is approximately RM1.6 billion. As mentioned in the Frost & Sullivan Report, the leading energy companies in Malaysia have started to upgrade and expand the production capacity of their current facilities. Petron Malaysia plans to invest more than RM14.0 billion to expand its Port Dickson refinery by 90,000 barrels per day. The tightened environmental regulation for fuel, such as Euro 5 grade level, and safety standards have also forced the energy companies to upgrade their facilities.

Furthermore, Malaysia has heavily invested in refining activities during the past two decades and can now meet most of its demand for petroleum products with domestic supplies at 8 facilities. As part of Malaysia's goal to compete with the oil refining and storage hub in Singapore, Malaysian government has allocated 20,000 acres of land for Pengerang Integrated Petroleum Complex (PIPC) with scheduled completion in 2035. Pengerang Integrated Complex (PIC), forming the first phase of the PIPC, houses the Refinery and Petrochemical Integrated Development (RAPID) and other associated facilities. RAPID, a major project under PIC with a capacity of 300,000 bpd, owns a combined production capacity of more than 3Mtpa of Petroleum Complex products per year and is anticipated to be completed in 2019 or 2020. Meanwhile, the Pengerang Maritime Industrial Park (PMIP) within the masterplan of PIPC is a ten-year reclamation project for an area of 1,672.8 acres and is designed to include downstream support activities and facilities to complement RAPID. By mid-2018, only 100 acres of land has completed site preparatory works with 1,572.8 acres to be reclaimed till 2026, which will drive the demand for civil and structural works. The original project value of PIPC announced by Johor Petroleum Development Corporation Berhad (JPDC) was approximately RM170 billion. It is estimated that a total value of approximately RM109.4 billion has been completed or commissioned as of June 2019. The remaining projects of PIPC are expected to be commissioned with another RM60.6 billion starting from 2020. From 2018 to 2022, the remaining phases of PIPC and maintenance works on existing facilities are expected to continuously stimulate the market. In addition, to meet the Malaysian government's environmental standards, oil and gas market players have announced investment plans for expansion and upgrading works complying Euro 5 at Port Dickson. It is expected that the need for maintenance, expansion and upgrading will increase in the next five years, supporting the market to grow at a CAGR of approximately 15.2%. With the increasing project value and scale, EPCC contractors are more likely to outsource works to civil and structural works contractors with the aim of reducing costs, ensuring service quality and increasing efficiency. Therefore, the value of work done by civil and structural works contractors and subcontractors is expected to rise with a CAGR of approximately 18.1% from 2018 to 2022, attaining RM2.9 billion in 2023. In addition, together with the investment in the Enhanced Oil Recovery (EOR) from the government, techniques that enable an increase in production capacity from underground reservoirs, it will drive the market demand for civil and structural works for oil and gas facilities such as the storage facilities hence representing more future opportunities for the oil and gas civil and structural works market participants.

In light of the above, the Directors expect that aforementioned development, in particular the PIPC, will continue to generate demand for civil and structural works for oil and gas facilities in order to meet the growing demands from the oil and gas industry in Malaysia. The Directors envisage that there would be considerable business opportunities and growth drivers in PIPC including RAPID and maintenance and upgrading works on existing facilities which justify the Group's expansion plan. Hence, it is necessary for the Group to enhance its working capital in alignment with its business expansion, finance the issue of performance bonds and upfront expenditure for new projects, acquire additional machinery and equipment, strengthen its manpower and implement strategic cooperation, investments and acquisitions.

The Group's genuine funding need

As at 30 June 2016, 2017, 2018 and 31 March 2019, the Group's cash and cash equivalents were approximately RM0.3 million, RM0.6 million, RM6.3 million and RM12.7 million, respectively. Despite the Group's cash and cash equivalents, the Directors consider that the Group's cash and cash equivalents as at each year end date and the month end date as set out above are not indicative of the Group's available cash levels during the Track Record Period. During the Track Record Period, the Group's major customers generally settle the Group's payments within 30 to 60 days after the Group's invoice is issued. The Group's cash and cash equivalents as at the above dates were therefore only a sketch of its then available cash as a result of payments settled by some of its major customers in a particular month. A substantial portion of such payments have to generally be applied to settle payments to its suppliers and its subcontractors of the ongoing projects after the Group has received payments from its customers.

While the Group's unutilised banking facilities for general purpose as at 31 July 2019 were approximately RM4.1 million and the cash and cash equivalents were approximately RM26.4 million as at 31 July 2019, the Directors consider that the unutilised banking facilities and available cash cannot provide sufficient funding for the Group's expansion strategies and any funding buffer for the Group to cope with any material and unexpected adversities such as material adverse change in the civil and structural works and service market in Malaysia or severe disasters. Based on the cash requirements for the six months ended 31 December 2018 taking into account the direct costs, administrative and other operating costs, tax payable, repayment requirements of banks and finance leases and interest payments, the Directors are of the view that the minimum cash requirements for the Group's business to maintain the Group's needs for six months would be approximately RM55.3 million. The Directors expect that the cash outflow for the Group's business operation will further increase correspondingly when the number of sizeable projects the Group takes up increases along with its expansion plan. If there is no additional funding from the Share Offer, the Group's cash balance may be insufficient to sustain its business should there be any adverse changes to the Group's financial position, nor can it further strengthen its market position in the civil and structural works and service industry in Malaysia by expanding its market share through undertaking more large-scale projects.

The Group's available funds

	HK$' million
Cash and cash equivalents as at 31 July 2019	50.3
Operating cash inflow/(outflow) in August 2019 to December 2019	(36.8)
The general purpose unutilised banking facilities as at 31 July 2019 (RM4.1 million)	7.8
Retention money to be released in FY 2019 (after Latest Practicable Date)	32.4
	53.7

The Group's funding needs

	HK$' million
To finance for the upfront expenditures of new projects	31.2
To reserve more capital to satisfy the Group's potential customers' requirements for performance bonds	10.4
To expand the Group's workforce	15.6
To acquire machinery	20.8
To acquire business	15.6
Minimum cash requirement to maintain the Group's needs for six months (RM55.3 million)	105.1
	198.7

Commercial rationale for listing

(i) Strengthening the Group's corporate profile, credibility and competitiveness

The Directors believe that a listing status will enhance the credibility of the Group with suppliers and customers and other business partners, as well as the Group's ability to recruit, motivate and retain key management personnel. The increased level of information transparency after the Listing will also give the Group's existing and prospective customers and suppliers the public access to the Group's corporate and financial information, which could generate further confidence in the Group among them. With the status of a listed company, the Directors believe that the Listing will allow the Group to enhance its competitiveness against its competitors. The Group will therefore be in a better position to attract more potential customers and solicit more businesses upon the Listing. On operational level, the Directors consider that the Listing will enhance the Group's recruitment strategy to attract more talented staff.

(ii) The listing status provides an equity fund raising platform for the Group

Although the Group was able to successfully expand its business using internally generated funds and short-term and long-term bank borrowings during the Track Record Period and has been able to repay bank loans as they fell due in the past, the Group still plans to seek equity fund raising instead of continuing to use the historical capital structure to fund its future growth as the latter will place undue financial burden on the Group in terms of cash flow and require the provision of security if it is to apply all its internal capital resources or bank loans for growth purpose. The Directors anticipated that additional bank borrowings to the Group would be needed for its expansion. The Share Offer, which allows the Group to access the capital market for fund raising, will assist its future business development and strengthen its competitiveness.

In terms of funding costs, although the one-off listing expenses to be incurred is expected to be higher than the interest expenses on debt financing for the same amount of funds raised, the Directors are of the view that the Listing should not be seen as a one-off fundraising exercise but an important step for the Group to further its long-term development and business growth through establishing a listing platform for future capital raising and corporate finance activities. Therefore, the Directors consider that, when assessing the commercial rationale for the Company to pursue the Listing, its long-term benefits to the Group should be considered instead of only focusing on the one-off listing expenses or the net proceeds to be raised from the Share Offer.

Subsequent to the Listing, the Group will also have access to secondary market fund raising for its future expansion plans through the issuance of equity and/or debt securities. More importantly, any secondary equity fundraising to be conducted by the Group after the Listing is likely to be at a much lower cost than that of the Share Offer. Also, in many occasions, the cost of debt financing is also cheaper for a listed company than its unlisted counterpart. By strengthening its financial position through fund raising, the Group will also have more bargaining power when negotiating terms with its suppliers for manufacturing materials, and with other business partners, if any. The Group will be able to maintain a lower level of gearing ratio. The Listing and the Share Offer will provide the Group with access to capital market for future corporate finance exercise to assist in the Group's future business development and further strengthen and enhance its competitiveness. All in all, although the cost of the

Share Offer after taking into account the listing expenses associated with the Listing is expected to be higher than the cost of debt financing, the Directors consider it commercially justifiable for the Company to pursue the Listing having considered the long-term benefits it will bring as discussed above.

(iii) Diversification of shareholder base and enhance liquidity in trading of Shares

The Directors take the view that the Listing will enhance the liquidity of the Shares which will be freely traded on the Stock Exchange when compared to the limited liquidity of shares that are privately held before the Listing. In addition, the Listing will expand and diversify the Group's shareholders base as it will allow institutional and professional investors in Hong Kong to easily participate in the equity of the Company, thereby establishing a solid institutional and professional shareholders base to the benefit of the Company and Shareholders as a whole. Hence, the Directors consider that the Share Offer will enlarge and diversify its shareholder base and potentially lead to a more liquid market in the trading of the Shares.

Although the amount of expenses for the Listing represents a significant proportion of the gross proceeds from the Listing, such expenses are non-recurring by nature for which the Group would not have to pay following the completion of the Listing. The Directors are of the view that despite higher one-off costs in the form of listing expenses for the Listing when compared to relatively low interest costs for debt financing, having considered (i) the constraint of the Group to raise further debt financing in terms of capacity, collaterals, guarantees and covenant restrictions; (ii) an adequate amount of funds is expected to be raised through the Listing to satisfy the Group's current expansion needs; and (iii) the Listing will allow more flexibility in satisfying the Group's future financing needs, equity financing is the preferred option to raise capital with a view that it would benefit the Group's medium to long term development. For the reasons stated above, the Directors believe that the Share Offer is beneficial to the Group in the long run.

REASONS FOR LISTING IN HONG KONG

The Directors has considered various avenues for fund raising and Listing and decided that it would be desirable and beneficial for the Company to have a primary listing of its Shares on the Stock Exchange in Hong Kong due to the following reasons:

A premier exchange that offers a trusted platform for the Company to reach a broad range of investors and to increase the Company's capital base

The Company wishes to expand its shareholder bases by making its Shares available and accessible to investors in Hong Kong and greater China by the Listing in Hong Kong as the Directors believe that the stock market in Hong Kong can attract different geographically based investors. The unique connectivity of the Hong Kong stock market with the PRC markets through the Shanghai-Hong Kong Stock Connect, Shenzhen-Hong Kong Stock Connect would enable eligible Hong Kong listed companies to attract PRC investors in addition to international investors, thus broadening the investor base for the Hong Kong stock market. Hence, the Directors consider that the Listing in Hong Kong would provide the Company with the opportunity to enhance its profile internationally, increase its presence among international corporations, and attract investors from the established international and PRC-related institutional investor base in Hong Kong, thereby expanding the Company's shareholder base.

In light of the above, the Directors believe that its shareholder base will be broadened after the Listing and, once there is liquidity of its Shares through the Listing in Hong Kong, the Company can diversify its capital-raising activities, rather than being reliant on the revenue generated from its business operation and debt financing. Hence, the Directors take the view that the Listing in Hong Kong can therefore attract more capital for the Group's business expansion and would benefit the Group in the long run.

Hong Kong stock market being uniquely positioned as the key gateway between China and international markets

The Directors had considered and evaluated different listing venues including Hong Kong and Malaysia and have concluded that Hong Kong is the most suitable venue for the Company to pursue a listing after taking into account various factors that the Directors believe to be essential for the long-term development of the Group. In the first place, the breadth and depth of the Hong Kong capital market makes it a compelling listing and fundraising venue for numerous companies from Hong Kong, China and all over the world. More particularly, the Company can benefit from Hong Kong stock market's unique position as the key gateway between China and international markets, as well as the presence of a diverse and global investor base. The unique connectivity of the Hong Kong stock market with the PRC markets through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect allows PRC investors to invest in certain stocks including constituent stocks of the Hang Seng Composite LargeCap Index and Hang Seng Composite MidCap Index and all H shares that are not included as constituent stocks of the relevant indices in Hong Kong. Though the Shares are not immediately available for trading through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Directors take the view that Hong Kong Stock Exchange's unique position as the key gateway between greater China and international markets, as well as the presence of a diverse and global investor base would benefit the Group in terms of its fundraising and its shareholder base in the long run. This belief is supported by the fact that Hong Kong topped the world's initial public offering market in 2018 with IPO equity funds raised totaling approximately USD36,563 million, which was more than 213.8 times of the IPO equity funds raised in Bursa Malaysia in 2018 of approximately USD171 million.

Overall size and turnover of shares on the Stock Exchange

Hong Kong, being one of the premier exchanges with established infrastructure, attract diverse and global investors, provides a more liquid market and active secondary market for companies in equity financing.

The Directors consider that the liquidity and trading volumes offered by an exchange with a greater number of investors and a more sophisticated asset management infrastructure is one of the key factors for seeking the listing on the Stock Exchange. According to the data compiled by the World Bank, total value of stocks traded in Hong Kong for the year ended 31 December 2018 was approximately US$2,266.8 billion (equivalent to approximately HK$17.7 trillion).

For the year ended 31 December 2018, the average daily turnover of stocks in Hong Kong was approximately HK$107.4 billion. Given its reputation as an international financial centre and active trading activities in comparison with its regional peers, the Directors believe that: (i) Hong Kong Stock Exchange has higher liquidity and greater exposure to a broader analyst and investment community which enable the Group to gain access to the capital market in Hong Kong for cost effective capital raising for future expansion and corporate finance exercises; and (ii) the Company's enhanced corporate profile through listing in Hong Kong could facilitate its customer diversification. With such liquidity and reputation as an international financial market, the Directors believe that the Listing in Hong Kong will give the Group access to future funding options, such as secondary placement of Shares, in a more liquid market having more ready and willing buyers and sellers and offering a high level of pricing transparency and flexibility to sell their investments when necessary.

Increase the Group's public profile

The Directors believe that the Group can enhance its public profile by the Listing and the Listing will enhance the Group's profile and recognition as the Stock Exchange is an attractive exchange that provides access to investors including institutional investors in Hong Kong and the PRC. The Directors also believe that seeking the Listing on the Stock Exchange will enable the Company to promote its presence in the international market, which is considered as an important factor for the potential future growth and long-term development of the Company, given the Company will continually explore and asses various opportunities in the provision of civil and structural works and services for customers engaged in the oil and gas industry.

Further, listing on the Stock Exchange would also enhance the Company's profile in Hong Kong, facilitate investment by Hong Kong investors, enable the Company to gain access to Hong Kong's capital markets and benefit the Company by exposing it to a wider range of private and institutional investors.

PUBLIC OFFER UNDERWRITERS

Joint Bookrunners and Joint Lead Managers

Excellent Success Investments Limited
Lego Securities Limited
Red Sun Capital Limited
Shanxi Securities International Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, the Group is offering 25,000,000 Public Offer Shares (subject to reallocation) for subscription on the terms and subject to the conditions of this prospectus and the Application Forms at the Offer Price.

Subject to (i) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued; and (ii) certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally agreed to apply or procure applications, on the terms and conditions of this prospectus, the related Application Forms and the Public Offer Underwriting Agreement, for the Public Offer Shares now being offered and which are not taken up under the Public Offer.

The Public Offer Underwriting Agreement is conditional upon and subject to the Placing Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

If prior to 8:00 a.m. (Hong Kong time) on the Listing Date:

(a) there comes to the notice of the Joint Bookrunners, the Joint Lead Managers or any of the Public Offer Underwriters:

  (i) that any statement contained in any of this prospectus, the Application Forms, the formal notice and any announcements issued by the Company in connection with the Public Offer (including any supplement or amendment thereto) was, when it was issued, or has become, untrue, incorrect or misleading, or that any forecasts, expressions of opinion, intention or expectation expressed in this prospectus, the Application Forms, the formal notice and/or any announcements issued by the Company in connection with the Public Offer (including any supplement or amendment thereto) are not fair and honest and based on reasonable assumptions, in each case when taken as a whole; or

(ii) that any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus and having not been disclosed in this prospectus, constitute a material omission therefrom; or

(iii) any breach of any of the obligations imposed upon any Group company, any executive Directors or any Controlling Shareholders;

(iv) any event, act or omission which gives or is likely to give rise to any liability of any of the indemnifying parties pursuant to the Public Offer Underwriting Agreement; or

(v) any adverse change or development involving a prospective change (whether permanent or not) in the assets, liabilities, conditions, business affairs, prospects, profits, losses or financial or trading position or performance of any Group company; or

(vi) approval by the Listing Committee of the listing of, and permission to deal in, the Shares to be issued or sold under the Share Offer is refused or not granted, other than subject to customary conditions, on or before the date of approval of the listing, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld; or

(vii) the Company withdraws this prospectus (and any other documents used in connection with the contemplated subscription and/or purchase of the Shares) or the Share Offer; or

(b) there shall develop, occur, exist or come into effect:

(i) commotion, riot, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God, accident or interruption or delay in transportation or acts of terrorism or any state of emergency or calamity or crisis in or affecting any of Hong Kong, Malaysia, the Cayman Islands, the BVI or any other jurisdictions relevant to any member of the Group or the Share Offer (the "**Relevant Jurisdictions**"); or

(ii) any change or development involving a prospective change or development, or any event or series of events, likely to result in or represents any change or prospective change, in local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency or market conditions or any monetary or trading settlement system or matters and/or disaster (including, without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets, a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the US, imposition or declaration of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange, or a material devaluation of Hong Kong dollars against the U.S. dollars) in or affecting any of the Relevant Jurisdictions; or

(iii) any general moratorium on commercial banking activities in Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), Malaysia, the Cayman Islands or the BVI, or there is a material disruption in commercial banking or securities settlement or clearance services in those places; or

(iv) any new law or regulation or change or development involving a prospective change in existing laws or regulations or any change or development involving a prospective change in the interpretation or application thereof by any court or other competent authority in or affecting any of the Relevant Jurisdictions; or

(v) the imposition of economic or other sanctions, in whatever form, directly or indirectly, by, or for any of the Relevant Jurisdictions; or

(vi) a change or development occurs involving a prospective change in taxation or foreign investment regulations (or the implementation of any exchange control) in any of the Relevant Jurisdictions and an investment in the Shares; or

(vii) any litigation or claim of any third party being threatened or instigated against any Group company; or

(viii) any Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or

(ix) the commencement by any regulatory or political body or organisation of any action against a Director or an announcement by any regulatory or political body or organisation that it intends to take any such action; or

(x) a contravention by any Group company of the Companies Ordinance, the SFO, or any of the Listing Rules; or

(xi) a prohibition on the Company for whatever reason from allotting or selling the Shares pursuant to the terms of the Share Offer; or

(xii) non-compliance of this prospectus (or any other documents used in connection with the contemplated subscription for and/or purchase of the Shares) or any aspect of the Share Offer with the Listing Rules or any other applicable law or regulation; or

(xiii) other than with the approval of the Joint Bookrunners and the Joint Lead Managers and the Public Offer Underwriters (such approval not to be unreasonably withheld), the issue or requirement to issue by the Company of a supplementary prospectus (or any other documents used in connection with the contemplated subscription for and/or purchase of the Shares) pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules; or

(xiv) a petition is presented or an order is made for the winding up or liquidation of any Group company or any Group company makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any Group company or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any Group company or anything analogous thereto occurs in respect of any material Group company; or

(xv) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(xvi) any loss or damage sustained by any Group company, which, in any such case and in the sole and absolute opinion of the Joint Bookrunners and the Joint Lead Managers:

(a) is or may individually or in the aggregate have a material adverse effect on the business, financial, trading position or other condition or prospects of the Group as a whole; or

(b) is or has or may have a material adverse effect on the success of the Public Offer or the Share Offer or the level of applications under the Public Offer or the level of interest under the Placing; or

(c) is or may make it inadvisable or impracticable for Public Offer and/or the Share Offer to proceed or to market the Public Offer and/or the Share Offer in any material respects; or

(d) is or may have the effect of making any part of the Public Offer Underwriting Agreement incapable of performance in accordance with its terms in any material respects,

then the Joint Bookrunners and the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) may in their absolute discretion, upon giving notice in writing to the Company prior to 8:00 a.m. on the Listing Date, terminate the Public Offer Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) Undertakings by the Company

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of the Company (whether or not of a class already listed) may be issued by the Company or form the subject of any agreement to such an issue by the Company within six months from the Listing Date (whether or not such issue of Shares or securities of the Company will be completed within six months from the Listing Date), except in certain circumstances prescribed by Rule 10.08 of the Listing Rules or pursuant to the Share Offer.

(B) Undertakings by the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and the Company that, save as permitted under the Listing Rules, he or it shall not and shall procure that the relevant registered holder(s) shall not:

(a) in the period commencing on the date by reference to which disclosure of its/his shareholding in the Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares in respect of which it/he is shown by this prospectus to be the beneficial owner; and

(b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he would cease to be a controlling shareholder of the Company.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has jointly and severally undertaken to the Stock Exchange and to the Company that within the period commencing on the date by reference to which disclosure of his/its shareholding in the Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, he or it will:

(i) when he or it pledges or charges any Shares beneficially owned by him/it in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) (the "**Banking Ordinance**") pursuant to Note 2 to Rule 10.07(2) of the Listing Rules, immediately inform the Company of such pledge or charge together with the number of Shares so pledged or charged; and

(ii) when he or it receives indications, either verbal or written, from the pledgee or chargee of any Shares that any of the pledged or charged Shares will be disposed of, immediately inform the Company of such indications.

The Company will also inform the Stock Exchange as soon as the Company has been informed of any of the above matters (if any) by the Controlling Shareholders and disclose such matters by way of an announcement to be published in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by the Controlling Shareholders.

Undertakings pursuant to the Public Offer Underwriting Agreement

(A) Undertakings by the Company

The Company has, pursuant to the Public Offer Underwriting Agreement, undertaken to each of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters that the Company will except pursuant to or contemplated under the Share Offer and the exercise of the options that may be granted under the Share Option Scheme, not, without the prior written consent of the Sole Sponsor, the Joint Bookrunners and the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) and subject to the provisions of the Listing Rules:

(a) not at any time from the date of this prospectus up to and including the date falling six months after the Listing Date (the "**First Six-Month Period**"):

(i) offer, allot, issue or sell, or agree to allot, issue or sell, grant or agree to grant any option, right, warrant or other rights to subscribe for any Shares or other securities of the Company over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any of its subsidiaries), either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares or such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to effect any such transaction;

(ii) issue or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of the Company) or repurchase any Shares or securities of the Company agree to do any of the foregoing, except pursuant to the Share Offer;

(b) at any time within the six-month period immediately following the First Six-Month Period (the "**Second Six-Month Period**") do any of the acts set out in paragraph (a) above such that the Controlling Shareholders together, directly or indirectly, would together cease to be a controlling shareholder of the Company (within the meaning defined in the Listing Rules) except in compliance with the Listing Rules; and

(c) in the event that the Company does any of the acts set out in paragraph (a) above, after the expiry of the First Six-Month Period or the Second Six-Month Period, as the case may be, take all reasonable steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of the Company or any interest therein except in compliance with the Listing Rules.

(B) Undertakings by the Controlling Shareholders

Each of the Controlling Shareholders has jointly and severally agreed, represented, warranted and undertaken to the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Public Offer Underwriters and the Company that:

(a) during the First Six-Month Period, he/it shall not, and shall procure that the relevant registered holder(s) and his/its associates and companies controlled by him/it and any nominee or trustee holding on trust for himself/itself shall not, without the prior written consent of the Sole Sponsor, the Joint Bookrunners and the Joint Lead Managers or otherwise in compliance with the requirements of the Listing Rules, (i) offer, pledge, charge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant or agree to grant any option, right or warrant to purchase or subscribe for, lend or otherwise transfer or dispose of, either directly or indirectly, any of the Shares or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive any such Shares or such securities; or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such Shares, whether any of the foregoing transactions is to be settled by delivery of Shares or such other securities, in cash or otherwise; (iii) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraphs (i) or (ii) above; or (iv) announce any intention to enter into or effect any of the transactions referred to in paragraphs (i), (ii) or (iii) above, except in the event of any of the Controlling Shareholders using securities of the Company beneficially owned by him/it as security (including a charge or pledge) in favour of any authorised institution (as defined in the Banking Ordinance) for a bona fide commercial loan or such other circumstances as permitted under the Listing Rules;

(b) he/it shall not, and shall procure that the relevant registered holder(s) and his/its associates or companies controlled by him/it and any nominee or trustee holding in trust for himself/itself shall not, without the prior written consent of the Stock Exchange (if required under the Listing Rules) during the Second Six-Month Period, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any Shares held by him/it or any of his/its associates or companies controlled by him/it or any nominee or trustee holding on trust for himself/itself if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be controlling shareholder (as defined in the Listing

Rules) of the Company or the aggregate interest of all members of the Controlling Shareholders would be less than 30% of the Company's issued share capital except in the event of any of the Controlling Shareholders using securities of the Company beneficially owned by him/it as security (including a charge or pledge) in favour of any authorised institution (as defined in the Banking Ordinance) for a bona fide commercial loan or such other circumstances as permitted under the Listing Rules; and

(c) in the event of a disposal of any Shares or securities of the Company or any interest therein within the Second Six-Month Period, he/it shall take all reasonable steps to ensure that such a disposal shall not create a disorderly or false market for any Shares or other securities of the Company.

Without prejudice to the above provisions, each of the Controlling Shareholders has jointly and severally undertaken to the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, the Public Offer Underwriters and the Company that within the First Six-Month Period and the Second Six-Month Period, he or it shall:

(i) if and when he or it pledges or charges, directly or indirectly, any Shares or other securities of the Company beneficially owned by him or it (or any beneficial interest therein), immediately inform the Company, the Sole Sponsor, the Joint Bookrunners and the Joint Lead Managers in writing of such pledge or charge together with the number of such Shares or other securities so pledged or charged; and

(ii) if and when he or it receives indications, either verbal or written, from any pledgee or chargee that any Shares or other securities in the Company (or any beneficial interest therein) pledged or charged by him or it will be disposed of, immediately inform the Company, the Sole Sponsor, the Joint Bookrunners and the Joint Lead Managers in writing of such indications.

The Company will notify the Stock Exchange as soon as the Company has been informed of such event and shall make a public disclosure by way of announcement in accordance with the Listing Rules.

Indemnity

The Company and the Controlling Shareholders have agreed to indemnify the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters for certain losses which they may suffer, including, among other matters, losses arising from the performance of their obligations under the Public Offer Underwriting Agreement and any breach by the Company of the Public Offer Underwriting Agreement.

The Placing

Placing Underwriting Agreement

In connection with the Placing, it is expected that the Company and the Controlling Shareholders will enter into the Placing Underwriting Agreement with, among others, the Joint Bookrunners, the Joint Lead Managers and the Placing Underwriters. Under the Placing Underwriting Agreement, the Placing Underwriters would, subject to certain conditions, agree to procure subscribers to subscribe for and/or purchase the Placing Shares being offered pursuant to the Placing, or failing which to subscribe for and/or purchase, their respective applicable proportions of such Placing Shares which are not taken up under the Placing. The Placing Underwriting Agreement is expected to provide that it may be terminated on grounds similar to those provided in the Public Offer Underwriting Agreement. Potential investors are reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed.

It is expected that, pursuant to the Placing Underwriting Agreement, the Company and the Controlling Shareholders will give undertakings similar to those given pursuant to the Public Offer Underwriting Agreement, as described in the paragraph headed "Underwriting Arrangements and Expenses — The Public Offer — Undertakings pursuant to the Public Offer Underwriting Agreement" in this section.

It is expected that each of the Controlling Shareholders will undertake to the Placing Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of the Shares held by them in the Company for a period similar to that given by them pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed "Underwriting Arrangements and Expenses — The Public Offer" in this section.

Commission and expenses and the Sole Sponsor's fee

According to the terms and conditions of the Public Offer Underwriting Agreement, the Public Offer Underwriters will receive an underwriting commission of 8.0% of the aggregate Offer Price payable for the Public Offer Shares initially offered under the Public Offer and each of the Joint Bookrunners shall be entitled to a fee of HK$100,000. For unsubscribed Public Offer Shares reallocated to the Placing, an underwriting commission at the rate applicable to the Placing will be paid to the relevant Placing Underwriters (but not the Public Offer Underwriters). Underwriting commission will be payable by the Company for the number of Offer Shares offered for subscription in the Share Offer.

Based on an Offer Price of HK$0.55 per Offer Share (being the mid-point of the indicative Offer Price range stated in this prospectus), the aggregate commissions (exclusive of any discretionary incentive fee (if any)), together with the Stock Exchange listing fees, SFC transaction levy, the Stock Exchange trading fee and other expenses relating to the Share Offer to be borne by the Company are estimated to amount to approximately HK$36.0 million. An aggregate amount of HK$5,800,000 is payable by the Company as sponsor fees to the Sole Sponsor for acting as the sponsor in the Share Offer.

SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to Sponsors set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor's, the Joint Bookrunners', the Joint Lead Managers' and the Underwriters' interest in the Company

The Sole Sponsor has been appointed as the compliance adviser of the Company with effect from the Listing Date until despatch of the audited consolidated financial results for the first full financial year after the Listing Date and the Company will pay to the Sole Sponsor an agreed fee for its provision of services as required under the Listing Rules.

Following the completion of the Share Offer, the Underwriters and their respective affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligation under the Underwriting Agreements.

Save for their interests and obligations under the Underwriting Agreements and the advisory and documentation fee payable to the Sole Sponsor in respect of the Share Offer, none of the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriters or any of their close associates is interested beneficially or non-beneficially in any shares in any member of the Group or has any right (whether legally enforceable or not) or option to subscribe for or to nominate persons to subscribe for any shares in any member of the Group.

THE SHARE OFFER

This prospectus is published in connection with the Share Offer. Red Sun Capital is the Sole Sponsor, Excellent Success, Lego Securities, Red Sun Capital and Shanxi are the Joint Bookrunners and the Joint Lead Managers of the Share Offer.

The Share Offer comprises:

(a) the Public Offer of 25,000,000 Shares (subject to reallocation as mentioned below) in Hong Kong as further described in the paragraph headed "The Public Offer" below; and

(b) the Placing of 225,000,000 Shares (subject to reallocation as mentioned below) which with conditionally be placed with selected professional, institutional and other investors, as further described in the paragraph headed "The Placing" below.

Investors may apply for the Offer Shares under the Public Offer or indicate an interest, if qualified to do so, for the Shares under the Placing, but may not do both. Reasonable steps will be taken to identify and reject applications in the Public Offer from investors who have received Offer Shares in the Placing, and to identify and reject indications of interest in the Placing from investors who have applied for Public Offer Shares in the Public Offer. The Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors in Hong Kong.

The Offer Shares will represent 25% of the enlarged total issued shares of the Company immediately after completion of the Share Offer.

The number of Shares to be offered under the Public Offer and the Placing respectively may be subject to reallocation as described in the paragraph headed "The Public Offer — Reallocation" and "The Placing — Reallocation" below.

THE PUBLIC OFFER

Number of Shares Initially Offered

The Company is initially offering 25,000,000 Shares at the Offer Price, representing 10% of the Offer Shares initially available under the Share Offer, for subscription by the public in Hong Kong. Subject to the reallocation as mentioned below, the number of Offer Shares initially offered under the Public Offer will represent approximately 2.5% of the Company's enlarged issued share capital immediately after completion of the Share Offer.

The Public Offer is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

Completion of the Public Offer is subject to the conditions as set out in the paragraph headed "Conditions of the Share Offer."

Allocation

The total number of Public Offer Shares available under the Public Offer will initially be divided equally into two pools for allocation purposes as follows:

(a) Pool A: The Public Offer Shares in Pool A will be allocated on an equitable basis to applicants who have applied for Public Offer Shares each with a total subscription amount (excluding brokerage fee, Stock Exchange trading fee and SFC transaction levy) of HK$5 million or less.

(b) Pool B: The Public Offer Shares in Pool B will be allocated on an equitable basis to applicants who have applied for Public Offer Shares each with a total subscription amount (excluding brokerage fee, Stock Exchange trading fee and SFC transaction levy) of more than HK$5 million and up to the value of Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Public Offer Shares in one pool (but not both pools) are under-subscribed, the unsubscribed Public Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Allocation of Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. The allocation of Public Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Applicants can only receive an allocation of Public Offer Shares from either Pool A or Pool B but not from both pools. Multiple or suspected multiple applications within either pool or between pools and any application for more than 50% of the Public Offer Shares initially available for subscription under the Public Offer will be rejected. Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the Application Form submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application have not received any Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be).

Reallocation

The allocation of Offer Shares between the Public Offer and the Placing is subject to adjustment on the following basis:

(a) if both the Public Offer Shares and the Placing Shares are undersubscribed, the Share Offer shall not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Share Offer on the terms and conditions of this prospectus, the Application Forms and the Underwriting Agreements;

(b) if the Public Offer Shares are undersubscribed and the Placing Shares are fully subscribed or oversubscribed, the Joint Bookrunners will have the discretion to reallocate all or any of the unsubscribed Public Offer Shares from the Public Offer to the Placing;

(c) if the Placing Shares are fully subscribed or oversubscribed, and:

(i) if the number of Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the initial number of the Public Offer Shares, then the number of Shares to be re-allocated to the Public Offer from the Placing will increase so that the total number of Shares available for subscription under the Public Offer will increase to 75,000,000 Shares, representing 30% of the total number of the Offer Shares available under the Share Offer;

(ii) if the number of Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the initial number of the Public Offer Shares, then the number of Shares to be re-allocated to the Public Offer from the Placing will increase so that the total number of Shares available for subscription under the Public Offer will increase to 100,000,000 Shares, representing 40% of total number of the Offer Shares available under the Share Offer; and

(iii) if the number of Shares validly applied for under the Public Offer represents 100 times or more the initial number of the Public Offer Shares, then the number of Shares to be re-allocated to the Public Offer from the Placing will increase so that the total number of Shares available for subscription under the Public Offer will increase to 125,000,000 Shares, representing 50% of the total number of the Offer Shares available under the Share Offer,

in each case the additional Offer Shares reallocated to the Public Offer will be allocated between Pool A and Pool B and the number of Offer Shares allocated to the Placing will be correspondingly reduced in such manner as the Joint Bookrunners deems appropriate.

(d) pursuant to the Stock Exchange's Guidance Letter HKEX-GL91-18:

(i) if the Placing Shares are undersubscribed under the Placing and if the Public Offer Shares are fully subscribed or oversubscribed (irrespective of the number of times of the initial number of the Public Offer Shares validly applied for under the Public Offer in such circumstances); or

(ii) if the Placing Shares are fully subscribed or oversubscribed, and if the Public Offer Shares are fully subscribed or oversubscribed but the number of Shares validly applied for under the Public Offer represents less than 15 times of the initial number of the Public Offer Shares,

then, provided that the Offer Price in fixed at the low-end of the indicative Offer Price range, i.e., HK$0.50 per Offer Share, in accordance with the Stock Exchange's Guidance Letter HKEX-GL91-18, up to 25,000,000 Offer Shares may be reallocated to satisfy valid applications in Pool A and Pool B under the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will increase up to

50,000,000 Shares, being not more than double the initial number of Public Offer Shares, and such limit represents 20% of the number of the Offer Shares initially available under the Share Offer.

Details of any re-allocation of Offer Shares between the Public Offer and the Placing will be disclosed in the results announcement of the Share Offer, which is expected to be published on Friday, 27 September 2019.

Applications

Each applicant under the Public Offer will be required to give an undertaking and confirmation in the application submitted by him/her/it that he/she/it and any person(s) for whose benefit he/she/it is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Placing Shares under the Placing. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is breached and/or untrue (as the case may be) or if he/she/ it has been or will be placed or allocated Placing Shares under the Placing.

The listing of the Shares on the Stock Exchange is sponsored by the Sole Sponsor. Applicants under the Public Offer are required to pay, on application, the maximum Offer Price of HK$0.60 per Offer Share in addition to the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$3,030.23 for one board lot of 5,000 Shares.

If the Offer Price, as finally determined in the manner described in the paragraph headed "Pricing and allocation" below, is less than the maximum Offer Price of HK$0.60 per Offer Share, appropriate refund payments (including the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed "How to Apply for the Public Offer Shares" in this prospectus.

THE PLACING

Number of Shares Initially Offered

Subject to the reallocation as described above, the number of Shares to be initially offered under the Placing will be 225,000,000 Shares, representing 90% of the Offer Shares under the Share Offer. Subject to the reallocation of the Offer Shares between the Placing and the Public Offer, the number of Shares initially offered under the Placing will represent approximately 22.5% of the Company's enlarged issued share capital immediately after completion of the Share Offer, without taking into account Offer Shares issuable upon exercise of any options granted under the Share Option Scheme. The Placing Shares are expected to be fully underwritten by the Placing Underwriters subject to the Offer Price being agreed on or before the Price Determination Date.

Allocation

Pursuant to the Placing, the Placing Shares will be conditionally placed on behalf of the Company by the Placing Underwriters or through selling agents appointed by them. Placing Shares will be selectively placed with certain professional and institutional investors and other investors who generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The Placing is subject to the Public Offer being unconditional.

Allocation of Offer Shares pursuant to the Placing will be effected in accordance with the "book-building" process described in the paragraph headed "Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell, Shares after the listing of the Shares on the Stock Exchange.

Such allocation is intended to result in a distribution of Shares on a basis which would lead to the establishment of a solid shareholder base which would be to the benefit and to that of the shareholders as a whole.

The Joint Bookrunners (for themselves and on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the Placing, and who has made an application under the Public Offer, to provide sufficient information to the Joint Bookrunners so as to allow them to identify the relevant applications under the Public Offer and to ensure that they are excluded from any application of Offer Shares under the Public Offer.

Reallocation

The total number of Offer Shares to be issued pursuant to the Placing may change as a result of the clawback arrangement described in the paragraph headed "The Public Offer — Reallocation" above, the exercise of any reallocation of unsubscribed Offer Shares originally included in the Public Offer.

PRICING AND ALLOCATION

Determining the Offer Price

The Placing Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the Placing. Prospective professional, institutional and other investors will be required to specify the number of Offer Shares under the Placing which they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building" is expected to continue up to, and to cease on or around, the last day for lodging applications under the Public Offer.

Pricing for the Offer Shares for the purpose of the various offerings under the Share Offer will be fixed on the Price Determination Date, which is expected to be on or around Friday, 20 September 2019 or such later date as may be agreed by the Company and the Joint Bookrunners, by agreement between the Joint Bookrunners (for themselves and on behalf of the Underwriters) and the Company and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

Offer price range

The Offer Price will be not more than HK$0.60 per Share and is expected to be not less than HK$0.50 per Share, unless otherwise announced not later than the morning of the last day for lodging applications under the Public Offer, as further explained below. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

Price payable on application

Applicants for Public Offer Shares under the Public Offer are required to pay, on application, the maximum Offer Price of HK$0.60 for each Public Offer Share (plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), amounting to a total of HK$3,030.23 for each board lot of 5,000 Shares. If the Offer Price is less than HK$0.60, appropriate refund payments (including the brokerage fee, SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies, without any interest) will be made to successful applications. For details, please refer to the section headed "How to Apply for the Public Offer Shares — 13. Refund of application monies" of this prospectus.

If, for any reason, the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) are unable to reach an agreement on the Offer Price on or about Friday, 20 September 2019 or such later date as may be agreed by the Company and the Joint Bookrunners, the Share Offer will not proceed and will lapse.

Reduction in indicative Offer Price range and/or number of Offer Shares

The Joint Bookrunners (for themselves and on behalf of the Underwriters), may where considered appropriate, based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, reduce the indicative offer price range and/or the number of Offer Shares below those stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Public Offer. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Public Offer, cause to be published on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of the Company at **www.tbkssb.com.my** notices of the reduction in the indicative Offer Price range and/or number of Offer Shares. Upon issue of such a notice, the revised indicative Offer Price range and/or number of Offer Shares will be final and conclusive and the Offer Price, if agreed upon by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and the Company will be fixed within such revised range. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Share Offer statistics as currently set out in this prospectus, and any other financial information which may change materially as a result of such reduction.

Before submitting applications for Public Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price range and/or number of Offer Shares may not be made until the day which is the last day for lodging applications under the Public Offer. In the absence of any such announcement so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Bookrunners (for themselves and on behalf of the Underwriters) and the Company will under no circumstances be set outside the Offer Price range as stated in this prospectus. However, if the number of Offer Shares and/or the Offer Price range is reduced, applicants under the Public Offer will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

In the event of a reduction in the number of Offer Shares, the Joint Bookrunners may, at its discretion, reallocate the number of Offer Shares to be offered in the Public Offer and the Placing, provided that the number of Offer Shares comprised in the Public Offer shall not be less than 10% of the total number of Offer Shares available under the Share Offer. The Offer Shares to be offered in the Public Offer and the Offer Shares to be offered in the Placing may, in certain circumstances, be reallocated between these offerings at the discretion of the Joint Bookrunners.

Announcement of final Offer Price and basis of allocations

The applicable final Offer Price, the level of indications of interest in the Placing, the results of applications and the basis of allocation of the Public Offer Shares are expected to be announced on Friday, 27 September 2019 on the website of the Stock Exchange at **www.hkexnews.hk** and on the website of the Company at **www.tbkssb.com.my**.

Results of allocations in the Public Offer, including the Hong Kong identity card/ passport/Hong Kong business registration numbers of successful applicants (where applicable) and the number of Public Offer Shares successfully applied for under **WHITE** Application Form and **YELLOW** Application Form, or by giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider will be made available through a variety of channels as described in the section "How to Apply for the Public Offer Shares — 11. Publication of results" in this prospectus.

UNDERWRITING

The Public Offer is fully underwritten by the Public Offer Underwriters under the terms of the Public Offer Underwriting Agreement and is subject to the Company and the Joint Bookrunners (for themselves and on behalf of the Public Offer Underwriters) agreeing on the Offer Price.

The Company expects to enter into the Placing Underwriting Agreement relating to the Placing on or about the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarised in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares will be conditional on, among other things:

- the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Offer Shares in issue and to be issued pursuant to the Capitalisation Issue and the Share Offer on the Main Board (including the Shares to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme);
- the Price Determination Agreement having been duly executed on the Price Determination Date and such agreement not subsequently having been terminated;
- the Offer Price having been duly agreed between the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters);
- the execution and delivery of the Placing Underwriting Agreement on or around the Price Determination Date; and
- the obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement and the obligations of the Placing Underwriters under the Placing Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

In each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Company and the Joint Bookrunners (for themselves and on behalf of the Underwriters) on or about Friday, 20 September 2019 or such later date as may be agreed by the Company and the Joint Bookrunners, the Share Offer will not proceed and will lapse.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with their respective terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will be published on the website of the Stock Exchange at **www.hkexnews.hk** and the Company at **www.tbkssb.com.my** on the next business day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in the subsection headed "How to Apply for the Public Offer Shares — 14. Despatch/Collection of Share Certificates and Refund Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banker or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares are expected to be issued on Friday, 27 September 2019, and will only become valid at 8:00 a.m. on the date of commencement of the dealings in the Shares, which is expected to be on Monday, 30 September 2019, provided that (i) the Share Offer has become unconditional in all respects; and (ii) the right of termination as described in the subsection headed "Underwriting — Underwriting Arrangements and Expenses — The Public Offer — Grounds for Termination" in this prospectus has not been exercised.

ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in the Shares and the Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisor for details of the settlement arrangements as such arrangements will affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into the Central Clearing and Settlement System, or CCASS.

DEALING ARRANGEMENTS

Assuming that the Share Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Monday, 30 September 2019, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Monday, 30 September 2019.

The Shares will be traded in board lots of 5,000 Shares each. The stock code of the Shares will be 1960.

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** Application Form or **YELLOW** Application Form; or
- apply online via the **HK eIPO White Form** service at **www.hkeipo.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Joint Bookrunners, the **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** Application Form or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a U.S. person (as defined in Regulation S); and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO White Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identitiy card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the Application Form must be signed by a duly authorised officer, who must state his/her representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Company and the Joint Bookrunners, may accept it at its discretion, and on any conditions they thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** for the Public Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Public Offer Shares if you:

- are an existing beneficial owner of Shares in the Company and/or any of its subsidiaries;
- are a Director or chief executive officer of the Company and/or any of its subsidiaries;
- are an associate or a close associate (as defined in the Listing Rules) of any of the above;
- are a connected person or a core connected person (as defined in the Listing Rules) of the Company or will become a connected person or a core connected person of the Company immediately upon completion of the Share Offer; and
- have been allocated or have applied for or indicated an interest in any Placing Shares or otherwise participate in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which Application Channel to Use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through **www.hkeipo.hk**.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to collect the Application Forms

You can collect a **WHITE** Application Form and a copy of this prospectus during normal business hours from 9:00 a.m. on Monday, 16 September 2019 until 12:00 noon on Thursday, 19 September 2019 from:

(a) any of the following offices of the Joint Bookrunners and Joint Lead Managers:

Name	**Address**
Excellent Success Investments Limited	22/F., China Overseas Building, 139 Hennessy Road, Wan Chai, Hong Kong
Lego Securities Limited	Room 301, 3/F, China Building, 29 Queen's Road Central, Hong Kong
Red Sun Capital Limited	Room 3303, 33/F., West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong
Shanxi Securities International Limited	Unit A, 29th Floor, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong

(b) any of the following branches of the following receiving bank:

Industrial and Commercial Bank of China (Asia) Limited

District	**Branch Name**	**Address**
Hong Kong Island:	Sheung Wan Branch	Shop F, G/F, Kai Tak Commercial Building, 317–319 Des Voeux Road Central, Sheung Wan, Hong Kong
Kowloon:	Tsim Sha Tsui Branch	Shop 1&2, G/F, No. 35–37 Hankow Road, Tsimshatsui, Kowloon
New Territories:	Sha Tsui Road Branch	Shop 4, G/F, Chung On Building, 297–313 Sha Tsui Road, Tsuen Wan, New Territories

You can collect a **YELLOW** Application Form and a copy of this prospectus during normal business hours from 9:00 a.m. on Monday, 16 September 2019 until 12:00 noon on Thursday, 19 September 2019 from:

- Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or
- your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** Application Form or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "ICBC (Asia) Nominee Limited — TBK & Sons Holdings Public Offer" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

Monday, 16 September 2019	—	9:00 a.m. to 5:00 p.m.
Tuesday, 17 September 2019	—	9:00 a.m. to 5:00 p.m.
Wednesday, 18 September 2019	—	9:00 a.m. to 5:00 p.m.
Thursday, 19 September 2019	—	9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, 19 September 2019, the last application day or such later time as described in the paragraph headed "10. Effect of Bad Weather on the Opening of the Application Lists" in this section below.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Forms carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **HK eIPO White Form** service, among other things, you (or if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

(i) undertake to execute all relevant documents and instruct and authorise the Company and/or the Joint Bookrunners (or its agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Public Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Law and the Memorandum and Articles of Association;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;

(vi) agree that none of the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Placing Shares under the Placing nor participated in the Placing;

(viii) agree to disclose to the Company, the Sole Sponsor, the Hong Kong Branch Share Registrar, the receiving bank, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers and the Underwriter nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorise the Company to place your name(s) or the name of the HKSCC Nominees, on the Hong Kong branch share register of members as the holder(s) of any Public Offer Shares allocated to you, and the Company and/or its agents to send any Share certificate(s) and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the Share certificate(s) and/or refund cheque(s) in person;

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that the Company, the Sole Sponsor and the Joint Bookrunners will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** Application Form or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or the **HK eIPO White Form** Service Provider by you or by anyone as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** Application Form or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional instructions for YELLOW Application Form

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH HK eIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in "Who can apply" section, may apply through the **HK eIPO White Form** service for the Public Offer Shares to be allotted and registered in their own names through the designated website at **www.hkeipo.hk.**

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the designated website, you authorise the **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for Submitting Applications under the HK eIPO White Form

You may submit your application to the HK eIPO White Form Service Provider at **www.hkeipo.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, 16 September 2019 until 11:30 a.m. on Thursday, 19 September 2019 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, 19 September 2019 or such later time under the "10. Effect of Bad Weather on the Opening of the Applications Lists" in this section.

No Multiple Applications

If you apply by means of **HK eIPO White Form**, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **HK eIPO White Form** service to make an application for Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **HK eIPO White Form** more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these **electronic application instructions** through the CCASS Phone System by calling (852) 2979 7888 or through the CCASS Internet System (https://ip.ccass.com) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
1/F, One & Two Exchange Square
8 Connaught Place
Central, Hong Kong

and complete an input request form.

You can also collect a copy of this prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to the Company, the Joint Bookrunners and the Hong Kong Branch Share Registrar.

Giving electronic application instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

- agree to accept the Public Offer Shares applied for or any lesser number allocated;
- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Placing Shares under the Placing;
- (if the **electronic application instructions** are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;
- confirm that you understand that the Company, the Directors and the Joint Bookrunners will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorise the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Public Offer Shares allocated to you and to send Share certificate(s) and/or refund monies under the arrangements separately agreed between the Group and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of the Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to the Company, the Sole Sponsor, the Hong Kong Branch Share Registrar, the receiving bank, the Joint Bookrunners, the Underwriters and/or their respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with the Group and to

become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is a Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Public Offer results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for giving **electronic application instructions** to apply for Public Offer Shares;

- agree with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Companies Law and the Memorandum and Articles of Association; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the laws of Hong Kong.

Effect of giving electronic application instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;

- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum purchase amount and permitted numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 5,000 Public Offer Shares. Instructions for more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the relevant Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for inputting electronic application instructions

CCASS Clearing/Custodian Participants can input **electronic application instructions** at the following times on the following dates[1]:

Monday, 16 September 2019	—	9:00 a.m. to 8:30 p.m.
Tuesday, 17 September 2019	—	8:00 a.m. to 8:30 p.m.
Wednesday, 18 September 2019	—	8:00 a.m. to 8:30 p.m.
Thursday, 19 September 2019	—	8:00 a.m. to 12:00 noon

(1) The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, 16 September 2019 until 12:00 noon on Thursday, 19 September 2019 (24 hours daily, except on Thursday, 19 September 2019, the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, 19 September 2019, the last application day or such later time as described in the paragraph headed "10. Effect of bad weather on the opening of the application lists" in this section below.

No multiple applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal data

The section of the Application Form headed "Personal Data" applies to any personal data held by the Company, the Hong Kong Branch Share Registrar, the receiving bank, the Joint Bookrunners, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Public Offer Shares through the **HK eIPO White Form** service is also only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facility is subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors, the Sole Sponsor, the Joint Bookrunners, and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **HK eIPO White Form** service will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** Application Form or **YELLOW** Application Form or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, 19 September 2019.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** Application Form or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **HK eIPO White Form** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the board of directors of the company; or
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** Application Form and **YELLOW** Application Form have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** Application Form or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 5,000 Public Offer Shares. Each application or **electronic application instructions** in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the relevant Application Form, or as otherwise specified on the designated website at **www.hkeipo.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed "Structure and Conditions of the Share Offer — Pricing and Allocation" of this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and. 12:00 noon on Thursday, 19 September 2019. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between. 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, 19 September 2019 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable" in this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expect to announce the final Offer Price, the level of indication of interest in the Placing, the results of applications and the level and the basis of allocation of the Public Offer Shares on Friday, 27 September 2019 on the Company's website at **www.tbkssb.com.my** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company's website at **www.tbkssb.com.my** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Friday, 27 September 2019;
- from the designated results of allocations website at **www.tricor.com.hk/ipo/result** (alternatively: **www.hkeipo.hk/IPOResult**) with a "search by ID" function on a 24-hour basis from 9:00 a.m. on Friday, 27 September 2019 to 12:00 midnight on Thursday, 3 October 2019;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Friday, 27 September 2019 to Thursday, 3 October 2019 (excluding Saturday, Sunday and Public holiday);
- in the special allocation results booklets which will be available for inspection during opening hours from Friday, 27 September 2019 to Wednesday, 2 October 2019 at the designated receiving bank branches and sub-branches.

If the Company accept your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed "Structure and Conditions of the Share Offer" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) If the Company or its agents exercise their discretion to reject your application:

The Company, the Joint Bookrunners, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Division of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Division notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or are suspected of making multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated, (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Joint Bookrunners believes that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Public Offer Shares initially offered under the Public Offer.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the maximum Offer Price of HK$0.60 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Share Offer are not fulfilled in accordance with "Structure and Conditions of the Share Offer — Conditions of the Share Offer" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Friday, 27 September 2019.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** Application Form, **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- Share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Form, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of Share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Friday, 27 September 2019. The right is reserved to retain any Share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Monday, 30 September 2019 provided that the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised and the Share Offer has become unconditional. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/ or Share certificate(s) from the Hong Kong Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Friday, 27 September 2019 or such other date as notified by the Company at **www.hkexnews.hk**.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or Share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or Share certificate(s) will be sent to the address on the relevant Application Form on Friday, 27 September 2019, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above for collection of refund cheque(s). If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Friday, 27 September 2019, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Friday, 27 September 2019, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

If you are applying through a designated CCASS participant (other than a CCASS investor participant)

For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

If you are applying as a CCASS Investor Participant

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in the paragraph headed "11. Publication of results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 27 September 2019 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the HK eIPO White Form Service

If you apply for 1,000,000 Offer Shares or more and your application is wholly or partially successful, you may collect your share certificate(s) from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Friday, 27 September 2019, or such other date as notified by our Company on the website of our Company at **www.tbkssb.com.my** or on the website of the Stock Exchange at **www.hkexnews.hk** as the date of despatch/collection of share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on Friday, 27 September 2019 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via **electronic application instructions** to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives **electronic application instructions** or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share certificates into CCASS and refund of application monies

- If your application is wholly or partially successful, your Share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Friday, 27 September 2019, or, on any other date determined by HKSCC or HKSCC Nominees.

- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in the paragraph headed "11. Publication of results" above on Friday, 27 September 2019. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. on Friday, 27 September 2019 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Friday, 27 September 2019. Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Friday, 27 September 2019.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and the Company comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangements as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report received from the reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this prospectus.

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
Telephone: (852) 2218 8288
Telefax: (852) 2815 2239

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF TBK & SONS HOLDINGS LIMITED AND RED SUN CAPITAL LIMITED

INTRODUCTION

We report on the Historical Financial Information of TBK & Sons Holdings Limited (the "**Company**") and its subsidiaries (together, the "**Group**") set out on pages I-4 to I-55, which comprises the combined statements of financial position as at 30 June 2016, 2017 and 2018 and 31 March 2019, and the statement of financial position of the Company as at 31 March 2019, and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the periods then ended (the "**Track Record Period**") and a summary of significant accounting policies and other explanatory information (together the "**Historical Financial Information**"). The Historical Financial Information set out on pages I-4 to I-55 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 16 September 2019 (the "**Prospectus**") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

DIRECTORS' RESPONSIBILITY FOR THE HISTORICAL FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the Company's financial position as at 31 March 2019, the Group's financial position as at 30 June 2016, 2017 and 2018 and 31 March 2019 and of the Group's financial performance and cash flows for the Track Record Period in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

REVIEW OF STUB PERIOD COMPARATIVE HISTORICAL FINANCIAL INFORMATION

We have reviewed the stub period comparative Historical Financial Information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the nine months ended 31 March 2018 and other explanatory information (together the "**Stub Period Comparative Historical Financial Information**"). The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Historical Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Historical Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Historical Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

REPORT ON MATTERS UNDER THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE AND THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 15 to the Historical Financial Information which states that no dividends have been paid by the Company in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

BDO Limited
Certified Public Accountants
Li Pak Ki
Practising Certificate Number: P01330

Hong Kong
16 September 2019

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board (the "**IASB**") (the "**Underlying Financial Statements**"). The Underlying Financial Statements were audited by BDO Limited in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Historical Financial Information is presented in Malaysian Ringgit ("**RM**") and all amounts are rounded to the nearest thousand (RM'000) except when otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 30 June			Nine months ended 31 March	
		2016	2017	2018	2018	2019
	Notes	*RM'000*	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Revenue	7	33,346	132,658	146,241	115,718	158,186
Cost of sales		(24,304)	(105,318)	(114,146)	(87,499)	(128,295)
Gross profit		9,042	27,340	32,095	28,219	29,891
Other income/(expenses), net	8	430	485	(143)	(164)	314
Administrative expenses		(3,615)	(4,675)	(6,024)	(3,288)	(4,269)
Finance costs	9	(832)	(867)	(1,129)	(842)	(799)
Listing expenses		—	—	—	—	(6,702)
Profit before income tax expense	10	5,025	22,283	24,799	23,925	18,435
Income tax expense	13	(1,321)	(5,126)	(6,476)	(6,090)	(6,548)
Profit and total comprehensive income for the year/period		3,704	17,157	18,323	17,835	11,887

COMBINED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 30 June 2016 RM'000	As at 30 June 2017 RM'000	As at 30 June 2018 RM'000	As at 31 March 2019 RM'000
Non-current assets					
Property, plant and equipment	*16*	19,106	20,493	22,914	24,125
Interest in an associate	*17*	2	2	—	—
Deposits	*32(c)*	—	—	900	—
		19,108	20,495	23,814	24,125
Current assets					
Trade receivables, other receivables, deposits and prepayments	*18*	9,975	14,824	10,755	34,076
Assets held for distribution to Controlling Shareholders	*15*	—	—	—	2,101
Contract assets	*19*	8,697	17,812	29,797	73,918
Tax recoverable		692	—	—	—
Pledged time deposits and bank balances	*31(e)*	3,415	1,591	1,670	7,568
Restricted bank balances		—	10,376	16,906	—
Cash and cash equivalents	*20*	281	589	6,279	12,740
		23,060	45,192	65,407	130,403
Current liabilities					
Trade and other payables	*21*	8,501	16,345	28,031	63,018
Contract liabilities	*19*	2,735	2,162	—	—
Obligations under finance leases	*22*	1,702	1,830	2,163	2,838
Bank borrowings	*23*	7,951	8,090	3,559	7,735
Dividend payable	*15*	—	—	—	5,600
Tax payable		—	597	1,968	2,097
		20,889	29,024	35,721	81,288
Net current assets		2,171	16,168	29,686	49,115
Total assets less current liabilities		21,279	36,663	53,500	73,240
Non-current liabilities					
Amounts due to directors	*25*	3,709	1,233	—	1,599
Obligations under finance leases	*22*	2,628	2,352	2,730	4,099
Bank borrowings	*23*	3,976	4,516	3,775	3,422
Deferred tax liabilities	*26*	78	517	627	715
		10,391	8,618	7,132	9,835
Net assets		10,888	28,045	46,368	63,405
Equity					
Share capital	*27*	—	—	—	—
Reserves	*28*	10,888	28,045	46,368	63,405
Total equity		10,888	28,045	46,368	63,405

STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	**As at 31 March 2019** *RM'000*
Current assets		
Prepayments	*18*	2,017
Current liabilities		
Accruals	*21*	1,324
Amount due to a subsidiary	*24*	7,395
		8,719
Net current liabilities		(6,702)
Equity		
Share capital	*27*	—
Accumulated loss	*28*	(6,702)
Total deficit		(6,702)

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share capital *RM'000* *(Note 27)*	Other reserve *RM'000* *(Note (a))*	Merger reserve *RM'000* *(Note (b))*	Retained profits *RM'000*	Total *RM'000*
At 1 July 2015	—	1,200	400	5,584	7,184
Profit and total comprehensive income for the year	—	—	—	3,704	3,704
At 30 June 2016 and 1 July 2016	—	1,200	400	9,288	10,888
Profit and total comprehensive income for the year	—	—	—	17,157	17,157
At 30 June 2017 and 1 July 2017	—	1,200	400	26,445	28,045
Profit and total comprehensive income for the year	—	—	—	18,323	18,323
At 30 June 2018 and 1 July 2018	—	1,200	400	44,768	46,368
Profit and total comprehensive income for the period	—	—	—	11,887	11,887
Dividend declared *(Note 15)*	—	—	—	(5,600)	(5,600)
Issue of ordinary shares by TBKS Investments	—	13,250	—	—	13,250
Acquisition of 50% equity interest in Prestasi Senadi by TBK	—	—	(2,500)	—	(2,500)
At 31 March 2019	—	14,450	(2,100)	51,055	63,405
At 1 July 2017	—	1,200	400	26,445	28,045
Profit and total comprehensive income for the period (unaudited)	—	—	—	17,835	17,835
At 31 March 2018 (unaudited)	—	1,200	400	44,280	45,880

Notes:

(a) Other reserve

Other reserve represented the issued share capital (including share premium, where applicable) of Tan Bock Kwee & Sons Sdn. Bhd. ("**TBK**") as at 30 June 2016, 2017 and 2018 and TBKS Investments (B.V.I.) Ltd ("**TBKS Investments**") as at 31 March 2019.

(b) Merger reserve

Merger reserve represented the difference between the investment cost in Prestasi Senadi Sdn. Bhd. ("**Prestasi Senadi**") and the issued share capital of Prestasi Senadi.

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Operating activities					
Profit before income tax expense	5,025	22,283	24,799	23,925	18,435
Adjustments for:					
Depreciation of property, plant and equipment	1,684	2,271	2,942	2,267	2,585
Gain on disposal of property, plant and equipment	(10)	—	(5)	(5)	—
Loss on disposal of an associate	—	—	2	—	—
Finance costs	832	867	1,129	842	799
Interest income	(29)	(128)	(55)	(40)	(28)
Impairment loss on trade receivables	34	82	100	162	21
Reversal of impairment loss on trade receivables	(28)	(5)	—	(1)	(1)
Write-off of property, plant and equipment	14	—	5	—	—
Cash flows before working capital changes	7,522	25,370	28,917	27,150	21,811
(Increase)/decrease in trade receivables, other receivables, deposits and prepayments	(3,464)	(4,926)	3,969	(8,747)	(23,341)
Increase in contract assets	(4,087)	(9,115)	(11,985)	(7,949)	(44,121)
Increase/(decrease) in contract liabilities	2,735	(573)	(2,162)	(2,162)	—
Increase in trade and other payables	1,485	7,844	11,686	12,135	34,987
Cash generated from/(used in) operations	4,191	18,600	30,425	20,427	(10,664)
Income tax paid	(1,865)	(3,437)	(4,995)	(3,645)	(6,331)
Income tax refunded	—	39	—	—	—
Interest paid on bank overdrafts	(322)	(245)	(220)	(178)	(133)
Net cash generated from/(used in) operating activities	2,004	14,957	25,210	16,604	(17,128)
Investing activities					
Purchase of property, plant and equipment	(831)	(1,691)	(2,235)	(2,200)	(475)
Interest received	29	128	55	40	28
Deposits for acquisition of freehold land	—	—	(900)	—	—
Movements in pledged time deposits and bank balances	(2,499)	1,824	(79)	(803)	(5,898)
Movements in restricted bank balances	—	(10,376)	(6,530)	(5,656)	16,906
Proceeds from disposal of property, plant and equipment	10	—	5	5	—
Net cash (used in)/generated from investing activities	(3,291)	(10,115)	(9,684)	(8,614)	10,561

		Year ended 30 June			Nine months ended 31 March	
		2016	2017	2018	2018	2019
	Note	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(unaudited)	
Financing activities						
Interest paid on bank borrowings		(330)	(372)	(596)	(425)	(375)
Interest paid on obligations under finance leases		(180)	(250)	(313)	(239)	(291)
Proceeds from bank borrowings		1,464	28,666	29,856	24,456	12,692
Repayment of bank borrowings		(462)	(25,836)	(32,786)	(24,062)	(9,792)
Repayment of obligations under finance leases		(1,628)	(2,115)	(2,422)	(1,587)	(2,478)
Increase/(decrease) in amounts due to directors		1,870	(2,476)	(1,233)	(855)	(901)
Proceeds from issue of ordinary shares by TBKS Investments		—	—	—	—	13,250
Net cash generated from/ (used in) financing activities		734	(2,383)	(7,494)	(2,712)	12,105
Net (decrease)/increase in cash and cash equivalents		(553)	2,459	8,032	5,278	5,538
Cash and cash equivalents at beginning of year/period		(5,265)	(5,818)	(3,359)	(3,359)	4,673
Cash and cash equivalents at end of year/period		(5,818)	(3,359)	4,673	1,919	10,211
Analysis of cash and cash equivalents:						
Cash and bank balances		281	589	6,279	5,702	12,740
Bank overdrafts	*23*	(6,099)	(3,948)	(1,606)	(3,783)	(2,529)
		(5,818)	(3,359)	4,673	1,919	10,211

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION AND REORGANISATION

(a) General information

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 November 2018 under the Companies law of the Cayman Islands. The address of the Company's registered office and its principal place of business are at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and Lot 333, Kampung Paya, Batu 2, 71000 Port Dickson, Negeri Sembilan, Malaysia, respectively.

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of civil and structural works (the "**Listing Business**"). The ultimate holding company of the Company is TBK & Sons International Limited which is incorporated in the British Virgin Islands.

(b) Reorganisation

Pursuant to a group reorganisation in preparation for the listing of the shares of the Company on the Stock Exchange ("**Listing**") as set out in the section headed "History, Development and Reorganisation — Corporate Structure of the Group" in the Prospectus (the "**Reorganisation**"), the Company became the holding company of the subsidiaries now comprising the Group on 5 September 2019. The Company has not carried on any business since the date of incorporation save for the Reorganisation.

Upon completion of the Reorganisation and at the date of this report, the Company has direct and indirect interests in the following subsidiaries, all of which are private companies with limited liabilities:

Name of subsidiaries	Place and date of incorporation	Place of operation	Issued and fully paid-up capital	Effective interest held by the Company As at 30 June 2016	 2017	 2018	 As at 31 March 2019	 At the date of this report	Principal activities
Directly held:									
TBKS Investments	British Virgin Islands ("**BVI**") 17 July 2018	BVI	United States Dollar ("**USD**") 100	—	—	—	100%	100%	Investment holding
Indirectly held:									
TBKS Holding Sdn. Bhd. ("**TBKS Holding**")	Malaysia 25 October 2018	Malaysia	RM10,000	—	—	—	100%	100%	Investment holding
TBKS Hong Kong Limited ("**TBKS Hong Kong**")	Hong Kong 26 June 2018	Hong Kong	HK$10,000	—	—	100%	100%	100%	Treasury function
TBK	Malaysia 22 May 1975	Malaysia	RM1,200,000	100%	100%	100%	100%	100%	Civil and structural works contractor
Prestasi Senadi #	Malaysia 4 January 1993	Malaysia	RM800,000	100%	100%	100%	100%	100%	Civil and structural works contractor and hire of machinery
Name of associate									
Indirectly held:									
ADS Ecobina Sdn. Bhd. ("**ADS**")	Malaysia 6 September 2007	Malaysia	RM100	20%	20%	—	—	—	Supplier, installer and fabricator in oil and gas industry

For the purpose of preparation and presentation of the Historical Financial Information, Prestasi Senadi is accounted for as a wholly-owned subsidiary of the Company during the Track Record Period as the acquisition of 50% equity interest in Prestasi Senadi by TBK in July 2018 is a transaction among companies under common control by the Controlling Shareholders as referred to in Note 2(b) to the Historical Financial Information below.

No audited financial statements have been prepared for the Company and TBKS Investments since their respective dates of incorporation as there are no statutory audit requirements under relevant rules and regulations in their respective jurisdictions of incorporation and they have not been involved in any business transaction other than the Reorganisation.

No statutory audited financial statements have been prepared for TBKS Hong Kong and TBKS Holding since their respective dates of incorporation as they are not yet due as at the date of this report and TBKS Holding has not been involved in any business transaction other than the Reorganisation.

The statutory financial statements of TBK and Prestasi Senadi for the year ended 30 June 2016 were audited by BDO Chartered Accountants and were prepared in accordance with Private Entities Reporting Standard issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965 in Malaysia.

The statutory financial statements of TBK and Prestasi Senadi for the years ended 30 June 2017 and 2018 were audited by BDO Chartered Accountants and were prepared in accordance with Malaysian Private Entities Reporting Standard issued by the Malaysian Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

The statutory financial statements of ADS for the years ended 31 December 2016 and 2017 were audited by Yee Chong Kong & Co. Chartered Accountants and were prepared in accordance with Malaysian Private Entities Reporting Standard issued by the Malaysian Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia.

2. BASIS OF PREPARATION AND PRESENTATION

(a) Statement of compliance

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied all IFRSs, International Accounting Standards ("**IASs**"), amendments and interpretations (hereinafter collectively referred to as the "**IFRSs**"), issued by the IASB which are effective for the annual periods beginning on or after 1 January 2018. The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 4 which conform with all applicable IFRSs issued by IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers are effective to the Group for annual periods beginning on or after 1 July 2018 and earlier application is permitted. The Group has applied IFRS 9 and IFRS 15 consistently throughout the Track Record Period.

(b) Basis of presentation

Prior to the Reorganisation, Mr. Tan Hun Tiong and Mr. Tan Han Peng, who are brothers, (collectively referred to as the "**Controlling Shareholders**", who owned 70% and 30% equity interest in TBK, respectively) have been managing and controlling TBK and Prestasi Senadi on a collective basis on all decisions, including but not limited to, financial, management and operational matters, of TBK and Prestasi Senadi. Further, on 18 June 2018, TBK entered into a Sale and Purchase Agreement with each of the Controlling Shareholders to acquire 400,000 ordinary shares representing 50% of the issued share capital of Prestasi Senadi for a cash consideration of RM2,500,000. On 26 July 2018, the transfer of shares was completed and Prestasi Senadi which was then 50% owned by each of TBK and the Controlling Shareholders became a wholly-owned subsidiary of TBK.

Pursuant to the Reorganisation, the Company became the holding company of the companies now comprising the Group on 5 September 2019. The Reorganisation only involved the insertion of the Company, TBKS Investments and TBKS Holding as new intermediate holding companies above the operating subsidiaries which are TBK and Prestasi Senadi. The Company, TBKS Investments and TBKS Holding have not been involved in any other business prior to the Reorganisation and their operations do not meet the definition of business. The Reorganisation is merely a reorganisation of the Listing Business and does not result in any changes in business substance. Accordingly, the Historical Financial Information of the companies now comprising the Group is presented using the carrying value of the Listing Business for all periods presented.

No amount is recognised as consideration for goodwill or excess of acquirer's interest in the fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of combination.

The combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows are prepared as if the current group structure had been in existence throughout the Track Record Period taking into account the respective dates of incorporation of companies. The combined statements of financial position as at 30 June 2016, 2017 and 2018 and 31 March 2019 present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence at those dates taking into account the respective dates of incorporation of companies.

All significant intergroup transactions and balances have been eliminated on combination.

(c) Basis of measurement

The Historical Financial Information has been prepared under the historical cost basis except for the measurement of dividend payable arising from distribution of non-cash assets to shareholders as set out in accounting policy Note 4 (q) to the Historical Financial Information.

3. ADOPTION OF NEW OR REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

At the date of this report, the IASB has issued the following new or revised IFRSs but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[2]
IFRIC 23	Uncertainty Over Income Tax Treatments[1]
Amendments to IFRS 3	Definition of a business[4]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1 and IAS 8	Definition of Material[5]
Amendments to IAS 19	Plan Amendments, Curtailment or Settlement[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to IFRSs	Annual Improvements to IFRS 2015–2017 Cycle[1]
Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting[5]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2021
3 No mandatory effective date yet determined but is available for early adoption
4 Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
5 Effective for annual periods beginning on or after 1 January 2020

Further information about the above IFRSs which are expected to be applicable to the Group is as follows:

IFRS 16 — Leases

In January 2016, the IASB issued IFRS 16, which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees. The new standard maintains substantially the lessor accounting requirements in the current standard.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, depreciation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of IAS 16 Property, Plant and Equipment, while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For lessor, there is little change to the existing accounting in IAS 17 Leases.

The Group will apply IFRS 16 using the cumulative effect approach and recognise all the cumulative effect (if any) of initially applying IFRS 16 as an adjustment to the opening balance of equity at the date of initial application (1 July 2019). Comparative information will not be restated and will continue to be reported under IAS 17.

The Group will apply the following practical expedients: (i) the exemption of not to recognise right-of-use assets and lease liabilities for lease with term that will end within 12 months from the date of initial application (1 July 2019) and accounted for those leases as short-term leases; (ii) IFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying IAS 17 and (IFRIC)-Int 4 Determining whether an Arrangement contains a Lease and (iii) not to apply IFRS 16 to contracts that were not previously identified as containing a lease under IAS 17 and (IFRIC)-Int 4.

The Group has also leased some of its plant, machinery and motor vehicles which previously were classified as finance leases under IAS 17. As the Group has elected to adopt the cumulative effect approach over the adoption of IFRS 16, for those finance leases under IAS 17, the right-of-use assets and the corresponding lease liabilities as 1 July 2019 were the carrying amount of the lease assets and lease liabilities under IAS 17 immediately before that date. For those leases, the Group has accounted for the right-of-use assets and the lease liabilities applying IFRS 16 from 1 July 2019.

The Group does not expect that the adoption of IFRS 16 as compared with the current accounting policy would have any material impact on the Group's results and financial position as the Group entered into lease arrangements as lessors and lessees of short term operating leases with no lease commitments as at 31 March 2019 and lessees under finance leases under the existing accounting standard IAS 17.

IFRIC 23 — Uncertainty over Income Tax Treatments

The interpretation supports the requirements of IAS 12 Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

The Group does not expect the adoption of IFRIC 23 on 1 July 2019 will result in a material impact on the Group's financial position and financial performance.

Amendments to IAS 1 and IAS 8 — Definition of Material

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The Group does not expect that the adoption of the amendments will have significant impact on the Group's combined financial statements.

Conceptual Framework for Financial Reporting ("Conceptual Framework")

The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. The changes to the Conceptual Framework may affect the application of IFRSs in situations where no standard applies to a particular transaction or event.

The Group does not expect that the adoption of the revised Conceptual Framework will have significant impact on the Group's combined financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

The Group applies the acquisition method to account for business combinations. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by IFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

(b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

(c) Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

An associate is accounted for using the equity method whereby it is initially recognised at cost and thereafter, its carrying amount is adjusted for the Group's share of the post-acquisition change in the associate's net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associate are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Freehold land has an unlimited useful life and is not depreciated. Other property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual depreciation rates are as follows:

Freehold land and building	2%
Leasehold land and shophouse	1%–10%
Workshop	7%–20%
Plant, machinery, excavators, loader and motor vehicles	10%–20%
Furniture, fittings and office equipment	10%–20%

Depreciation has been provided on certain freehold land as the Group has not been able to segregate the cost of the building from the cost of the related freehold land. The directors are of the opinion that the depreciation of the freehold land has no material effect on the financial statements of the Group.

Construction in progress represents building under construction is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

(e) Payments for leasehold land held for own use under operating leases

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

(f) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

(g) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("**FVTPL**"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

On initial recognition, the Group's financial assets are classified as measured at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

— the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Impairment of financial assets

The Group has these types of financial assets subject to IFRS 9's new expected credit loss model:

— Trade receivables for civil and structural works

— Other receivables and deposits

— Contract assets

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss ("**ECL**"), the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime ECLs to be recognised from initial recognition of the receivables. Impairment policy for trade receivables also applies to contract assets.

Impairment on other receivables and deposits is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, impairment is measured as lifetime ECLs. These balances were considered to be of low credit risk and impairment provision recognised, if any, during the Track Record Period was limited to 12-month ECLs. The 12-month ECLs of these balances during the Track Record Period are close to zero.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Credit-impaired financial assets

At each reporting date, the Group assesses on a forward-looking basis whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

— significant financial difficulty of the borrower or issuer;

— a breach of contract such as a default or past due event;

— it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the combined statements of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

The Group's financial liabilities, other than dividend payable resulting from distribution of non-cash assets to shareholders, are subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Group's activities.

If contracts involve the sale of multiple elements, the transaction price will be allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

Revenue is recognised when or as the control of the goods or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time.

Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

Provision of civil and structural works

Recognition

The Group provides civil and structural works based on contracts entered with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the civil and structural works performed by the Group creates or enhances an asset that the customers controls as the asset is created or enhanced. Revenue from provision of civil and structural works is therefore recognised over time using output method, i.e. based on surveys of civil and structural works completed by the Group to date with reference to payment certificates issued by architects, surveyors or other representatives appointed by the customer. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations under IFRS 15 Revenue from Contracts with Customers.

For contracts that contain variable consideration the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the change in circumstances during the reporting period.

For warranty embedded in the civil and structural works, the Group accounts for the warranty in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets unless the warranty provides the customer with a service in addition to the assurance that the contracting work complies with the agreed-upon specifications.

If at any time the unavoidable costs of meeting contractual obligations are estimated to exceed the remaining amount of the economic benefits expected to be received under the contract, then a provision is recognised in accordance with policy set out in "Onerous contracts" below.

Contract assets and liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract asset is recognised when (i) the Group completes the civil and structural works under such services contracts but yet certified by architects, surveyors or other representatives appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations (including advances received from customers) exceeds the revenue recognised to date under the output method then the Group recognises a contract liability for the difference.

Contract costs

The Group recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;

(b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the cost relate. The asset is subject to impairment review.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(i) Income taxes

Income taxes comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

(j) Foreign currency

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the "**functional currency**") are recorded at the rates ruling when the transactions occur. The functional currency of the Company is RM. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

(k) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related services. Short term employee benefits are recognised in the year when the employees render the related services.

(ii) Defined contribution retirement plan

The Company's subsidiaries incorporated in Malaysia make contributions to statutory pension schemes which are defined contribution plans at statutory fixed rates gazetted by Malaysia from time to time. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

(l) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- *property, plant and equipment*

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

(m) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(n) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(o) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group in the management of their short term commitments.

For the purpose of the combined statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(p) Related parties

(a) A person or a close member of that person's family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of key management personnel of the Group or the Company's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(i) that person's children and spouse or domestic partner;

(ii) children of that person's spouse or domestic partner; and

(iii) dependents of that person or that person's spouse or domestic partner.

(q) Dividends

Interim dividends are recognised immediately when they are proposed and declared. Final dividends are recognised as a liability when they are approved by shareholders in a general meeting.

Dividend payable resulting from distribution of non-cash assets to shareholders is measured at the fair value of the assets to be distributed at the end of each reporting period and at the date of settlement. Any adjustment to the carrying amount of dividend payable resulting from change in the fair value of the assets to be distributed is recognised in equity as adjustments to the amount of the distribution. Upon settlement of the dividend payable, the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the dividend payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Civil and structural works contracts

The Group reviews and revises the estimates of contract revenue, contract costs, variations in contract work and claims prepared for each civil and structural works contract as the contract progresses. Budgeted contract costs are prepared by the management on the basis of quotations from time to time provided by the major subcontractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred.

Recognised amounts of contract revenue and related contract assets and receivables reflect management's best estimate of each contract's outcome and value of works completed, which are determined on the basis of a number of estimates. This includes the assessment of the profitability of on-going civil and structural works. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue and profit or loss recognised in future years as an adjustment to the amounts recorded to date.

(ii) Useful lives of property, plant and equipment

The Group determines the estimated useful lives, and related depreciation charges for its property, plant and equipment. The estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated useful lives. It will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in estimated useful lives and therefore affect the depreciation charges in future periods.

(iii) Impairment of trade receivables

The impairment allowances for trade receivables are based on assumptions about risk of default and expected credit loss rates. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, existing market conditions including forward-looking estimates at the end of each reporting period.

(iv) Income tax and deferred tax

The Group is subject to Malaysian corporate income tax. Significant judgement is required on the interpretation of tax laws and legislations during the estimation of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

6. SEGMENT REPORTING

The Group is principally engaged in civil and structural works.

One of the executive directors of the Company has been identified as the chief operating decision-maker ("**CODM**") of the Group who reviews the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

(a) Reportable segment

The Group has arrived at three reportable segments summarised as follows:

(i) Site preparation works projects

(ii) Civil works projects

(iii) Building works projects

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The CODM assesses performance of the operating segments on the basis of gross profit.

There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources and evaluate the performance of the operating segments.

Year ended 30 June 2016	**Site preparation works projects** *RM'000*	**Civil works projects** *RM'000*	**Building works projects** *RM'000*	**Total** *RM'000*
Revenue				
Revenue from external customers	1,853	3,366	28,127	33,346
Segment cost of sales	(1,379)	(2,526)	(20,399)	(24,304)
Gross profit	474	840	7,728	9,042
Other income, net				430
Administrative expenses				(3,615)
Finance costs				(832)
Profit before income tax expense				5,025
Income tax expense				(1,321)
Profit for the year				3,704

Year ended 30 June 2017	**Site preparation works projects** *RM'000*	**Civil works projects** *RM'000*	**Building works projects** *RM'000*	**Total** *RM'000*
Revenue				
Revenue from external customers	7,779	90,021	34,858	132,658
Segment cost of sales	(5,918)	(73,656)	(25,744)	(105,318)
Gross profit	1,861	16,365	9,114	27,340
Other income, net				485
Administrative expenses				(4,675)
Finance costs				(867)
Profit before income tax expense				22,283
Income tax expense				(5,126)
Profit for the year				17,157

Year ended 30 June 2018	Site preparation works projects *RM'000*	Civil works projects *RM'000*	Building works projects *RM'000*	Total *RM'000*
Revenue				
Revenue from external customers	10,165	107,687	28,389	146,241
Segment cost of sales	(7,812)	(85,583)	(20,751)	(114,146)
Gross profit	2,353	22,104	7,638	32,095
Other expenses, net				(143)
Administrative expenses				(6,024)
Finance costs				(1,129)
Profit before income tax expense				24,799
Income tax expense				(6,476)
Profit for the year				18,323

Nine months ended 31 March 2018 (unaudited)	Site preparation works projects *RM'000* (unaudited)	Civil works projects *RM'000* (unaudited)	Building works projects *RM'000* (unaudited)	Total *RM'000* (unaudited)
Revenue				
Revenue from external customers	5,961	86,650	23,107	115,718
Segment cost of sales	(4,312)	(66,867)	(16,320)	(87,499)
Gross profit	1,649	19,783	6,787	28,219
Other expenses, net				(164)
Administrative expenses				(3,288)
Finance costs				(842)
Profit before income tax expense				23,925
Income tax expense				(6,090)
Profit for the period				17,835

Nine months ended 31 March 2019	Site preparation works projects	Civil works projects	Building works projects	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*
Revenue				
Revenue from external customers	449	130,132	27,605	158,186
Segment cost of sales	(350)	(106,726)	(21,219)	(128,295)
Gross profit	99	23,406	6,386	29,891
Other income, net				314
Administrative expenses				(4,269)
Finance costs				(799)
Listing expenses				(6,702)
Profit before income tax expense				18,435
Income tax expense				(6,548)
Profit for the period				11,887

(b) Geographical information

The Group's operations are located in Malaysia. The geographical location of the Group's non-current assets is substantially situated in Malaysia.

All of the Group's revenue from external customers is attributed to the group entities' place of domicile (i.e. Malaysia).

(c) Information about major customers

Details of customers who generated 10% or more of the Group's revenue during the Track Record Period are as follows:

	Year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Customer A	20,127	34,858	40,134	31,619	28,060
Customer B	7,573	N/A	N/A	N/A	N/A
Customer C	N/A	68,818	43,801	41,494	N/A
Customer D	N/A	20,076	N/A	N/A	N/A
Customer E	N/A	N/A	31,248	31,242	N/A
Customer F	N/A	N/A	22,330	N/A	96,000

Note: N/A represents that the amounts of revenue from such customer is less than 10% of total revenue for that year/period.

7. REVENUE

Revenue represents the amounts received and receivable for civil and structural works rendered by the Group to customers.

An analysis of the Group's revenue is as follows:

	Year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Recognised over time					
Contract revenue	33,346	132,658	146,241	115,718	158,186

Civil and structural works represent performance obligations that the Group satisfies over time for each respective contract. The period of civil and structural works varies from 1 to 3 years.

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of each reporting period.

	As at 30 June			As at 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Provision of civil and structural works	104,821	87,163	124,772	186,877	149,348

Based on the information available to the Group at the end of each reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as at 30 June 2016, 2017 and 2018 and 31 March 2018 and 2019 will be recognised as revenue during the years ended 30 June 2017 to 30 June 2021 in respect of provision of civil and structural works.

8. OTHER INCOME/(EXPENSES), NET

	Year ended 30 June			Nine months ended 31 March	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Rental income	81	183	180	180	250
Interest income	29	128	55	40	28
Gain on disposal of property, plant and equipment	10	—	5	5	—
Sundry income	324	174	69	56	36
Write-off of property, plant and equipment	(14)	—	(5)	—	—
Loss on disposal of an associate	—	—	(2)	—	—
Foreign exchange loss	—	—	(445)	(445)	—
	430	485	(143)	(164)	314

9. FINANCE COSTS

	Year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Interest on:					
— bank overdrafts	322	245	220	178	133
— term loans	281	325	523	370	210
— obligations under finance leases	180	250	313	239	291
— banker's acceptances	49	47	73	55	165
	832	867	1,129	842	799

10. PROFIT BEFORE INCOME TAX EXPENSE

Profit before income tax expense is arrived at after charging/(crediting):

	Year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Auditors' remuneration	18	27	70	53	53
Rental of plant and machinery under operating leases	268	1,492	353	184	2,492
Depreciation of property, plant and equipment	1,684	2,271	2,942	2,267	2,585
Foreign exchange loss	—	—	445	445	—
Impairment loss on trade receivables	34	82	100	162	21
Reversal of impairment loss on trade receivables	(28)	(5)	—	(1)	(1)
Impairment loss on trade receivables, net	6	77	100	161	20
Loss on disposal of an associate	—	—	2	—	—
Gain on disposal of property, plant and equipment	(10)	—	(5)	(5)	—
Write-off of property, plant and equipment	14	—	5	—	—
Employee benefits expenses (including directors' and chief executive's emoluments *(Note 11)*:					
— Wages, salaries and other benefits	6,742	10,838	16,659	10,483	12,398
— Contributions to defined contribution plans	283	510	687	517	741
Total employee costs	7,025	11,348	17,346	11,000	13,139
Less: amounts included in cost of sales	(5,982)	(9,885)	(15,047)	(9,979)	(11,404)
	1,043	1,463	2,299	1,021	1,735

There are no forfeited contributions for the above defined contribution plans as the contributions are fully vested with the employees upon payment to the plans.

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Details of emoluments of directors and chief executive of the Company during the Track Record Period are as follows:

Year ended 30 June 2016

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Mr. Tan Hun Tiong	—	96	264	29	389
Mr. Tan Han Peng	—	126	264	48	438
Non-executive director					
Ms. Chooi Pey Nee	—	—	—	—	—
Independent non-executive directors					
Mr. Tan Chade Phang (Chen Yifan)	—	—	—	—	—
Mr. Ng Chiou Gee Willy	—	—	—	—	—
Mr. Chu Hoe Tin	—	—	—	—	—
	—	222	528	77	827

Year ended 30 June 2017

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Mr. Tan Hun Tiong	—	198	221	33	452
Mr. Tan Han Peng	—	228	95	40	363
Non-executive director					
Ms. Chooi Pey Nee	—	—	—	—	—
Independent non-executive directors					
Mr. Tan Chade Phang (Chen Yifan)	—	—	—	—	—
Mr. Ng Chiou Gee Willy	—	—	—	—	—
Mr. Chu Hoe Tin	—	—	—	—	—
	—	426	316	73	815

Year ended 30 June 2018

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Mr. Tan Hun Tiong	—	300	700	58	1,058
Mr. Tan Han Peng	—	330	300	64	694
Non-executive director					
Ms. Chooi Pey Nee	—	—	—	—	—
Independent non-executive directors					
Mr. Tan Chade Phang (Chen Yifan)	—	—	—	—	—
Mr. Ng Chiou Gee Willy	—	—	—	—	—
Mr. Chu Hoe Tin	—	—	—	—	—
	—	630	1,000	122	1,752

Nine months ended 31 March 2018 (Unaudited)

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Mr. Tan Hun Tiong	—	225	—	43	268
Mr. Tan Han Peng	—	247	—	48	295
Non-executive director					
Ms. Chooi Pey Nee	—	—	—	—	—
Independent non-executive directors					
Mr. Tan Chade Phang (Chen Yifan)	—	—	—	—	—
Mr. Ng Chiou Gee Willy	—	—	—	—	—
Mr. Chu Hoe Tin	—	—	—	—	—
	—	472	—	91	563

Nine months ended 31 March 2019

	Fees	Salaries and other benefits	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Mr. Tan Hun Tiong	—	465	—	38	503
Mr. Tan Han Peng	—	473	—	63	536
Non-executive director					
Ms. Chooi Pey Nee	—	—	—	—	—
Independent non-executive directors					
Mr. Tan Chade Phang (Chen Yifan)	—	—	—	—	—
Mr. Ng Chiou Gee Willy	—	—	—	—	—
Mr. Chu Hoe Tin	—	—	—	—	—
	—	938	—	101	1,039

Mr. Tan Hun Tiong and Mr. Tan Han Peng were appointed as the Company's directors on 8 November 2018 and re-designated as executive directors on 20 January 2019.

Ms. Chooi Pey Nee was appointed as the Company's director on 24 January 2019 and re-designated as a non-executive director on 29 January 2019 and Mr. Tan Chade Phang (Chen Yifan), Mr. Ng Chiou Gee Willy and Mr. Chu Hoe Tin were appointed as the Company's independent non-executive directors on 5 September 2019. During the Track Record Period, the non-executive director did not receive any emolument. During the Track Record Period, the independent non-executive directors have not yet been appointed and did not receive any emoluments.

The discretionary bonus is determined by reference to the financial performance of the Group and the performance of the Company's director in each reporting period.

12. FIVE HIGHEST PAID EMPLOYEES

During the Track Record Period, of the five individuals with the highest emoluments in the Group, 2 were directors of the Company whose emolument is included in Note 11 above. The emoluments of the remaining 3 individuals for the Track Record Period are as follows:

	Year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Salaries and other benefits	276	435	535	333	427
Contributions to defined contribution plans	32	47	62	40	53
	308	482	597	373	480

The emoluments of each of the above non-director highest paid individuals during the Track Record Period fall within the band Nil to HK$1,000,000.

13. INCOME TAX EXPENSE

The amount of income tax expense in the combined statements of profit or loss and other comprehensive income represents:

	Year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Malaysian corporate income tax					
— provision for the year	540	4,687	6,284	6,035	6,355
— under provision in respect of prior years	—	—	58	—	22
Deferred tax *(Note 26)*	781	439	110	55	88
Tax penalty	—	—	24	—	83
Income tax expense	1,321	5,126	6,476	6,090	6,548

TBK and Prestasi Senadi each with paid up capital below RM2,500,000 can enjoy lower corporate income tax rate in Malaysia of 19%, 18%, 18% and 18% on the first taxable profit of RM500,000 for the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019, respectively and 24% on the taxable profit in excess of RM500,000 for the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019.

In addition, for the years ended 30 June 2017 and 2018, a further reduced corporate income tax rate of 23%, 22%, 21% and 20%, respectively on the incremental taxable profit of 5% to 9.99%, 10% to 14.99%, 15% to 19.99% and 20% and above as compared to the immediate preceding year of assessment is available.

The income tax expense for the Track Record Period can be reconciled to the profit before income tax expense per the combined statements of profit or loss and other comprehensive income as follows:

	Year ended 30 June			Nine months ended 31 March	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Profit before income tax expense	5,025	22,283	24,799	23,925	18,435
Tax calculated at Malaysian statutory corporate income tax rate	1,206	5,348	5,952	5,742	4,424
Tax effect of expenses not deductible for tax purposes	146	691	701	408	2,057
Reduction in tax rate on the incremental taxable profit	—	(853)	(199)	—	—
Reduction in tax rate on the first taxable profit of RM500,000	(31)	(60)	(60)	(60)	(38)
Under provision in respect of prior years	—	—	58	—	22
Tax penalty	—	—	24	—	83
Income tax expense	1,321	5,126	6,476	6,090	6,548

14. EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the presentation of the results for the Track Record Period as set out in Note 2(b) above.

15. DIVIDEND

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Interim dividend declared in respect of the nine months ended 31 March 2019	—	—	—	5,600

On 24 December 2018, TBK declared an interim dividend of RM5,600,000 to the Controlling Shareholders to be settled in the form of a distribution-in-specie of two parcels of freehold land ("Distributed Lands") owned by the Group and pledged with a bank for banking facilities granted. The amount of dividend payable of RM5,600,000 was initially recognised based on the independent professional valuation of the Distributed Lands (determined using market comparison approach) as at 30 November 2018, which was unchanged as at 31 March 2019 based on the independent professional valuation of the Distributed Lands as at 31 March 2019. Pending release of the bank charges, the titles of the Distributed Lands have not yet been transferred to the Controlling Shareholders and the carrying amount of the Distributed Lands amounted to RM2,101,000 was classified as assets held for distribution to Controlling Shareholders in the combined statement of financial position as at 31 March 2019. On 19 July 2019, the distribution-in-specie was settled, the difference of RM3,499,000 between the carrying amount of the Distributed Lands of RM2,101,000 and the carrying amount of dividend payable at the date of settlement was recognised in profit or loss. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful having regard to the purpose of the Historical Financial Information.

No dividends have been paid or declared by the Company since its incorporation.

There are no income tax consequences attaching to the payment of dividend by the Company to its shareholders.

16. PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold land and building	Leasehold land	Leasehold land and shophouse	Workshop	Plant and machinery, excavators, loader and motor vehicles	Furniture, fittings and office equipment	Construction in progress	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Cost:									
At 1 July 2015	7,608	2,343	519	1,522	10	12,655	352	191	25,200
Additions	—	—	—	—	—	3,240	14	669	3,923
Disposals	—	—	—	—	—	(290)	—	—	(290)
Written off	—	—	—	—	—	(420)	(113)	—	(533)
At 30 June 2016 and 1 July 2016	7,608	2,343	519	1,522	10	15,185	253	860	28,300
Additions	—	—	—	—	—	2,689	106	863	3,658
At 30 June 2017 and 1 July 2017	7,608	2,343	519	1,522	10	17,874	359	1,723	31,958
Additions	1,747	—	—	—	—	3,572	49	—	5,368
Disposals	—	—	—	—	—	(42)	—	—	(42)
Written off	—	—	—	—	—	(840)	(88)	—	(928)
Reclassification	—	—	—	1,723	—	—	—	(1,723)	—
At 30 June 2018 and 1 July 2018	9,355	2,343	519	3,245	10	20,564	320	—	36,356
Additions	900	—	—	—	—	4,901	96	—	5,897
Transfer to assets held for distribution to Controlling Shareholders	(2,101)	—	—	—	—	—	—	—	(2,101)
At 31 March 2019	8,154	2,343	519	3,245	10	25,465	416	—	40,152
Accumulated depreciation:									
At 1 July 2015	—	235	92	149	7	7,585	251	—	8,319
Charge for the year	—	15	5	62	—	1,584	18	—	1,684
Disposals	—	—	—	—	—	(290)	—	—	(290)
Written off	—	—	—	—	—	(406)	(113)	—	(519)
At 30 June 2016 and 1 July 2016	—	250	97	211	7	8,473	156	—	9,194
Charge for the year	—	47	5	30	—	2,163	26	—	2,271
At 30 June 2017 and 1 July 2017	—	297	102	241	7	10,636	182	—	11,465
Charge for the year	—	47	5	41	—	2,822	27	—	2,942
Disposals	—	—	—	—	—	(42)	—	—	(42)
Written off	—	—	—	—	—	(840)	(83)	—	(923)
At 30 June 2018 and 1 July 2018	—	344	107	282	7	12,576	126	—	13,442
Charge for the period	—	17	4	31	—	2,496	37	—	2,585
At 31 March 2019	—	361	111	313	7	15,072	163	—	16,027
Net carrying amount:									
At 30 June 2016	7,608	2,093	422	1,311	3	6,712	97	860	19,106
At 30 June 2017	7,608	2,046	417	1,281	3	7,238	177	1,723	20,493
At 30 June 2018	9,355	1,999	412	2,963	3	7,988	194	—	22,914
At 31 March 2019	8,154	1,982	408	2,932	3	10,393	253	—	24,125

As at 30 June 2016, 2017 and 2018 and 31 March 2019, freehold land, freehold land and buildings, leasehold land and leasehold land and buildings of the Group with net carrying amount of RM9,378,000, RM9,322,000, RM11,192,000 and RM11,142,000, respectively are pledged to licensed banks as security for credit facilities granted to the Group as disclosed in Note 23 to the Historical Financial Information.

As at 30 June 2016 and 2017, construction in progress with net carrying amount of RM860,000 and RM1,723,000, respectively are pledged to licensed banks for banking facilities granted to the Group.

As at 30 June 2016 and 2017, title relating to the freehold land with net carrying amount of RM4,689,000 has not yet been transferred to TBK. During the year ended 30 June 2018, the title has been transferred to TBK.

17. INTEREST IN AN ASSOCIATE

	As at 30 June			As at 31 March
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Cost of unlisted investment	2	2	—	—
Share of post-acquisition results, net of dividend received	—	—	—	—
	2	2	—	—

As at 30 June 2016 and 2017, the interest in an associate represented the Group's 20% equity interest in ADS.

On 19 June 2018, the Group's 20% equity interest in ADS was disposed to an independent third party for a cash consideration of RM20.

18. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group				The Company
	As at 30 June			As at 31 March	As at 31 March
	2016	2017	2018	2019	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Trade receivables	8,750	12,720	10,339	31,227	—
Less: Allowance for impairment losses	(40)	(91)	(188)	(208)	—
	8,710	12,629	10,151	31,019	—
Advances paid to subcontractors and suppliers	32	432	193	732	—
Other receivables	598	598	100	131	—
Deposits	512	1,165	311	177	—
Prepayments	123	—	—	2,017*	2,017*
	9,975	14,824	10,755	34,076	2,017

* Including prepaid listing expenses of RM2,017,000.

During the Track Record Period, trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 45 days from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The ageing analysis of trade receivables at the end of each reporting period, based on invoice dates, is as follows:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
1 to 90 days	8,514	12,252	6,664	27,789
91 to 180 days	29	468	3,675	2,394
Over 180 days	207	—	—	1,044
	8,750	12,720	10,339	31,227

Trade receivables are not secured by any collateral or credit enhancements. No interest is charged on outstanding trade receivables.

The Group applies the simplified approach to provide for ECLs prescribed by IFRS 9. During the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2019, a provision of RM34,000, RM82,000, RM100,000 and RM21,000 was made against the gross amounts of trade receivables, respectively as detailed in Note 34(c) to the Historical Financial Information.

19. CONTRACT ASSETS/(LIABILITIES)

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Contract assets	8,697	17,812	29,797	73,918
Contract liabilities	(2,735)	(2,162)	—	—
	5,962	15,650	29,797	73,918

As at 30 June 2016, 2017 and 2018 and 31 March 2019, contract assets of RM5,142,000, RM8,199,000, RM13,417,000 and RM46,337,000, respectively relate to the Group's right to consideration for work completed and not billed because the rights are conditional on the Group's future performance in satisfying the respective performance obligations at the reporting date in respect of civil and structural works contracts. The balances as at 30 June 2017 and 2018 and 31 March 2019 increased since there were more projects in construction stage and more unbilled amounts noted on the initial costs.

As at 30 June 2016, 2017 and 2018 and 31 March 2019, retention money for contract works amounted to RM3,555,000, RM9,613,000, RM16,380,000 and RM27,581,000, respectively, are included in contract assets. Retention money is part of the consideration that the customers retain which is payable on successful completion of the contracts in order to provide the customers with assurance that the Group will complete its obligation satisfactorily under the contracts, rather than to provide financing to the customers. Retention money is unsecured, interest-free and recoverable at the end of the defects liability period of individual contracts. Retention money as at 30 June 2017 and 2018 and 31 March 2019 increased since there were more projects in construction stage. The retention money is to be settled, based on the completion of defects liability period at the end of each reporting period as follows:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within one year	1,961	1,271	14,479	26,834
After one year	1,594	8,342	1,901	747
	3,555	9,613	16,380	27,581

The Group considered that the ECLs for contract assets are negligible based on credit history of the related customers.

The contract liabilities relate to the Group's obligation to transfer services to customers for which the Group has received consideration from the customers.

	Year ended 30 June			Nine months ended 31 March
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Revenue recognised that was included in the balance of contract liabilities at the beginning of the year/period	—	2,735	2,162	—

20. CASH AND CASH EQUIVALENTS

	As at 30 June			As at 31 March
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Cash and bank balances	281	589	5,908	12,740
Fixed deposits with licensed banks	—	—	371	—
	281	589	6,279	12,740

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of not more than three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and bank balances approximate their fair values.

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	As at 30 June			As at 31 March
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
RM	281	587	6,277	12,738
USD	—	2	2	2
	281	589	6,279	12,740

21. TRADE AND OTHER PAYABLES

	The Group				The Company
	As at 30 June			As at 31 March	As at 31 March
	2016	2017	2018	2019	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Trade payables	6,463	8,075	19,211	58,097	—
Retention payables	48	56	687	418	—
Accruals	1,292	7,619	8,133	4,424*	1,324*
Other payables	679	595	—	79	—
Deposits received	19	—	—	—	—
	8,501	16,345	28,031	63,018	1,324

* Including accrued listing expenses of RM1,324,000.

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 0 day to 60 days from the date of invoice.

The ageing analysis of trade payables, based on invoice dates, at the end of each reporting period is as follows:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within 30 days	1,822	4,019	4,084	17,105
31 to 60 days	2,336	916	6,324	15,182
61 to 90 days	389	1,245	2,282	12,216
Over 90 days	1,916	1,895	6,521	13,594
	6,463	8,075	19,211	58,097

Retention payables to subcontractors of contract works are interest-free and payable by the Group after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

22. OBLIGATIONS UNDER FINANCE LEASES

The Group financed certain plant, machinery and motor vehicles purchase through finance lease arrangements.

	Minimum lease payments	Interest	Present value of minimum lease payments
	RM'000	*RM'000*	*RM'000*
As at 30 June 2016			
Not later than one year	1,902	200	1,702
Later than one year but not later than two years	1,203	113	1,090
Later than two years but not later than five years	1,656	118	1,538
	4,761	431	4,330
As at 30 June 2017			
Not later than one year	2,024	194	1,830
Later than one year but not later than two years	1,312	107	1,205
Later than two years but not later than five years	1,202	55	1,147
	4,538	356	4,182
As at 30 June 2018			
Not later than one year	2,390	227	2,163
Later than one year but not later than two years	1,857	108	1,749
Later than two years but not later than five years	1,019	38	981
	5,266	373	4,893
As at 31 March 2019			
Not later than one year	3,171	333	2,838
Later than one year but not later than two years	2,443	187	2,256
Later than two years but not later than five years	1,954	111	1,843
	7,568	631	6,937

The present value of future lease payments are analysed as:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Current liabilities	1,702	1,830	2,163	2,838
Non-current liabilities	2,628	2,352	2,730	4,099
	4,330	4,182	4,893	6,937

Note:

Finance leases are secured by joint and several guarantees by the Controlling Shareholders.

The relevant financial institutions have agreed in principle that the guarantees by Controlling Shareholders as set out above will be released and replaced by corporate guarantees to be provided by the Company upon the Listing.

23. BANK BORROWINGS

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Term loans (secured) *(Notes (a) and (b))*	4,364	7,483	4,228	3,898
Bank overdrafts (secured) *(Note (c))*	6,099	3,948	1,606	2,529
Banker's acceptances (secured) *(Note (d))*	1,464	1,175	1,500	4,730
	11,927	12,606	7,334	11,157
Borrowings are repayable as follows:				
— within one year	7,951	8,090	3,559	7,735
— after one year but within two years	414	498	484	505
— after two years but within five years	1,413	1,704	1,070	1,154
— after five years	2,149	2,314	2,221	1,763
	11,927	12,606	7,334	11,157
Amount due within one year included in current liabilities	7,951	8,090	3,559	7,735
Amount included in non-current liabilities	3,976	4,516	3,775	3,422

Notes:

(a) The interest rate profile of term loans is set out in Note 34(a) to the Historical Financial Information.

Term loans are secured by:

(i) As at 30 June 2016, 2017 and 2018 and 31 March 2019, legal charges over certain freehold and leasehold land and building of the Group with net carrying amount of RM7,923,000, RM7,872,000, RM9,045,000 and RM9,010,000, respectively.

(ii) As at 30 June 2016 and 2017, construction in progress with net carrying amount of RM860,000 and RM1,723,000, respectively have been pledged to licensed banks for banking facilities granted to the Group, as disclosed in Note 16 to the Historical Financial Information.

(iii) As at 30 June 2016, 2017 and 2018 and 31 March 2019, joint and several guarantee by the Controlling Shareholders of RM27,141,000, RM28,941,000, RM33,034,000 and RM29,346,000, respectively.

(iv) As at 30 June 2016, 2017 and 2018 and 31 March 2019, guarantee by a company under the control of the Controlling Shareholders of RM399,000.

(b) As at 30 June 2016, 2017 and 2018 and 31 March 2019, the carrying amount of term loans from banks in Malaysia that are not repayable within one year from the end of the reporting period but contains repayable on demand clause amounted to RM3,976,000, RM4,516,000, RM3,775,000 and RM3,422,000, respectively.

The directors of the Company have obtained legal opinion that, in accordance with the case laws established in Malaysia, the mere inclusion of a repayment on demand clause in a term loan agreement governed under the laws of Malaysia would not allow the banks to early terminate the facilities granted and to seek immediate repayment from the borrower unless there is a breach by the borrower, as the clause would not override other terms and conditions provided in the term loan agreement.

Accordingly, the liability associated with the term loans of the Group raised in Malaysia that contained a repayable on demand clause is classified as current and/or non-current liability as at 30 June 2016, 2017 and 2018 and 31 March 2019 in accordance with other terms and conditions as stated in the respective term loan agreement.

Any change to the precedence established by the case laws in Malaysia relating to the interpretation of the repayment on demand clause in the future may have an impact to the classification of the term loans of the Group.

(c) Bank overdrafts are secured by:

(i) As at 30 June 2016, 2017 and 2018 and 31 March 2019, fixed charges over certain freehold land and building of the Group with net carrying amount of RM7,731,000, RM7,711,000, RM7,904,000 and RM7,889,000, respectively.

(ii) As at 30 June 2016, 2017 and 2018 and 31 March 2019, joint and several guarantees by the Controlling Shareholders of RM28,199,000, RM29,999,000, RM36,626,000 and RM61,626,000, respectively.

(iii) As at 30 June 2016, 2017 and 2018 and 31 March 2019, guarantee by a company under the control of the Controlling Shareholders of RM2,050,000.

(iv) As at 30 June 2017, pledge of the Group's fixed deposits of RM647,000.

The interest rate profile of bank overdrafts is set out in Note 34(a) to the Historical Financial Information.

The relevant banks have agreed in principle that the guarantees by Controlling Shareholders and Controlling Shareholders' controlled company as set out above will be released and replaced by corporate guarantees to be provided by the Company upon the Listing.

(d) Banker's acceptances are secured by:

(i) As at 30 June 2016, 2017 and 2018 and 31 March 2019, fixed charges over certain freehold land and building of the Group with net carrying amount of RM4,689,000, RM4,689,000, RM6,883,000 and RM6,857,000, respectively.

(ii) As at 30 June 2016, 2017 and 2018 and 31 March 2019, pledge of the Group's fixed deposits of RM3,415,000, RM944,000, RM968,000 and RM987,000, respectively.

(iii) The interest rate profile of banker's acceptances is set out in Note 34(a) to the Historical Financial Information.

The bank borrowings are further secured by assignment of contract proceeds and debenture on contract proceeds in favour of the relevant banks.

24. AMOUNT DUE TO A SUBSIDIARY

The Company

The amount due to a subsidiary, TBKS Investments, was non-trade in nature, unsecured, interest-free and repayable on demand.

25. AMOUNTS DUE TO DIRECTORS

The amounts were non-trade in nature, unsecured, interest-free and not repayable within the next twelve months. The amounts due to directors as at 31 March 2019 will be fully settled before Listing.

26. DEFERRED TAX

Details of the deferred tax assets/(liabilities) recognised in the combined statements of financial position and movements during the Track Record Period are as follows:

	Accelerated depreciation and industrial building allowances	Other deductible temporary differences	Total
	RM'000	*RM'000*	*RM'000*
At 1 July 2015	(386)	1,089	703
Recognised in profit or loss *(Note 13)*	298	(1,079)	(781)
At 30 June 2016 and 1 July 2016	(88)	10	(78)
Recognised in profit or loss *(Note 13)*	(429)	(10)	(439)
At 30 June 2017 and 1 July 2017	(517)	—	(517)
Recognised in profit or loss *(Note 13)*	(110)	—	(110)
At 30 June 2018 and 1 July 2018	(627)	—	(627)
Recognised in profit or loss *(Note 13)*	(88)	—	(88)
At 31 March 2019	(715)	—	(715)

27. SHARE CAPITAL

	Number	Amount
		HK$
Authorised:		
Ordinary shares of par value of HK$0.01 each at 31 March 2019	38,000,000	380,000
Issued and fully paid:		
Ordinary share of par value of HK$0.01 each at 31 March 2019	1	0.01

The Company was incorporated in the Cayman Islands on 8 November 2018 with an authorised share capital of HK$380,000 divided into 38,000,000 ordinary shares of par value of HK$0.01 each. As the issued share capital of the Company is HK$0.01 (RM nil) as at 31 March 2019, share capital is presented as nil in the combined statements of financial position as at 30 June 2016, 2017 and 2018 and 31 March 2019.

28. RESERVES

The Group

The amount of the Group's reserves and movements during the Track Record Period are presented in the combined statements of changes in equity on page I-7.

The Company

	Accumulated loss
	RM'000
At 8 November 2018 (date of incorporation)	—
Loss for the period	(6,702)
At 31 March 2019	(6,702)

29. CAPITAL COMMITMENTS

The following are the details of capital expenditure contracted for but not provided for in the Historical Financial Information.

		As at 30 June		**As at 31 March**
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Commitment for the acquisition of property, plant and equipment	1,051	—	—	—

30. RELATED PARTY TRANSACTIONS

(a) Save for the transactions and balances as detailed in Notes 22, 23(a), 23(c), 25 and 31 to the Historical Financial Information, the Group had no other material transactions with related parties during the Track Record Period.

(b) Compensation of key management personnel

Remuneration of key management personnel, who are directors of the Company, during the Track Record Period were disclosed in Note 11 to the Historical Financial Information.

31. PERFORMANCE GUARANTEES

As at 30 June 2016, 2017 and 2018 and 31 March 2019, performance guarantees of RM8,654,000, RM20,994,000, RM22,493,000 and RM18,172,000, respectively, were given by banks in favour of the Group's customers as security for the due performance and observance of the Group's obligations under the contracts entered into between the Group and its customers. If the Group fails to provide satisfactory performance to its customers to whom performance guarantees have been given, such customers may demand the banks to pay to them the sum or sum stipulated in such demand. The Group will become liable to compensate such banks accordingly. The performance guarantees will be released upon completion of the contract works. The performance guarantees were granted under the banking facilities of the Group which were secured by:

(a) As at 30 June 2016, 2017 and 2018 and 31 March 2019, legal charges over the Group's properties with net carrying amount of RM4,689,000, RM4,689,000, RM7,097,000 and RM7,072,000, respectively;

(b) Fixed deposits held by the Controlling Shareholders;

(c) As at 30 June 2016, 2017 and 2018 and 31 March 2019, joint and several guarantees by the Controlling Shareholders of RM22,999,000, RM27,094,000, RM56,409,000 and RM58,721,000, respectively;

(d) Guarantees by companies under the control of the Controlling Shareholders; and

(e) As at 30 June 2016, 2017 and 2018 and 31 March 2019, pledge of the Group's fixed deposits and bank balances of RM3,415,000, RM1,591,000, RM1,670,000 and RM7,568,000, respectively.

(f) Assignment of contract proceeds and debenture on contract proceeds in favour of the relevant banks.

In the opinion of the management of the Group, they do not consider it is probable that a claim will be made against the Group in respect of the above performance guarantees.

The fixed deposits referred to in Note (b) above and the guarantees executed by the Controlling Shareholders and Controlling Shareholders' controlled companies referred to in Notes (c) and (d) above, respectively will be released upon the Listing.

32. NOTES TO THE COMBINED STATEMENTS OF CASH FLOWS

Major non-cash transactions

(a) The cash consideration of RM2,500,000 for the acquisition of 50% equity interest in Prestasi Senadi by TBK as detailed in Note 2(b) to the Historical Financial Information was settled to the extent of RM901,000 and the remaining balance of RM1,599,000 was unsettled and reflected as amounts due to directors in the combined statement of financial position as at 31 March 2019.

(b) Purchase of plant and machinery under finance leases of RM3,092,000, RM1,967,000, RM3,133,000, RM2,812,000 (unaudited) and RM4,522,000 for the years ended 30 June 2016, 2017 and 2018 and nine months ended 31 March 2018 and 2019, respectively.

(c) During the nine months ended 31 March 2019, additions to freehold land of RM900,000 as set out under Note 16 to the Historical Financial Information represented the utilisation of deposits of RM900,000 under non-current assets in the combined statement of financial position as at 30 June 2018.

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's combined statements of cash flows as cash flows from financing activities.

	Amounts due to directors	**Obligations under finance leases**	**Bank borrowings (excluding bank overdrafts)**	**Total**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At 1 July 2015	1,839	2,866	4,826	9,531
Changes from cash flows:				
Interest paid on obligations under finance leases	—	(180)	—	(180)
Interest paid on bank borrowings	—	—	(330)	(330)
Increase in amounts due to directors	1,870	—	—	1,870
Repayment of obligations under finance leases	—	(1,628)	—	(1,628)
Proceeds from bank borrowings	—	—	1,464	1,464
Repayment of bank borrowings	—	—	(462)	(462)
Total changes from financing cash flows:	1,870	(1,808)	672	734
Other changes:				
Purchase of property, plant and equipment	—	3,092	—	3,092
Finance charges on obligations under finance leases	—	180	—	180
Interest expenses	—	—	330	330
Total other changes	—	3,272	330	3,602
At 30 June 2016	3,709	4,330	5,828	13,867

	Amounts due to directors	**Obligations under finance leases**	**Bank borrowings (excluding bank overdrafts)**	**Total**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At 1 July 2016	3,709	4,330	5,828	13,867
Changes from cash flows:				
Interest paid on obligations under finance leases	—	(250)	—	(250)
Interest paid on bank borrowings	—	—	(372)	(372)
Decrease in amounts due to directors	(2,476)	—	—	(2,476)
Repayment of obligations under finance leases	—	(2,115)	—	(2,115)
Proceeds from bank borrowings	—	—	28,666	28,666
Repayment of bank borrowings	—	—	(25,836)	(25,836)
Total changes from financing cash flows:	(2,476)	(2,365)	2,458	(2,383)
Other changes:				
Purchase of property, plant and equipment	—	1,967	—	1,967
Finance charges on obligations under finance leases	—	250	—	250
Interest expenses	—	—	372	372
Total other changes	—	2,217	372	2,589
At 30 June 2017	1,233	4,182	8,658	14,073

	Amounts due to directors	Obligations under finance leases	Bank borrowings (excluding bank overdrafts)	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*
At 1 July 2017	1,233	4,182	8,658	14,073
Changes from cash flows:				
Interest paid on obligations under finance leases	—	(313)	—	(313)
Interest paid on bank borrowings	—	—	(596)	(596)
Decrease in amounts due to directors	(1,233)	—	—	(1,233)
Repayment of obligations under finance leases	—	(2,422)	—	(2,422)
Proceeds from bank borrowings	—	—	29,856	29,856
Repayment of bank borrowings	—	—	(32,786)	(32,786)
Total changes from financing cash flows:	(1,233)	(2,735)	(3,526)	(7,494)
Other changes:				
Purchase of property, plant and equipment	—	3,133	—	3,133
Finance charges on obligations under finance leases	—	313	—	313
Interest expenses	—	—	596	596
Total other changes	—	3,446	596	4,042
At 30 June 2018	—	4,893	5,728	10,621

	Amounts due to directors	Obligations under finance leases	Bank borrowings (excluding bank overdrafts)	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*
At 1 July 2017	1,233	4,182	8,658	14,073
Changes from cash flows (unaudited):				
Interest paid on obligations under finance leases	—	(239)	—	(239)
Interest paid on bank borrowings	—	—	(425)	(425)
Decrease in amounts due to directors	(855)	—	—	(855)
Repayment of obligations under finance leases	—	(1,587)	—	(1,587)
Proceeds from bank borrowings	—	—	24,456	24,456
Repayment of bank borrowings	—	—	(24,062)	(24,062)
Total changes from financing cash flows:	(855)	(1,826)	(31)	(2,712)
Other changes (unaudited):				
Purchase of property, plant and equipment	—	2,812	—	2,812
Finance charges on obligations under finance leases	—	239	—	239
Interest expenses	—	—	425	425
Total other changes	—	3,051	425	3,476
At 31 March 2018 (unaudited)	378	5,407	9,052	14,837

	Amounts due to directors	Obligations under finance leases	Bank borrowings (excluding bank overdrafts)	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*
At 1 July 2018	—	4,893	5,728	10,621
Changes from cash flows:				
Interest paid on obligations under finance leases	—	(291)	—	(291)
Interest paid on bank borrowings	—	—	(375)	(375)
Decrease in amounts due to directors	(901)	—	—	(901)
Repayment of obligations under finance leases	—	(2,478)	—	(2,478)
Proceeds from bank borrowings	—	—	12,692	12,692
Repayment of bank borrowings	—	—	(9,792)	(9,792)
Total changes from financing cash flows:	(901)	(2,769)	2,525	(1,145)
Other changes:				
Purchase of property, plant and equipment	—	4,522	—	4,522
Finance charges on obligations under finance leases	—	291	—	291
Interest expenses	—	—	375	375
Acquisition of 50% equity interest in Prestasi Senadi	2,500	—	—	2,500
Total other changes	2,500	4,813	375	7,688
At 31 March 2019	1,599	6,937	8,628	17,164

33. CAPITAL MANAGEMENT

Capital is equivalent to issued capital and reserves attributable to the owners of the Company or total equity. The primary objectives of the Group's capital management are to ensure that it maintains strong capital base and healthy capital ratios in order to sustain its future business development and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions by meeting the internal capital requirements, optimising return to shareholders, maintaining adequate levels and optimum mix of capital. To meet these objectives, the Group may adjust the dividend payment to its shareholders, return capital to shareholders or issue new shares. No changes were made to these objectives, policies or processes during the Track Record Period.

The Group monitors capital by actively managing the level of gearing ratio which is total debt (bank borrowings, obligations under finance leases and amounts due to directors) divided by total equity. The gearing ratio at the end of each reporting period was as follows:

		As at 30 June		As at 31 March
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Total debt	19,966	18,021	12,227	19,693
Total equity	10,888	28,045	46,368	63,405
Gearing ratio	183%	64%	26%	31%

34. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives are value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to interest rate risk, liquidity risk, credit risk and fair value risk. Information on the management of the related exposures is detailed below:

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's borrowings at variable interest rates are exposed to a risk of change in cash flows due to changes in interest rates.

The Group borrows for operations at variable interest rates under term loans and bank overdrafts. There is no formal hedging policy with respect to interest rate exposure.

The following details the interest rate profile of the Group's financial instruments at the end of each reporting period.

	As at 30 June						As at 31 March	
	2016		2017		2018		2019	
	Effective interest rate		Effective interest rate		Effective interest rate		Effective interest rate	
	(%)	*RM'000*	*(%)*	*RM'000*	*(%)*	*RM'000*	*(%)*	*RM'000*
Fixed rate								
Obligations under finance leases	2.28–3.30	4,330	2.28–3.30	4,182	2.28–4.26	4,893	2.28–4.26	6,937
Banker's acceptances	5.07–5.26	1,464	4.74–5.05	1,175	4.71–5.03	1,500	5.05–5.06	4,730
Less: Fixed deposits with a licensed bank	3.10–3.30	(3,415)	2.80–3.20	(11,967)	2.95–3.25	(18,947)	2.80–3.25	(7,568)
Net fixed rate borrowing		2,379		(6,610)		(12,554)		4,099
Floating rate								
Term loans	4.65–6.85	4,364	4.65–7.72	7,483	4.65–7.97	4,228	4.65–7.97	3,898
Bank overdrafts	6.85–8.85	6,099	6.85–8.65	3,948	7.97–8.21	1,606	6.97–7.97	2,529
		10,463		11,431		5,834		6,427
Total net borrowings		12,842		4,821		(6,720)		10,525
Net fixed rate borrowings as a percentage of total net borrowings		19%		N/A		N/A		39%

Sensitivity analysis for interest rate risk

The following table illustrates the approximate change in the Group's profit for the year/period and retained profits in response to reasonably possible changes in interest rates at the end of each of the following year/period with all other variables held constant:

	Year ended 30 June			Nine months ended 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Increase by 0.5%	(40)	(43)	(22)	(24)
Decrease by 0.5%	40	43	22	24

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of each reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for the Track Record Period.

(b) Liquidity risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. The liquidity risk management strategy adopted by the Group is to measure and forecast its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations (including interest payments computed using contractual rates, or if floating, based on rates current at the reporting date).

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or repayable on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
30 June 2016						
Trade and other payables	8,501	8,501	8,501	—	—	—
Amounts due to directors	3,709	3,709	3,709	—	—	—
Obligations under finance leases	4,330	4,761	1,902	1,203	1,656	—
Bank borrowings	11,927	13,293	8,219	656	1,968	2,450
	28,467	30,264	22,331	1,859	3,624	2,450
Performance guarantees issued *(Note 31)*	—	8,654	8,654	—	—	—

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or repayable on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
30 June 2017						
Trade and other payables	16,345	16,345	16,345	—	—	—
Amounts due to directors	1,233	1,233	1,233	—	—	—
Obligations under finance leases	4,182	4,538	2,024	1,312	1,202	—
Bank borrowings	12,606	14,299	8,405	782	2,347	2,765
	34,366	36,415	28,007	2,094	3,549	2,765
Performance guarantees issued *(Note 31)*	—	20,994	20,994	—	—	—

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or repayable on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
30 June 2018						
Trade and other payables	28,031	28,031	28,031	—	—	—
Obligations under finance leases	4,893	5,266	2,390	1,857	1,019	—
Bank borrowings	7,334	8,687	3,831	724	1,449	2,683
	40,258	41,984	34,252	2,581	2,468	2,683
Performance guarantees issued *(Note 31)*	—	22,493	22,493	—	—	—

	Carrying amount	Total contractual undiscounted cash flows	Within 1 year or repayable on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
31 March 2019						
Trade and other payables	63,018	63,018	63,018	—	—	—
Amounts due to directors	1,599	1,599	1,599	—	—	—
Obligations under finance leases	6,937	7,568	3,171	2,443	1,954	—
Bank borrowings	11,157	12,265	7,983	724	2,319	1,239
	82,711	84,450	75,771	3,167	4,273	1,239
Performance guarantees issued *(Note 31)*	—	18,172	18,172	—	—	—

(c) Credit risk

The Group is exposed to credit risk in relation to its trade and other receivables, contract assets and cash deposits at banks. The carrying amounts of trade and other receivables, contract assets, bank balances and short term bank deposits represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group considered that the credit risk of contract assets is negligible based on credit history of the related customers.

The credit risk on liquid funds (i.e. bank balances and short term bank deposits) is minimal as such amounts are placed in banks with good reputation.

At the end of each reporting period, the Group has significant concentration of credit risk as 75.0% (30 June 2017: 53.9%, 30 June 2018: 61.6% and 31 March 2019: 39.8%) and 93.5% (30 June 2017: 99.0%, 30 June 2018: 99.9% and 31 March 2019: 96.0%) of the Group's total trade receivables was due from the Group's top trade receivable and the top five trade receivables, respectively. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor, current market condition in relation to each debtor's exposure. The ECLs also incorporate forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables.

The Group recognises lifetime ECLs for trade receivables based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

As at 30 June 2016

	Weighted average lifetime ECL rate	**Gross carrying amount** *RM'000*	**Lifetime ECLs** *RM'000*	**Net carrying amount** *RM'000*	**Credit impaired**
Collective assessment					
Not past due	0.25%	906	(2)	904	No
Past due					
1–90 days	1.50%	247	(4)	243	No
91–180 days	2.00%	—	—	—	N/A
Individual assessment	0.45%	7,597	(34)	7,563	Yes
		8,750	(40)	8,710	

As at 30 June 2017

	Weighted average lifetime ECL rate	**Gross carrying amount** *RM'000*	**Lifetime ECLs** *RM'000*	**Net carrying amount** *RM'000*	**Credit impaired**
Collective assessment					
Not past due	0.13%	52	—	52	No
Past due					
1–90 days	0.63%	144	(1)	143	No
91–180 days	1.50%	—	—	—	N/A
Individual assessment	0.72%	12,524	(90)	12,434	Yes
		12,720	(91)	12,629	

As at 30 June 2018

	Weighted average lifetime ECL rate	Gross carrying amount *RM'000*	Lifetime ECLs *RM'000*	Net carrying amount *RM'000*	Credit impaired
Collective assessment					
Not past due	0.50%	716	(4)	712	No
Past due					
1–90 days	0.67%	—	—	—	N/A
91–180 days	2.00%	—	—	—	N/A
Individual assessment	1.92%	9,623	(184)	9,439	Yes
		10,339	(188)	10,151	

As at 31 March 2019

	Weighted average lifetime ECL rate	Gross carrying amount *RM'000*	Lifetime ECLs *RM'000*	Net carrying amount *RM'000*	Credit impaired
Collective assessment					
Not past due	0.50%	616	(3)	613	No
Past due					
1–90 days	0.65%	—	—	—	N/A
91–180 days	1.00%	—	—	—	N/A
Individual assessment	0.67%	30,611	(205)	30,406	Yes
		31,227	(208)	31,019	

As at 30 June 2016, 2017 and 2018 and 31 March 2019, the loss allowance provision in respect of trade receivables reconciles to the opening loss allowance provision as follows:

	Not credit-impaired Collectively assessed	**Credit-impaired Individually assessed**	**Total**
	RM'000	*RM'000*	*RM'000*
Balance as at 1 July 2015	34	4,508	4,542
Provision for loss allowance recognised in profit or loss	—	34	34
Reversal of impairment loss	(28)	—	(28)
Written off	—	(4,508)	(4,508)
Balance as at 30 June 2016	6	34	40
Balance as at 1 July 2016	6	34	40
Provision for loss allowance recognised in profit or loss	—	82	82
Reversal of impairment loss	(5)	—	(5)
Written off	—	(26)	(26)
Balance as at 30 June 2017	1	90	91
Balance as at 1 July 2017	1	90	91
Provision for loss allowance recognised in profit or loss	3	97	100
Written off	—	(3)	(3)
Balance as at 30 June 2018	4	184	188
Balance as at 1 July 2018	4	184	188
Provision for loss allowance recognised in profit or loss	—	21	21
Reversal of impairment loss	(1)	—	(1)
Balance as at 31 March 2019	3	205	208

There is no significant changes in impairment loss allowance during the Track Record Period except for the write off of loss allowance provision of RM4,508,000 as at 1 July 2015 against the corresponding trade receivables balances during the year ended 30 June 2016.

(d) Fair value risk

The Group is exposed to fair value risk resulting from fair value change of dividend payable to the Controlling Shareholders as set out in Note 15 to the Historical Financial Information. If the fair value of dividend payable which is measured at the fair value of the Distributed Lands increase/decrease by 3% as at 31 March 2019, the Group's equity as at 31 March 2019 would decrease/increase by RM168,000 respectively.

35. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying values of the Group's financial assets and financial liabilities as recognised at 30 June 2016, 2017 and 2018 and 31 March 2019 are categorised as follows:

	As at 30 June			As at 31 March
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Financial assets				
Financial assets at amortised cost				
Trade receivables, other receivables and deposits	9,852	14,824	10,755	32,059
Pledged time deposits and bank balances	3,415	1,591	1,670	7,568
Restricted bank balances	—	10,376	16,906	—
Cash and cash equivalents	281	589	6,279	12,740
Financial liabilities				
Financial liabilities at amortised cost				
Trade and other payables	8,501	16,345	28,031	63,018
Obligations under finance leases	4,330	4,182	4,893	6,937
Bank borrowings	11,927	12,606	7,334	11,157
Amounts due to directors	3,709	1,233	—	1,599
Financial liabilities at fair value				
Dividend payable	—	—	—	5,600

(a) Financial instruments not measured at fair value

The carrying values of the Group's financial assets and financial liabilities at amortised cost (including current portion of obligations under finance leases and bank borrowings) listed above approximate their respective fair values due to their short term nature.

The fair values of the non-current portion of the obligations under finance leases and bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for borrowings with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for obligations under finance leases and bank borrowings as at 30 June 2016, 2017 and 2018 and 31 March 2019 was assessed to be insignificant. The carrying values of the non-current portion of obligations under finance leases and bank borrowings also approximate their fair values as at 30 June 2016, 2017 and 2018 and 31 March 2019.

(b) Financial instruments measured at fair value

The fair value of dividend payable represents the fair value of the Distributed Lands as at the reporting date. The fair value of the Distributed Lands has been arrived at on market value basis by Grant Sherman Appraisal Limited, an independent property valuer, who holds a recognised and relevant professional qualification and has recent experience in the location and category of the Distributed Lands being valued. The fair value of Distributed Lands is a level 3 recurring fair value measurement.

Information about level 3 fair value measurement

Valuation technique	**Unobservable input**	**Range**
Market comparison approach	Discount on location of the Distributed Lands	8.2% to 10.9%

The fair value of Distributed Lands is determined using market comparison approach by comparing the subject asset with identical or similar assets for which price information is available, such as a comparison with market transactions in the same, or close similar, type of asset within an appropriate time horizon. The recent transaction prices are adjusted by a discount specific to the location of the Distributed Lands. Higher discount will result in a lower fair value measurement.

The movement during the nine months ended 31 March 2019 of the level 3 fair value measurement is as follows:

	RM'000
Opening balance at 24 December 2018	5,600
Fair value change	—
Closing balance at 31 March 2019	5,600

There were no change to the valuation techniques during the nine months ended 31 March 2019.

The fair value measurement is based on the Distributed Lands' highest and best use, which does not differ from their actual use.

During the nine months ended 31 March 2019, there were no transfer in or out of level 3 or any other level. The Group's accounting policy is to recognise transfer between levels of the fair value hierarchy as at the end of the reporting period in which they occur.

36. SUBSEQUENT EVENTS

On 5 September 2019, written resolutions of all the shareholders of the Company were passed to approve the matters set out in "Statutory and General Information — Further Information about the Group — 4. Written resolutions of all the Shareholders passed on 5 September 2019" in Appendix VI to the Prospectus.

On 19 July 2019, the bank charges on the Distributed Lands were released and titles of the Distributed Lands were transferred to the Controlling Shareholders.

Save as aforesaid and as disclosed in Notes 22, 23, 25 and 31 to the Historical Financial Information, no other significant events took place subsequent to 31 March 2019.

37. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company and its subsidiaries in respect of any period subsequent to 31 March 2019.

The information set forth in this appendix does not form part of the Accountants' Report prepared by BDO Limited, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

(A) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted combined net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules and Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants is for illustrative purposes only, and is set out herein to provide the prospective investors with further illustrative financial information about how the Share Offer might have affected the combined net tangible assets of the Group after the completion of the Share Offer as if the Share Offer had taken place on 31 March 2019. Because of its hypothetical nature, this unaudited pro forma statement of adjusted combined net tangible assets of the Group may not give a true picture of the combined net tangible assets of the Group had the Share Offer been completed on 31 March 2019, or at any future dates.

	Combined net tangible assets of the Group as at 31 March 2019	**Estimated net proceeds from the Share Offer**	**Unaudited pro forma adjusted combined net tangible assets of the Group**	**Unaudited pro forma adjusted combined net tangible assets per Share**	**Unaudited pro forma adjusted combined net tangible assets per Share**
	RM'000	*RM'000*	*RM'000*	*RM*	*HK$*
	Note 1	*Note 2*		*Note 3*	*Note 4*
Based on Offer Price of HK$0.60 per Offer Share	63,405	63,293	126,698	0.13	0.24
Based on Offer Price of HK$0.50 per Offer Share	63,405	51,336	114,741	0.11	0.22

Notes:

(1) The combined net tangible assets of the Group as at 31 March 2019 are based on audited combined net assets of the Group as at 31 March 2019 of RM63,405,000 as shown in the Accountants' Report.

(2) The estimated net proceeds from the Share Offer are based on 250,000,000 Offer Shares and the Offer Price of upper limit and lower limit of HK$0.60 and HK$0.50, respectively, after deduction of the underwriting fees and related expenses payable by the Company which have not been reflected in the combined net tangible assets of the Group as at 31 March 2019.

(3) The unaudited pro forma adjusted combined net tangible assets per Share is calculated based on 1,000,000,000 Shares in issue immediately following the completion of the Share Offer and the Capitalisation Issue. It does not take into account any Shares which may be issued upon the exercise of any options that may be granted under the Share Option Scheme or any Share which may be allotted, issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchases of Shares.

(4) For the purpose of the unaudited pro forma adjusted combined net tangible assets, the balance stated in Malaysian Ringgit is converted into Hong Kong dollars and vice versa at a rate of RM1.00 to HK$1.9235. No representation is made that amounts in Malaysian Ringgit have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2019. Had the distribution-in-specie of the Distributed Lands been completed on 31 March 2019, the unaudited pro forma adjusted combined net tangible assets of the Group would have been RM130,197,000 and RM118,240,000, respectively based on Offer Price of upper limit of HK$0.60 and lower limit of HK$0.50, respectively. The unaudited pro forma adjusted combined net tangible assets per Share would have been RM0.13 or HK$0.25 and RM0.12 or HK$0.23, respectively.

(B) REPORTING ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for inclusion in this prospectus, received from the reporting accountants of the Company, BDO Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

BDO Limited
Certified Public Accountants
25th Floor, Wing On Centre
111 Connaught Road Central
Hong Kong
Telephone: (852) 2218 8288
Telefax: (852) 2815 2239

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of TBK & Sons Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of TBK & Sons Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of combined net tangible assets of the Group as at 31 March 2019 and related notes as set out on pages II-1 to II-2 of Appendix II of the Company's prospectus dated 16 September 2019 (the "**Prospectus**") in connection with the proposed initial public offering of the shares of the Company (the "**Share Offer**"). The applicable criteria on the basis of which the directors of the Company have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II of the Prospectus.

The unaudited pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Share Offer on the Group's combined financial position as at 31 March 2019 as if the Share Offer had taken place at 31 March 2019. As part of this process, information about the Group's combined financial position as at 31 March 2019 has been extracted by the directors of the Company from the Group's historical financial information for the nine months ended 31 March 2019, on which an accountants' report set out in Appendix I of the Prospectus has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors of the Company are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA 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.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction 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 Share Offer at 31 March 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

BDO Limited
Certified Public Accountants
Hong Kong

16 September 2019

*The following is the preliminary financial information of the Group as at and for the year ended 30 June 2019 (the "**2019 Preliminary Financial Information**"), together with comparative financial information as of and for the year ended 30 June 2018 and a discussion of changes in the Group's financial condition and results of operations between the two years. The 2019 Preliminary Financial Information does not constitute the combined financial statements of the Group for the year ended 30 June 2019 but is extracted from those financial statements. The 2019 Preliminary Financial Information was not audited. Investors should bear in mind that the 2019 Preliminary Financial Information in this appendix may be subject to adjustments.*

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 30 June	
		2018	**2019**
	Notes	*RM'000*	*RM'000*
			(unaudited)
Revenue	*4*	146,241	194,017
Cost of sales		(114,146)	(152,664)
Gross profit		32,095	41,353
Other (expenses)/income, net	*5*	(143)	408
Administrative expenses		(6,024)	(7,643)
Finance costs		(1,129)	(1,022)
Listing expenses		—	(8,226)
Profit before income tax expense		24,799	24,870
Income tax expense	*6*	(6,476)	(8,510)
Profit and total comprehensive income for the year		18,323	16,360

COMBINED STATEMENT OF FINANCIAL POSITION

	Notes	As at 30 June 2018 RM'000	As at 30 June 2019 RM'000 (unaudited)
Non-current assets			
Property, plant and equipment		22,914	24,066
Deposits		900	—
		23,814	24,066
Current assets			
Trade receivables, other receivables, deposits and prepayments	*9*	10,755	41,544
Assets held for distribution to Controlling Shareholders		—	2,101
Contract assets		29,797	60,765
Pledged time deposits and bank balances		1,670	7,629
Restricted bank balances		16,906	—
Cash and cash equivalents		6,279	12,612
		65,407	124,651
Current liabilities			
Trade and other payables	*10*	28,031	60,554
Obligations under finance leases		2,163	2,924
Bank borrowings		3,559	3,571
Dividend payable		—	5,600
Tax payable		1,968	652
		35,721	73,301
Net current assets		29,686	51,350
Total assets less current liabilities		53,500	75,416

		As at 30 June	
		2018	**2019**
	Notes	*RM'000*	*RM'000*
			(unaudited)
Non-current liabilities			
Amounts due to directors		—	91
Obligations under finance leases		2,730	3,700
Bank borrowings		3,775	3,009
Deferred tax liabilities		627	738
		7,132	7,538
Net assets		46,368	67,878
Equity			
Share capital		—	—
Reserves		46,368	67,878
Total equity		46,368	67,878

COMBINED STATEMENT OF CASH FLOWS

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Operating activities		
Profit before income tax expense	24,799	24,870
Adjustments for:		
Depreciation of property, plant and equipment	2,942	3,604
Gain on disposal of property, plant and equipment	(5)	—
Loss on disposal of an associate	2	—
Finance costs	1,129	1,022
Interest income	(55)	(106)
Impairment loss on trade receivables	100	9
Reversal of impairment loss on trade receivables	—	(3)
Write-off of property, plant and equipment	5	3
Cash flows before working capital changes	28,917	29,399
Decrease/(increase) in trade receivables, other receivables, deposits and prepayments	3,969	(30,795)
Increase in contract assets	(11,985)	(30,968)
Decrease in contract liabilities	(2,162)	—
Increase in trade and other payables	11,686	32,523
Cash generated from operations	30,425	159
Income tax paid	(4,995)	(9,715)
Interest paid on bank overdrafts	(220)	(161)
Net cash generated from/(used in) operating activities	25,210	(9,717)
Investing activities		
Purchase of property, plant and equipment	(2,235)	(707)
Interest received	55	106
Deposits for acquisition of freehold land	(900)	—
Movements in pledged time deposits and bank balances	(79)	(5,959)
Movements in restricted bank balances	(6,530)	16,906
Proceeds from disposal of property, plant and equipment	5	—
Net cash (used in)/generated from investing activities	(9,684)	10,346

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Financing activities		
Interest paid on bank borrowings	(596)	(472)
Interest paid on obligations under finance leases	(313)	(389)
Proceeds from bank borrowings	29,856	15,823
Repayment of bank borrowings	(32,786)	(14,971)
Repayment of obligations under finance leases	(2,422)	(3,522)
Decrease in amounts due to directors	(1,233)	(2,409)
Proceeds from issue of ordinary shares by TBKS Investments	—	13,250
Net cash (used in)/generated from financing activities	(7,494)	7,310
Net increase in cash and cash equivalents	8,032	7,939
Cash and cash equivalents at beginning of year	(3,359)	4,673
Cash and cash equivalents at end of year	4,673	12,612
Analysis of cash and cash equivalents:		
Cash and bank balances	6,279	12,612
Bank overdrafts	(1,606)	—
	4,673	12,612

NOTES TO THE 2019 PRELIMINARY FINANCIAL INFORMATION

1 BASIS OF PREPARATION AND PRESENTATION

Pursuant to a group reorganisation in preparation for the listing of the shares of the Company on The Stock Exchange of Hong Kong Limited ("Listing") as set out in the section headed "History, Development and Reorganisation — Corporate Structure of the Group" in the Prospectus (the "Reorganisation"), the Company became the holding company of the subsidiaries now comprising the Group on 5 September 2019. As the Reorganisation only involved inserting new holding companies and has not resulted in any change in business substance, this financial information has been presented as if the Reorganisation had been completed at the beginning of the reporting period.

Accordingly, the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and combined statements of cash flows of the Group are prepared as if the current group structure had been in existence throughout the reporting period. The combined statements of financial position of the Group as at 30 June 2018 and 2019 present the assets and liabilities of the companies now comprising the Group, as if the current group structure had been in existence at those dates taking into account the respective dates of incorporation of companies. All the significant intragroup transactions and balances have been eliminated on combination.

The 2019 Preliminary Financial Information has been prepared in accordance with International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), amendments and interpretations (hereinafter collectively referred to as the "IFRSs"), issued by the International Accounting Standards Board ("IASB") which are effective for the annual periods beginning on or after 1 January 2018. The 2019 Preliminary Financial Information has been prepared in accordance with the accounting policies set out in Note 4 in "Appendix I — Accountants' Report".

2 ISSUED BUT NOT YET EFFECTIVE IFRSs

The IASB has issued the following new or revised IFRSs but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

IFRS 16	Leases[1]
IFRS 17	Insurance Contracts[2]
IFRIC 23	Uncertainty Over Income Tax Treatments[1]
Amendments to IFRS 3	Definition of a business[4]
Amendments to IFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1 and IAS 8	Definition of Material[5]
Amendments to IAS 19	Plan Amendments, Curtailment or Settlement[1]
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures[1]
Amendments to IFRSs	Annual Improvements to IFRS 2015–2017 Cycle[1]
Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting[5]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2021
3 No mandatory effective date yet determined but is available for early adoption
4 Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
5 Effective for annual periods beginning on or after 1 January 2020

Further information about the above IFRSs which are expected to be applicable to the Group is as follows:

IFRS 16 — Leases

In January 2016, the IASB issued IFRS 16, which provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessors and lessees. The new standard maintains substantially the lessor accounting requirements in the current standard.

A lessee is required to recognise a right-of-use asset and a lease liability at the commencement of lease arrangement. Right-of-use asset includes the amount of initial measurement of lease liability, any lease payment made to the lessor at or before the lease commencement date, estimated cost to be incurred by the lessee for dismantling or removing the underlying assets from and restoring the site, as well as any other initial direct cost incurred by the lessee. Lease liability represents the present value of the lease payments. Subsequently, deprecation and impairment expenses, if any, on the right-of-use asset will be charged to profit or loss following the requirements of IAS 16 Property, Plant and Equipment, while lease liability will be increased by the interest accrual, which will be charged to profit or loss, and deducted by lease payments. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. For lessor, there is little change to the existing accounting in IAS 17 Leases. The Group expects to adopt IFRS 16 on 1 July 2019 and does not expect that the adoption of IFRS 16 as compared with the current accounting policy would have any material impact on the Group's results and financial position as the Group entered into lease arrangements as lessors and lessees of short term operating leases and lessees under finance leases under the existing accounting standard IAS 17.

IFRIC 23 — Uncertainty over Income Tax Treatments

The interpretation supports the requirements of IAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the "most likely amount" or the "expected value" approach, whichever better predicts the resolution of the uncertainty.

The Group does not expect the adoption of IFRIC 23 on 1 July 2019 will result in a material impact on the Group's financial position and financial performance.

Amendments to IAS 1 and IAS 8 — Definition of Material

Amendments to IAS 1 and IAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The Group does not expect that the adoption of the amendments will have significant impact on the Group's combined financial statements.

Conceptual Framework for Financial Reporting ("Conceptual Framework")

The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. The changes to the Conceptual Framework may affect the application of IFRSs in situations where no standard applies to a particular transaction or event.

The Group does not expect that the adoption of the revised Conceptual Framework will have significant impact on the Group's combined financial statements.

3 SEGMENT REPORTING

The Group is principally engaged in civil and structural works.

One of the executive directors of the Company has been identified as the chief operating decision-maker ("CODM") of the Group who reviews the Group's internal reporting in order to assess performance of the Group on a regular basis and allocate resources.

(a) Reportable segment

The Group has arrived at three reportable segments summarised as follows:

(i) Site preparation works projects

(ii) Civil works projects

(iii) Building works projects

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The CODM assesses performance of the operating segments on the basis of gross profit.

There were no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources and evaluate the performance of the operating segments.

Year ended 30 June 2018	**Site preparation works projects**	**Civil works projects**	**Building works projects**	**Total**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Revenue				
Revenue from external customers	10,165	107,687	28,389	146,241
Segment cost of sales	(7,812)	(85,583)	(20,751)	(114,146)
Gross profit	2,353	22,104	7,638	32,095
Other expenses, net				(143)
Administrative expenses				(6,024)
Finance costs				(1,129)
Profit before income tax expense				24,799
Income tax expense				(6,476)
Profit and total comprehensive income for the year				18,323

Year ended 30 June 2019	Site preparation works projects	Civil works projects	Building works projects	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue				
Revenue from external customers	1,018	159,633	33,366	194,017
Segment cost of sales	(767)	(126,929)	(24,968)	(152,664)
Gross profit	251	32,704	8,398	41,353
Other income, net				408
Administrative expenses				(7,643)
Finance costs				(1,022)
Listing expenses				(8,226)
Profit before income tax expense				24,870
Income tax expense				(8,510)
Profit and total comprehensive income for the year				16,360

(b) Geographical information

The Group's operations are located in Malaysia. The geographical location of the Group's non-current assets is substantially situated in Malaysia.

All of the Group's revenue from external customers is attributed to the group entities' place of domicile (i.e. Malaysia).

(c) Information about major customers

Details of customers who generated 10% or more of the Group's revenue during the reporting period are as follows:

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Customer A	40,134	31,880
Customer B	N/A	N/A
Customer C	43,801	N/A
Customer D	N/A	N/A
Customer E	31,248	N/A
Customer F	22,330	111,437
Customer G	N/A	19,998

Note: N/A represents that the amount of revenue from such customer is less than 10% of total revenue for that year.

4 REVENUE

Revenue represents the amounts received and receivable for civil and structural works rendered by the Group to customers.

An analysis of the Group's revenue is as follows:

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Recognised over time		
Contract revenue	146,241	194,017

Civil and structural works represent performance obligations that the Group satisfies over time for each respective contract. The period of civil and structural works varies from 1 to 3 years.

Transaction price allocated to the remaining performance obligations

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of each reporting period.

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Provision of civil and structural works	124,772	104,808

Based on the information available to the Group at the end of each reporting period, the management of the Group expects the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as at 30 June 2018 and 2019 will be recognised as revenue during the years ended 30 June 2019 to 30 June 2021 in respect of provision of civil and structural works.

5 OTHER (EXPENSES)/INCOME, NET

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Rental income	180	250
Interest income	55	106
Gain on disposal of property, plant and equipment	5	—
Sundry income	69	55
Write-off of property, plant and equipment	(5)	(3)
Loss on disposal of an associate	(2)	—
Foreign exchange loss	(445)	—
	(143)	408

6 INCOME TAX EXPENSE

The amount of income tax expense in the combined statements of profit or loss and other comprehensive income represents:

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Malaysian corporate income tax		
— provision for the year	6,284	8,296
— under provision in respect of prior years	58	20
Deferred tax	110	111
Tax penalty	24	83
Income tax expense	6,476	8,510

TBK and Prestasi Senadi each with paid up capital below RM2,500,000 can enjoy lower corporate income tax rate in Malaysia of 18% and 18% on the first taxable profit of RM500,000 for the years ended 30 June 2018 and 2019 and 24% on the taxable profit in excess of RM500,000 for the years ended 30 June 2018 and 2019.

In addition, for the year ended 30 June 2018, a further reduced corporate income tax rate of 23%, 22%, 21% and 20%, respectively on the incremental taxable profit of 5% to 9.99%, 10% to 14.99%, 15% to 19.99% and 20% and above as compared to the immediate preceding year of assessment is available.

The income tax expense for the reporting period can be reconciled to the profit before income tax expense per the combined statements of profit or loss and other comprehensive income as follows:

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Profit before income tax expense	24,799	24,870
Tax calculated at Malaysian statutory corporate income tax rate	5,952	5,969
Tax effect of expenses not deductible for tax purposes	701	2,498
Reduction in tax rate on the incremental taxable profit	(199)	—
Reduction in tax rate on the first taxable profit of RM500,000	(60)	(60)
Under provision in respect of prior years	58	20
Tax penalty	24	83
Income tax expense	6,476	8,510

7 DIVIDEND

	Year ended 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Interim dividend declared in respect of the year ended 30 June 2019	—	5,600

On 24 December 2018, TBK declared an interim dividend of RM5,600,000 to the Controlling Shareholders to be settled in the form of a distribution-in-specie of two parcels of freehold land (''Distributed Lands'') owned by the Group and pledged with a bank for banking facilities granted. The amount of dividend payable of RM5,600,000 was initially recognised based on the independent professional valuation of the Distributed Lands (determined using market comparison approach) as at 30 November 2018, which was unchanged as at 30 June 2019 based on the independent professional valuation of the Distributed Lands as at 30 June 2019. Pending release of the bank charges, the titles of the Distributed Lands were not yet transferred to the Controlling Shareholders as at 30 June 2019 and the carrying amount of the Distributed Lands amounted to RM2,101,000 was classified as assets held for distribution to Controlling Shareholders in the combined statement of financial position as at 30 June 2019. On 19 July 2019, the distribution-in-specie was settled, the difference of RM3,499,000 between the carrying amount of the Distributed Lands of RM2,101,000 and the carrying amount of dividend payable at the date of settlement was recognised in profit or loss. The rate of dividend and the number of shares ranking for dividend are not presented as such information is not meaningful having regard to the purpose of the 2019 Preliminary Financial Information.

No dividends have been paid or declared by the Company since its incorporation.

There are no income tax consequences attaching to the payment of dividend by the Company to its shareholders.

8 EARNINGS PER SHARE

Earnings per share information is not presented as its inclusion, for the purpose of this 2019 Preliminary Financial Information, is not considered meaningful due to the Reorganisation and the basis of presentation as further explained in Note 1 to the 2019 Preliminary Financial Information.

9 TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Trade receivables	10,339	38,218
Less: Allowance for impairment losses	(188)	(194)
	10,151	38,024
Advance paid to subcontractors and suppliers	193	277
Other receivables	100	132
Deposits	311	354
Prepayments	—	2,757*
	10,755	41,544

* Including prepaid listing expenses of RM2,617,000.

The Group's trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 days to 45 days from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The ageing analysis of trade receivables at the end of each reporting period, based on invoice dates, is as follows:

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
1 to 90 days	6,664	35,476
91 to 180 days	3,675	1,810
Over 180 days	—	932
	10,339	38,218

10 TRADE AND OTHER PAYABLES

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Trade payables	19,211	53,417
Retention payables	687	1,007
Accruals	8,133	6,066*
Other payables	—	64
	28,031	60,554

* Including accrued listing expenses of RM2,926,000.

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 0 day to 60 days from the date of invoice.

The ageing analysis of trade payables, based on invoice dates, at the end of each reporting period is as follows:

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Within 30 days	4,084	7,534
31 to 60 days	6,324	4,347
61 to 90 days	2,282	11,679
Over 90 days	6,521	29,857
	19,211	53,417

BUSINESS REVIEW AND OUTLOOK

The Group is a civil and structural works contractor with a long history of undertaking civil and structural works in the oil and gas industry in Malaysia with operational history since the 1970s. The Group is registered with a CIDB Grade G7 qualification in Category B, Category CE and Category ME, which is the highest possible contractor licence under the CIDB and allows the Group to undertake civil and structural works of unlimited tender/contract value.

The Group's civil and structural works services generally involve (i) site preparation works such as earthwork, demolition works, and temporary facilities and infrastructure construction, including building temporary site offices, canteens, warehouses, etc.; (ii) civil works for process plants, involving reinforced concrete foundations, pipe supports, ponds, pits, underground and open drainage networks, paving work (including the use of gravel, concrete and asphalt) and related plant civil maintenance works; and (iii) building works (including the building of sub-station, field auxiliary rooms, workshop and storage buildings, etc.) in the oil and gas industry.

Over the years, the Group has participated in a number of civil and structural works projects for customers such as (a) the national oil and gas company wholly-owned by the government of Malaysia; (b) international conglomerates in the energy and infrastructure sector; and (c) engineering, procurement, commissioning and contracting contractors in the oil and gas industry. The Group's services, level of technical expertise and capabilities, service quality and timely delivery have been well recognised by its customers.

The Group's revenue increased by approximately 32.7% from approximately RM146.2 million for the year ended 30 June 2018 to approximately RM194.0 million for the year ended 30 June 2019. The gross profit also increased by approximately 29.0% from approximately RM32.1 million for the year ended 30 June 2018 to approximately RM41.4 million for the year ended 30 June 2019. On the other hand, the profit and total comprehensive income for the year decreased by approximately 10.4% from approximately RM18.3 million for the year ended 30 June 2018 to approximately RM16.4 million for the year ended 30 June 2019.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND OPERATION RESULTS

Analysis of key items of results of operations

Revenue

The Group's revenue increased by approximately 32.7% from approximately RM146.2 million for the year ended 30 June 2018 to approximately RM194.0 million for the year ended 30 June 2019, which was a combined result of (i) the increase in revenue from civil works projects by approximately RM51.9 million; (ii) the decrease in revenue from site preparation works projects by approximately RM9.1 million; and (iii) the increase in revenue from building works projects by approximately RM5.0 million.

Civil works projects

Revenue from civil works projects increased from approximately RM107.7 million for the year ended 30 June 2018 to approximately RM159.6 million for the year ended 30 June 2019, representing an increase of approximately 48.2%. Such increase was mainly attributable to Project 11, which is on-going from the previous year, with approximately RM111.4 million revenue recognised during the year ended 30 June 2019 as Pengerang Integrated Complex is poised for its refinery start-up in 2019. For the year ended 30 June 2018, revenue from civil works was mainly derived from Project 7, such project was close to completion during the year ended 30 June 2019 and accordingly less revenue was derived from it during the year ended 30 June 2019.

Site preparation works projects

Revenue from site preparation works projects decreased from approximately RM10.2 million for the year ended 30 June 2018 to RM1.0 million for the year ended 30 June 2019. Such decrease was attributable to the substantial completion of most of the site preparation projects on hand.

Building works projects

Revenue from building works projects increased from approximately RM28.4 million for the year ended 30 June 2018 to approximately RM33.4 million for the year ended 30 June 2019, representing an increase of approximately 17.6%. Such increase was due to more revenue was generated from building works in the year ended 30 June 2019 which was attributable to more work orders received from Project 4 as Pengerang Integrated Complex is poised for its refinery start-up in 2019.

Cost of sales

The Group's cost of sales increased from approximately RM114.1 million for the year ended 30 June 2018 to approximately RM152.7 million for the year ended 30 June 2019, representing an increase of approximately 33.8%.

The following is a discussion of the changes in the key components of the Group's cost of sales for the year ended 30 June 2018 compared to the year ended 30 June 2019:

(i) subcontracting charges increased from approximately RM68.2 million for the year ended 30 June 2018 to approximately RM95.0 million for the year ended 30 June 2019, representing an increase of approximately 39.3%. Such increase was mainly attributable to the increase in the use of subcontractor during the year ended 30 June 2019 which was largely in line with the increase in revenue; and

(ii) cost of direct materials increased from approximately RM22.8 million for the year ended 30 June 2018 to approximately RM30.4 million for the year ended 30 June 2019, representing an increase of approximately 33.3%. Such increase was largely in line with the increase in revenue.

Gross profit and gross profit margin

The gross profit and gross profit margin for years ended 30 June 2018 and 2019 were as follows:

	Year ended 30 June	
	2018	**2019**
Gross profit *(RM'000)*	32,095	41,353
Gross profit margin	21.9	21.3

The Group's gross profit increased from approximately RM32.1 million for the year ended 30 June 2018 to approximately RM41.4 million for the year ended 30 June 2019, representing an increase of approximately 29.0%. The increase in the gross profit was mainly due to the increase in gross profit contributed by Project 11 and Project 4 as mentioned above as Pengerang Integrated Complex is poised for its refinery start-up in 2019, partially offset by the increase in subcontracting charges with the increase in use of subcontractors during the year ended 30 June 2019. The gross profit margin remained relatively consistent at approximately 21.9% and 21.3% for the years ended 30 June 2018 and 2019, respectively.

Other (expenses)/income, net

The Group recorded other expenses of approximately RM0.1 million for the year ended 30 June 2018, which was mainly attributable to the fact that the Group recorded a foreign exchange loss for the year ended 30 June 2018. The Group recorded other income of approximately RM0.4 million for the year ended 30 June 2019, which is mainly attributable to rental income derived from rental of a parcel of land of approximately RM0.3 million during the year.

Administrative expenses

The Group's administrative expenses increased from approximately RM6.0 million for the year ended 30 June 2018 to approximately RM7.7 million for the year ended 30 June 2019. The increase was mainly attributable to (i) the increase in staff costs which was generally in line with the increase in number of staff during the year; and (ii) the increase in staff training cost incurred for project in a live plant, in particular, Project 13.

Finance costs

The Group's finance costs remained stable at approximately RM1.1 million and RM1.0 million for the year ended 30 June 2018 and 2019, respectively.

Income tax expense

The Group's income tax expense increased from approximately RM6.5 million to RM8.5 million for the year ended 30 June 2018 and 2019, respectively, representing an increase of approximately 30.8%. The increase in income tax expense was mainly attributable to the increase in revenue and gross profit earned during the year.

Profit and total comprehensive income for the period and net profit margin

As a result of the foregoing, the Group's profit and total comprehensive income was approximately RM18.3 million and RM16.4 million for the year ended 30 June 2018 and 2019, respectively. The Group's net profit margin was approximately 12.5% and 8.5% for the year ended 30 June 2018 and 2019, respectively. Such decrease in the profit and total comprehensive income and net profit margin were mainly attributable to listing expenses of approximately RM8.2 million incurred for the year ended 30 June 2019.

Analysis of key items of financial position

Net current assets

The following table sets forth the current assets and current liabilities as at 30 June 2018 and 2019.

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000* (unaudited)
Current assets		
Trade receivables, other receivables, deposits and prepayments	10,755	41,544
Assets held for distribution to Controlling Shareholders	—	2,101
Contract assets	29,797	60,765
Pledged time deposits	1,670	7,629
Restricted bank balances	16,906	—
Cash and cash equivalents	6,279	12,612
	65,407	124,651

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Current liabilities		
Trade and other payables	28,031	60,554
Obligations under finance leases	2,163	2,924
Bank borrowings	3,559	3,571
Dividend payable	—	5,600
Tax payable	1,968	652
	35,721	73,301
Net current assets	29,686	51,350

As at 30 June 2019, the Group recorded net current assets of approximately RM51.4 million, which was higher than the net current assets of approximately RM29.7 million as at 30 June 2018. The increase was mainly attributable to (i) the increase in trade receivables, other receivables, deposits and prepayments of approximately RM30.8 million; and (ii) the increase in contract assets of approximately RM31.0 million. Such increase in current assets was partially offset by the increase in trade and other payables of approximately RM32.5 million.

Trade Receivables, Other Receivables, Deposits and Prepayments

The trade receivables, other receivables, deposits and prepayments increased from approximately RM10.8 million as at 30 June 2018 to approximately RM41.6 million as at 30 June 2019. Such increase was in line with the increase in the revenue as a result of continued business growth and partly due to the fluctuation of the amount settled by different customers to the Group as at the respective reporting dates due to the different settlement practices of different customers as well as the different credit periods granted by the Group.

The following table sets forth the trade receivables turnover days for the years indicated:

	For the year ended 30 June	
	2018	**2019**
Trade receivables turnover days *(Note)*	28.8 days	45.3 days

Note: Calculated as the average of the opening and closing balance of gross trade receivables for the relevant year divided by revenue for the relevant year and multiplied by 365 days for the years ended 30 June 2018 and 2019.

For the year ended 30 June 2019, the Group's trade receivables turnover days increased to approximately 45.3 days. The increase was mainly attributable to the increase in trade receivables due from Tecnicas Reunidas Malaysia Sdn. Bhd.

Contract assets

The Group's contract assets increased from approximately RM29.8 million as at 30 June 2018 to approximately RM60.8 million as at 30 June 2019. Such increase was mainly attributable to the increase in retention money for contract works amounted to approximately RM16.4 million and RM30.4 million as at 30 June 2018 and 30 June 2019, respectively.

Trade and other payables

As at 30 June 2019, the Group recorded trade payables of approximately RM60.6 million, representing an increase of approximately RM32.6 million as compared to approximately RM28.0 million recorded as at 30 June 2018. The increase was mainly due to the delay in payment received from customers which led to the Group's delay in payment to its suppliers and subcontractors. During the year, the trade payables of the Group mainly represented amounts payable to suppliers and subcontractors. Trade payables are non-interest bearing, the Group generally receives credit terms of 0 to 60 days from its suppliers and subcontractors. The increase in trade payables over the year was generally in line with the business expansion during the year.

The following table sets forth the trade payables turnover days for the years indicated:

	For the year ended 30 June	
	2018	**2019**
Trade payables turnover days *(Note)*	43.6 days	86.8 days

Note: Calculated as the average of the opening and closing balance of gross trade payables for the relevant year divided by cost of sales for the relevant year and multiplied by 365 days for the years ended 30 June 2018 and 2019.

For the year ended 30 June 2019, the Group recorded trade payables turnovers days of approximately 86.8 days. As mentioned above, the increase in trade payables was mainly due to the delay in payment received from customers which led to the Group's delay in payment to its suppliers and subcontractors.

Indebtedness

The following table sets forth the Group's indebtedness as at the respective dates indicated:

	As at 30 June	
	2018	**2019**
	RM'000	*RM'000*
		(unaudited)
Bank borrowings	7,334	6,580
Obligations under finance leases	4,893	6,624
	12,227	13,204

As at 30 June 2018 and 2019, the Group had total indebtedness of approximately RM12.2 million and RM13.2 million, respectively. The Group's indebtedness was primarily bank borrowings of approximately RM7.3 million and RM6.6 million as at 30 June 2018 and 2019, respectively.

Key financial ratios

	As at/for the year ended 30 June	
	2018	**2019**
Current ratio (times)	1.8	1.7
Quick ratio (times)	1.8	1.7
Gearing ratio (%)	26.4	19.6
Debt to equity ratio (%)	12.8	1.0
Return on equity (%)	39.5	24.1
Return on total assets (%)	20.5	11.0
Interest coverage (times)	23.0	25.3

Current ratio and quick ratio

The Group's current ratio remained relatively stable at approximately 1.8 times and 1.7 times as at 30 June 2018 and 2019, respectively. The Group had no inventories as at 30 June 2018 and 2019, hence, the quick ratio was the same as that of the current ratio as at the respective date.

Gearing ratio

The Group's gearing ratio decreased from approximately 26.4% as at 30 June 2018 to approximately 19.6% as at 30 June 2019. Such decrease was mainly attributable to the increase in total equity as a result of the increase in net profit during the year ended 30 June 2019.

Debt to equity ratio

As at 30 June 2018 and 2019, the Group recorded debt to equity ratio of approximately 12.8% and 1.0%, respectively. Such decrease was mainly attributable to the increase in cash and cash equivalents to approximately RM12.6 million.

Return on equity

The Group's return on equity ratio decreased from approximately 39.5% for the year ended 30 June 2018 to approximately 24.1% for the year ended 30 June 2019. Such decrease was mainly attributable to the listing expenses of approximately RM8.2 million recognised during the year.

Return on total assets

The return on total assets decreased from approximately 20.5% for the year ended 30 June 2018 to approximately 11.0% for the year ended 30 June 2019. Similar to the return on equity ratio, such decrease was mainly attributable to the listing expenses of approximately RM8.2 million recognised during the year.

Interest coverage

The interest coverage of the Group remained stable at approximately 23.0 times and 25.3 times for the year ended 30 June 2018 and 2019, respectively.

CODE ON CORPORATE GOVERNANCE PRACTICES

Since the Shares were not yet listed on the Stock Exchange during the year ended 30 June 2019, the Corporate Governance Code as set out in Appendix 14 to the Listing Rules was not applicable to the Company during such period under review. After the Listing, the Company will comply with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

QUALITATIVE AND QUANTITATIVE DISCLOSURE ABOUT MARKET RISK

Please refer to the section headed "Business — Risk management" in this prospectus for further information.

REVIEW OF THE PRELIMINARY FINANCIAL INFORMATION

The Group established an Audit Committee in compliance with the Corporate Governance Code. Each of the members of the Audit Committee has reviewed the 2019 Preliminary Financial Information as set out in this appendix.

The figures in respect of the Group's combined statement of financial position as at 30 June 2019, combined statement of profit or loss and other comprehensive income and combined statement of cash flow for the year ended 30 June 2019 and the related notes thereto as set out in the 2019 Preliminary Financial Information above have been agreed to by the Reporting Accountants following their work under Practice Note 730 "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the Hong Kong Institute of Certified Public Accountants, to the amounts set out in the Group's draft combined financial statements for the year. The work performed by the Reporting Accountants in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Reporting Accountants on the 2019 Preliminary Financial Information.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Since the Shares were not yet listed on the Stock Exchange during the year ended 30 June 2019, this disclosure requirement is not applicable to the Company.

The following is the text of letter, summary of valuation and valuation report, prepared for the purpose of incorporation in this prospectus, received from Grant Sherman Appraisal Limited, an independent property valuer, in connection with their valuation as at 30 June 2019 of the property interests held by the Group in Malaysia.

Grant Sherman

Unit 1005, 10/F., Capital Centre,
151 Gloucester Road,
Wanchai, Hong Kong

16 September 2019

The Directors
TBK & Sons Holdings Limited
Lot 333, Kampung Paya, Batu 2
Jalan Seremban
71000 Port Dickson
Negeri Sembilan Darul Khusus
Malaysia

Dear Sirs,

RE: VALUATION OF VARIOUS PROPERTIES IN MALAYSIA

In accordance with your instructions for us to value the property interests exhibited to us as held by TBK & Sons Holdings Limited (the "Company") and its subsidiaries (together referred to as the "Group") in Malaysia, we confirm that we have made relevant enquiries and obtained such further information as we consider necessary of providing you with our opinions of the market value of such property interests as at 30 June 2019 ("the Valuation Date") for the purpose of incorporation into the prospectus issued by the Company (the "Prospectus") on the date hereof.

Our valuation is our opinion of the market value of the property interests where we would define market value as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of a property estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the property Nos. 1 and 14, we have adopted a combination of the market approach and cost approach in assessing the land portion of the properties and the buildings and structures standing on the lands respectively. Hence, the sum of the two results represents the market value of the properties as a whole. The market approach is based on comparing the subject asset with identical or similar assets for which price information is available, such as a comparison with market transactions in the same, or closely similar, type of asset within an appropriate time horizon. The cost approach is based on the economic principle that a purchaser will pay no more for an asset than the cost to obtain one of equal utility whether by purchase or construction.

In valuing the properties nos. 2 to 13 and 15 to 17, we have adopted the market approach. The market approach is based on comparing the subject asset with identical or similar assets for which price information is available, such as a comparison with market transactions in the same, or closely similar, type of asset within an appropriate time horizon.

Our valuation has been made on the assumption that the owner sells the property interests on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the values of the property interests. In addition, no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charge, mortgage or amount owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale. It is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have been provided with copies of extracts of title documents relating to the properties in the Malaysia. However, we have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the property interests, we have relied on the legal opinions ("the Malaysian legal opinions") provided by the Group's Malaysian legal adviser, Ben & Partners.

We have relied to a considerable extent on information provided by the Company and have accepted advice given to us by the Company on such matters as planning approvals or statutory notices, easements, tenure, occupancy, lettings, site and floor areas and in the identification of the properties and other relevant matter. We have no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We have also been advised by the Company that no material facts had been concealed or omitted in the information provided to us and have no reason to suspect that any material information has been withheld. All documents have been used for reference only. We consider that we have been provided with sufficient information to reach an informed view.

All dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us by the Company and are approximations only. No on-site measurement has been taken.

We have inspected the exteriors, and where possible, the interiors of the properties, in the course of our inspection, we did not note any serious defects. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the properties are free from defect though in the course of our inspections we did not note any serious defects. No tests were carried out on any of the services.

We have not carried out investigation to determine the suitability of the ground conditions or the services for any properties developments to be erected thereon. Our valuation is on the basis that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. Moreover, it is assumed that the utilization of the land and improvements will be within the boundaries of the sites held by the owner or permitted to be occupied by the owner. In addition, we assumed that no encroachment or trespass exits, unless noted in the valuation report.

In valuing the property interests, we have fully complied with the RICS Valuation — Global Standards 2017 published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards 2017 published by the Hong Kong Institute of Surveyors; the International Valuation Standards published by the International Valuation Standards Council; and the requirements set out in Chapter 5 of and Practice Note 12 to the Rule Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

Unless otherwise stated, all sums in our valuation are in Malaysian Ringgit (RM). The exchange rate adopted in valuing the property interest in the Malaysia as at the Valuation Date was RM1: HK$ 1.87. There has been no significant fluctuation in the exchange rate for this currency against Hong Kong Dollars between that date and the date of this letter.

We enclose herewith our summary of valuation together with the valuation report.

Respectfully submitted,
For and on behalf of
GRANT SHERMAN APPRAISAL LIMITED

Lawrence Chan Ka Wah
MRICS MHKIS RPS(GP) MCIREA MHIREA
RICS Registered Valuer
Director
Real Estate Group

Note:

Mr. Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong institute of Surveyors, Registered Professional Surveyors in the General Practice Section and a member of China Institute of Real Estate and Agents, who has over 16 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asian Rim.

SUMMARY OF VALUATION

	Property	Market Value in existing state as at 30 June 2019
	Group I — Property interests held by the Group in Malaysia for self-occupation purpose	
1.	Lot 333, Kampung Paya 71000 Port Dickson State of Negeri Sembilan Malaysia	RM4,000,000 (equivalent to approximately HK$7,500,000)
2.	Apartment Unit Classic 1, D7, Block D Sebana Cove, 81620 Pengerang District of Kota Tinggi State of Johor Malaysia	RM800,000 (equivalent to approximately HK$1,500,000)
3.	Apartment Unit Classic 1, E3A, Block E Sebana Cove, 81620 Pengerang Mukim Pengerang District of Kota Tinggi State of Johor Malaysia	RM645,000 (equivalent to approximately HK$1,200,000)
4.	Title No. GRN 509784, Lot 205181 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	RM3,860,000 (equivalent to approximately HK$7,200,000)
5.	Title No. GRN 509783, Lot 205180 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	RM2,000,000 (equivalent to approximately HK$3,700,000)
6.	Title No. GRN 509782, Lot 205179 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	RM1,520,000 (equivalent to approximately HK$2,800,000)

	Property	Market Value in existing state as at 30 June 2019
7.	Title No. GRN 509781, Lot 205178 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	RM1,500,000 (equivalent to approximately HK$2,800,000)
8.	No. 2, Jalan Sebana 1/6 Sebana Cove, 81600 Pengerang Mukim Pengerang District of Kota Tinggi State of Johor Malaysia	RM1,800,000 (equivalent to approximately HK$3,400,000)
9.	Title No. GRN 62945 for Lot 159 Town of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	RM1,300,000 (equivalent to approximately HK$2,400,000)
10.	Title No. GRN 63062 for Lot 158 Town of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	RM770,000 (equivalent to approximately HK$1,400,000)
11.	Title No. GM 1964, Lot No. 12282 Mukim Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	RM1,000,000 (equivalent to approximately HK$1,900,000)
12.	Title No. GRN 63806, Lot No. 1183 Pekan Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	RM1,300,000 (equivalent to approximately HK$2,400,000)
13.	Title No. GRN 238131, Lot No. 13324 Pekan Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	RM1,500,000 (equivalent to approximately HK$2,800,000)

	Property	Market Value in existing state as at 30 June 2019
14.	No. 1, Jalan Siakap 3, Taman Pasir Putih, 81700 Pasir Gudang, Mukim of Plentong District of Johor Bahru State of Johor Malaysia	RM750,000 (equivalent to approximately HK$1,400,000)
15.	No. E-33-3A, Dataran 3 Two Square No. 2, Jalan 19/1, 46300 Pertaling Jaya District of Petaling State of Selangor Malaysia	RM1,200,000 (equivalent to approximately HK$2,200,000)
16.	Title No. PN 42976, Lot No. 5713 (formerly HSD 107784, Lot No. PT 181) Pekan Panchor District of Seremban State of Negeri Sembilan Malaysia	RM1,200,000 (equivalent to approximately HK$2,200,000)
17.	Title No. GM 1475, Lot No. 9270 Mukim of Si Rusa District of Port Dickson State of Negeri Sembilan Malaysia	RM2,200,000 (equivalent to approximately HK$4,100,000)
18.	Title No. GRN 21093, Lot No. 4769 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	RM2,400,000 (equivalent to approximately HK$4,500,000)

	Property		Market Value in existing state as at 30 June 2019
19.	Title No. GRN 21092, Lot No. 4768 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia		RM3,200,000 (equivalent to approximately HK$6,000,000)
		Total	**RM32,945,000 (equivalent to approximately HK$61,400,000)**

VALUATION REPORT

Group I — Property interests held by the Group in Malaysia for self-occupation purpose

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
1.	Lot 333, Kampung Paya 71000 Port Dickson State of Negeri Sembilan Malaysia	The property comprises a parcel of land with 10 single-storey industrial and ancillary buildings and structures completed in 1980s erected thereon. The property has a site area and total gross floor area of approximately 12,539 sq.m. and 3,250.2 sq.m. respectively. The property is held on freehold basis for industrial use. The annual rent is RM7,900.	The property was owner-occupied for industrial, office and ancillary uses as at the Valuation Date.	RM4,000,000 (equivalent to approximately HK$7,500,000)

Notes:

1. According to information extracted from the Port Dickson Lands Office in Port Dickson, Negeri Sembilan on 14 November 2018 (the ''Land Title Search''), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is charged to United Overseas Bank (Malaysia) Bhd. on 13 August 2018.

3. According to the Land Title Search, the property is zoned for industrial use.

4. According to information provided by the Company, the application for the Certificate of Completion and Compliance (CCC) for the buildings of the property is ongoing. The property was granted with a Temporary Building Permit for a term commenced on 1 January 2018 and expiring on 31 December.

5. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) inspected the property on 10 October 2018, the external and internal conditions of the property were reasonable.

6. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

7. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

8. The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RM150 per sq.m. to RM180 per sq.m.

9. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
2.	Apartment Unit Classic 1, D7, Block D Sebana Cove, 81620 Pengerang District of Kota Tinggi State of Johor Malaysia	The property comprises an apartment unit on ground floor of a 2-storey residential building together with a car parking space and a marina berth completed in early 2000s. The property has a total internal floor area of approximately 181 sq.m., exclusive of ancillary areas as follows: **Ancillary accommodation** — **Area** *(sq.m.)* Car parking bay — 14 Yard — 13 Storeroom — 2 Terrace — 78 A/C Ledges — 2 The property is held on freehold basis for building use.	The property was owner-occupied as management quarter as at the Valuation Date.	RM800,000 (equivalent to approximately HK$1,500,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 14 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is charged to Public Bank Berhad, since 15 June 2015.

3. According to the Land Title Search, the property is zoned for apartment use.

4. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the external and internal conditions of the property were reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Mukim Pengerang, buildings in the locality are mainly low to medium-rise residential and resort hotel buildings. Johor Bahru downtown and Senai International Airport are both about 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of apartments in the locality as at the Valuation Date is in the range of RM400 per sq.m. to RM500 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the title of the property shall not be sold or transferred in any way to foreigners/foreign company without state consent. However there are no foreseeable legal impediments to obtain such approval;

   (c) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
3.	Apartment Unit Classic 1, E3A, Block E Sebana Cove, 81620 Pengerang Mukim Pengerang District of Kota Tinggi State of Johor Malaysia	The property comprises an apartment unit on 1st floor of a 2-storey residential building together with a car parking space and a marina berth completed in early 2000s. The property has a total internal floor area of approximately 130 sq.m., exclusive of ancillary areas as follows: **Ancillary accommodation** — **Area** *(sq.m.)* Car parking bay — 14 Storage area — 2 The property is held on freehold basis for building use.	The property was owner occupied as management quarter as at the Valuation Date.	RM645,000 (equivalent to approximately HK$1,200,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 14 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is zoned for apartment use.

3. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the external and internal conditions of the property were reasonable.

4. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

5. The property is situated at Mukim Pengerang, buildings in the locality are mainly low to medium-rise residential and resort hotel buildings. Johor Bahru downtown and Senai International Airport are both about 1-hour driving distance from the property. Taxis and buses are accessible to the property.

6. The average unit rate of apartments in the locality as at the Valuation Date is in the range of RM400 per sq.m. to RM500 per sq.m.

7. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the strata title of the property shall not be sold or transferred in any way to foreigners/foreign company without state consent. However there are no foreseeable legal impediments to obtain such approval;

   (c) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
4.	Title No. GRN 509784, Lot 205181 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	The property comprises a parcel of land with a site area of approximately 5,277 sq.m. The property is held on freehold basis for industrial use. The annual rent is RM1,600.	The property was owner-occupied for open storage use as at the Valuation Date.	RM3,860,000 (equivalent to approximately HK$7,200,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 14 November 2018 (the ''Land Title Search''), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is charged to CIMB Bank Berhad, since 22 December 2015.

3. According to the Land Title Search, the property is zoned for light industrial use.

4. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the condition of the property was reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Mukim Plentong, buildings in the locality are mainly low to medium-rise industrial and warehouse buildings. Johor Bahru downtown and Senai International Airport are about 30-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RM450 per sq.m. to RM850 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
5.	Title No. GRN 509783, Lot 205180 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	The property comprises a parcel of land with a site area of approximately 2,710 sq.m. The property is held on freehold basis for industrial use. The annual rent is RM1,200.	The property was owner-occupied for open storage use as at the Valuation Date.	RM2,000,000 (equivalent to approximately HK$3,700,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 14 November 2018 (the ''Land Title Search''), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is charged to CIMB Bank Berhad, since 22 December 2015.

3. According to the Land Title Search, the property is zoned for light industrial use.

4. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the condition of the property was reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Mukim Plentong, buildings in the locality are mainly low to medium-rise industrial and warehouse buildings. Johor Bahru downtown and Senai International Airport are about 30-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RM450 per sq.m. to RM850 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
6.	Title No. GRN 509782, Lot 205179 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	The property comprises a parcel of land with a site area of approximately 2,070 sq.m. The property is held on freehold basis for industrial use. The annual rent is RM1,200.	The property was owner-occupied for open storage use as at the Valuation Date.	RM1,520,000 (equivalent to approximately HK$2,800,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 14 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is charged to CIMB Bank Berhad, since 22 December 2015.

3. According to the Land Title Search, the property is zoned for light industrial use.

4. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the condition of the property was reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Mukim Plentong, buildings in the locality are mainly low to medium-rise industrial and warehouse buildings. Johor Bahru downtown and Senai International Airport are about 30-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RM450 per sq.m. to RM850 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
7.	Title No. GRN 509781, Lot 205178 Mukim of Plentong District of Johor Bahru State of Johor Malaysia	The property comprises a parcel of land with a site area of approximately 2,044 sq.m. The property is held on freehold basis for industrial use. The annual rent is RM1,200.	The property was owner-occupied for open storage use as at the Valuation Date.	RM1,500,000 (equivalent to approximately HK$2,800,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 14 November 2018 (the ''Land Title Search''), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is charged to CIMB Bank Berhad, since 22 December 2015.

3. According to the Land Title Search, the property is zoned for light industrial use.

4. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the condition of the property was reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Mukim Plentong, buildings in the locality are mainly low to medium-rise industrial and warehouse buildings. Johor Bahru downtown and Senai International Airport are about 30-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RM450 per sq.m. to RM850 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
8.	No. 2, Jalan Sebana 1/6 Sebana Cove, 81600 Pengerang District of Kota Tinggi State of Johor Malaysia	The property comprises a parcel of land together with a 2-storey detached villa completed in 2016 erected thereon. The total site area and gross floor area of the property are approximately 1,030 sq., m. and 293.2 sq.m. (exclusive of carporch, walkway, deck, verandah, yard and balcony with a total area of approximately 159.98 sq.m.) respectively. The property is held for a term of 99 years expiring on 11 June 2115 for building use. The annual rent is RM110.	The property was vacant as at the Valuation Date.	RM1,800,000 (equivalent to approximately HK$3,400,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 19 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd..

2. According to the Land Title Search, the property is charged to CIMB Bank Berhad on 30 August 2016.

3. According to the Land Title Search, the property is zoned for residential use.

4. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the external and internal conditions of the property were reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Mukim Pengerang, buildings in the locality are mainly low to medium-rise residential and resort hotel buildings. Johor Bahru downtown and Senai International Airport are both about 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of detached villas in the locality as at the Valuation Date is in the range of RM900 per sq.m. to RM1,100 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) The title of the property shall not be sold or transferred in any way to foreigners/foreign company without state consent. However there are no foreseeable legal impediments to obtain such approval;

   (c) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
9.	Title No. GRN 62945 for Lot 159 Town of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	The property comprises a parcel of land with a site area of approximately 0.3012 hectare (equivalent to approximately 3,012 sq.m.). The property is held on freehold basis. The annual rent is RM1,085.	The property was a clear site as at the Valuation Date.	RM1,300,000 (equivalent to approximately HK$2,400,000)

Notes:

1. According to information extracted from the State Registry of Land Titles Office in Seremban, Negeri Sembilan on 15 November 2018 (the ''Land Title Search''), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd..

2. According to the information from Negeri Sembilan Town and Country Planning Department, the property is zoned for commercial use.

3. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) inspected the property on 10 October 2018, the condition of the property was reasonable.

4. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

5. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

6. The average unit rate of commercial land parcels in the locality as at the Valuation Date is in the range of RM300 per sq.m. to RM500 per sq.m.

7. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

    (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

    (b) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
10.	Title No. GRN 62945 for Lot 159 Town of Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	The property comprises a parcel of land with a site area of approximately 0.1795 hectare (equivalent to approximately 1,795 sq.m.). The property is held on freehold basis. The annual rent is RM1,133.	The property was a clear site as at the Valuation Date.	RM770,000 (equivalent to approximately HK$1,400,000)

Notes:

1. According to information extracted from the State Registry of Land Titles Office in Seremban, Negeri Sembilan on 15 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd..

2. According to the information from Negeri Sembilan Town and Country Planning Department, the property is zoned for commercial use.

3. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) inspected the property on 10 October 2018, the condition of the property was reasonable.

4. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

5. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

6. The average unit rate of commercial land parcels in the locality as at the Valuation Date is in the range of RM300 per sq.m. to RM500 per sq.m.

7. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
11.	Title No. GM 1964, Lot No. 12282 Mukim Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	The property comprises a parcel of land with a site area of approximately 0.6885 hectare (equivalent to approximately 6,885 sq.m.). The property is held on freehold basis. The annual rent is RM49.	The property was vacant as at the Valuation Date.	RM1,000,000 (equivalent to approximately HK$1,900,000)

Notes:

1. According to information extracted from the Port Dickson Land Office in Port Dickson, Negeri Sembilan on 14 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd..

2. According to the information from Negeri Sembilan Town and Country Planning Department, the property is zoned for industrial use.

3. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) has inspected the property on 10 October 2018, the condition of the property was reasonable.

4. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

5. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

6. The average unit rate of industrial land parcels in the locality as at the Valuation Date is in the range of RM150 per sq.m. to RM180 per sq.m.

7. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
12.	Lot 1183, Geran 63806 Pekan Port Dickson Daerah Port Dickson State of Negeri Sembilan Malaysia	The property comprises a parcel of land with a site area of approximately 0.8094 hectare (equivalent to approximately 8,094 sq.m.). The property is held on freehold basis for agricultural use. The annual rent is RM47.	The property was vacant as at the Valuation Date.	RM1,300,000 (equivalent to approximately HK$2,400,000)

Notes:

1. According to information extracted from the Port Dickson Land Office in Port Dickson, Negeri Sembilan on 13 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd..

2. According to the information from Negeri Sembilan Town and Country Planning Department, the property is zoned for industrial use.

3. Our Mr. Cris Chan (BSc.) inspected the property on 15 November 2018, the condition of the property was reasonable.

4. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

5. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

6. The average unit rate of agricultural land parcels in the locality as at the Valuation Date is in the range of RM150 per sq.m. to RM180 per sq.m.

7. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
13.	Title No. GRN 238131, Lot No. 13324 Pekan Port Dickson District of Port Dickson State of Negeri Sembilan Malaysia	The property comprises a parcel of land with a site area of approximately 0.8288 hectare (equivalent to approximately 8,288 sq.m.). The property is held on freehold basis. The annual rent is RM49.	The property was vacant as at the Valuation Date.	RM1,500,000 (equivalent to approximately HK$2,800,000)

Notes:

1. According to information extracted from the State Registry of Land Titles Office in Seremban, Negeri Sembilan on 11 December 2018 (the ''Land Title Search''), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd..

2. According to the information from Negeri Sembilan Town and Country Planning Department, the property is zoned for residential use.

3. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) has inspected the property on 10 October 2018, the condition of the property was reasonable.

4. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

5. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

6. The average unit rate of residential land parcels in the locality as at the Valuation Date is in the range of RM200 per sq.m. to RM300 per sq.m.

7. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
14.	No. 1, Jalan Siakap 3, Taman Pasir Putih, 81700 Pasir Gudang, Mukim of Plentong District of Johor Bahru State of Johor Malaysia	The property comprises a parcel of land together with a 2-storey terrace shophouse erected thereon. The property has a site area and total gross floor area of approximately 377 sq.m. and 430.33 sq.m. (exclusive of footway, terrace, balcony and dry yard of approximately 140.19 sq.m.). The property is held on freehold basis for building use. The annual rent is RM476.	The property was vacant as at the Valuation Date.	RM750,000 (equivalent to approximately HK$1,400,000)

Notes:

1. According to information extracted from the Registry of Land and Mines, Johor on 14 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the title document, the property is designated for commercial use.

3. Our Mr. Lawrence Chan (MRICS MHKIS RPS(GP) MCIREA MHIREA RICS Registered Valuer) and Mr. Cris Chan (BSc.) inspected the property on 14 November 2018, the external and internal conditions of the property were reasonable.

4. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

5. The property is situated at Mukim of Plentong, buildings in the locality are mainly low to medium-rise residential and resort hotel buildings. Johor Bahru downtown and Senai International Airport are about 30-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

6. The average unit rate of commercial land parcels in the locality as at the Valuation Date is in the range of RM1,000 per sq.m. to RM1,800 per sq.m.

7. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the title of the property shall not be sold or transferred in any way to foreigners/foreign company without state consent. However there are no foreseeable legal impediments to obtain such consent;

   (c) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
15.	No. E-33-3A, Dataran 3 Two Square No. 2, Jalan 19/1, 46300 Pertaling Jaya District of Petaling State of Selangor Malaysia	The property comprises one of the office units on 4th Floor of a 6-storey (exclusive of a 2-storey basement carpark) commercial building completed in 2007. The property has an internal floor area of approximately 250 sq.m. (equivalent to approximately 2,691 sq.ft.). The property is held for a term of 99 years expiring on 6 September 2106 for business use. The annual parcel rent is RM827.	The property was vacant as at the Valuation Date.	RM1,200,000 (equivalent to approximately HK$2,200,000)

Notes:

1. According to information extracted from the Registry of Land Titles in Shah Alam, Selangor Darul Ehsan on 8 November 2018 (the "Land Title Search"), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the property is charged to Public Bank Berhad, since 25 November 2010.

3. According to the Land Title Search, the property is zoned for commercial use.

4. Our Mr. Cris Chan (BSc.) has inspected the property on 23 November 2018, the external and internal condition of the property was reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Pertaling Jaya, buildings in the locality are mainly medium to high-rise residential and commercial buildings. Kuala Lumpur downtown and Kuala Lumpur International Airport are about 30-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of office units in the locality as at the Valuation Date is in the range of RM4,000 per sq.m. to RM6,000 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the strata title of the property may be transferred, leased or mortgaged after obtaining the permission of the State Authority. However there are no foreseeable legal impediments to obtain such permission;

   (c) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
16.	Title No. PN 42976, Lot No. 5713 (formerly HSD 107784, Lot No. PT 181) Pekan Panchor District of Seremban State of Negeri Sembilan Malaysia	The property comprises a parcel of land with a site area of approximately 4,292 sq.m. The property is held for a term of 99 years expiring on 19 January 2096 for industrial use. The annual rent is RM2,704.	The property was vacant as at the Valuation Date.	RM1,200,000 (equivalent to approximately HK$2,200,000)

Notes:

1. According to information extracted from the Port Dickson Land Office in Port Dickson, Negeri Sembilan on 15 November 2018 (the "Land Title Search"), the registered proprietor of the property is Prestasi Senadi Sdn. Bhd..

2. According to the Land Title Search, the property is charged to Public Bank Berhad, since 11 September 2000.

3. According to the Land Title Search, the property is designated for industrial use.

4. Our Mr. Cris Chan (BSc.) inspected the property on 22 November 2018, the condition of the property was reasonable.

5. According to information provided by the Company, Prestasi Senadi Sdn. Bhd. is a company incorporated in Malaysia on 4 Jan 1993 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Pekan Panchor, buildings in the locality are mainly low to medium-rise residential and industrial developments. Seremban downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of industrial land parcel in the locality as at the Valuation Date is in the range of RM250 per sq.m. to RM300 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Prestasi Senadi Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the title of the property may be transferred, leased or mortgaged after obtaining the permission of the State Authority. However there are no foreseeable legal impediments to obtain such permission;

   (c) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
17.	Title No. GM 1475, Lot No. 9270 Mukim Si Rusa District of Port Dickson State of Negeri Sembilan Malaysia	The property comprises a parcel of land with a site area of approximately 1.424 hectares (equivalent to approximately 14,240 sq.m.). The property is held on freehold basis for agricultural use. The annual rent is RM63.	The property was partially vacant and partially occupied for residential use as at the Valuation Date.	RM2,200,000 (equivalent to approximately HK$4,100,000)

Notes:

1. According to information extracted from the State Registry of Land Titles Office in Seremban, Negeri Sembilan on 15 November 2018 (the ''Land Title Search''), the registered proprietor of the property is Tan Bock Kwee & Sons Sdn. Bhd..

2. According to the Land Title Search, the property is charged to Malayan Banking Berhad, since 15 August 2016.

3. According to the information from Negeri Sembilan Town and Country Planning Department, the property is zoned for residential use.

4. Our Mr. Cris Chan (BSc.) inspected the property on 15 November 2018, the condition of the property was reasonable.

5. Portion of the property is occupied with various residential and ancillary buildings erected thereon. In our valuation, we have not taken into account the value of the buildings.

6. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

7. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

8. The average unit rate of agricultural land parcel in the locality as at the Valuation Date is in the range of RM150 per sq.m. to RM300 per sq.m.

9. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) The property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
18.	Title No. GRN 21093 Lot No. 4769 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan	The Property comprises a parcel of land with a site area of approximately 4.277 hectares (equivalent to approximately 42,770 sq.m.). The Property is held on freehold basis for agricultural use. The annual rent is RM228.	The Property was vacant as at the Valuation Date.	RM2,400,000 (equivalent to approximately HK$4,500,000)

Notes:

1. According to information extracted from the State Registry of Land Titles Office in Seremban, Negeri Sembilan on 15 November 2018 (the ''Land Title Search''), the registered proprietor of the Property is Tan Bock Kwee & Sons Sdn. Bhd.

2. According to the Land Title Search, the Property is charged to Public Bank Berhad, since 4 April 2000.

3. According to the Land Title Search, the property is zoned for agricultural use.

4. Our Mr. Cris Chan (BSc.) inspected the property on 22 November 2018, the condition of the property was reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of agricultural land parcels in the locality as at the Valuation Date is in the range of RM50 per sq.m. to RM90 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

VALUATION REPORT

	Property	Description and Tenure	Particulars of occupancy	Market Value in existing state as at 30 June 2019
19.	Title No. GRN 21092 Lot No. 4768 Mukim of Port Dickson District of Port Dickson State of Negeri Sembilan	The Property comprises a parcel of land with a site area of approximately 5.877 hectares (equivalent to approximately 58,770 sq.m.). The Property is held on freehold basis for agricultural use. The annual rent is RM313.	The Property was vacant as at the Valuation Date.	RM3,200,000

Notes:

1. According to information extracted from the State Registry of Land Titles Office in Seremban, Negeri Sembilan on 15 November 2018 (the ''Land Title Search''), the registered proprietor of the Property is Prestasi Senadi Sdn. Bhd.

2. According to the Land Title Search, the Property is charged to Public Bank Berhad, since 2 October 2007.

3. According to the Land Title Search, the property is zoned for agricultural use.

4. Our Mr. Cris Chan (BSc.) inspected the property on 22 November 2018, the condition of the property was reasonable.

5. According to information provided by the Company, Tan Bock Kwee & Sons Sdn. Bhd. is a company incorporated in Malaysia on 22 May 1975 and an indirect wholly-owned subsidiary of the Company after the reorganisation and upon listing.

6. The property is situated at Port Dickson, buildings in the locality are mainly low to medium-rise residential and commercial developments. Port Dickson downtown and Kuala Lumpur International Airport are about 15-minute and 1-hour driving distance from the property. Taxis and buses are accessible to the property.

7. The average unit rate of agricultural land parcels in the locality as at the Valuation Date is in the range of RM50 per sq.m. to RM90 per sq.m.

8. We have been provided with a legal opinion on the property prepared by the Group's Malaysian legal adviser, Ben & Partners, which contains, inter alia, the following information:

   (a) Tan Bock Kwee & Sons Sdn. Bhd. is the registered owner of the property and is entitled to transfer, use, lease and mortgage the property;

   (b) the property is free from any mortgage, charge, pledge, lien, option, restriction, building orders and other encumbrance.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 November 2018 under the Companies Law. The Company's constitutional documents consist of its Memorandum of Association and its Articles of Association.

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum states, inter alia, that the liability of members of the Company is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Law and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 5 September 2019 with effect from the Listing Date. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy (whatever the number of shares held by them) shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may by ordinary resolution of its members:

(i) increase its share capital by the creation of new shares;

(ii) consolidate all or any of its capital into shares of larger amount than its existing shares;

(iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

(iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or

(v) cancel any shares which, at the date of passing of the resolution, have not been taken and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) Transfer of shares

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares. The register of members in respect of its listed shares (whether the principal register or a branch register) may be kept by recording the particulars required by section 40 of the Companies Law in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the rules and regulations of the Stock Exchange that are or shall be applicable to such listed shares.

The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members in respect of that share.

The board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the board may determine. The register of members must not be closed for periods exceeding in the whole thirty (30) days in any year.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) Power of the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own shares subject to certain restrictions and the board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange.

Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender must be limited to a maximum price determined by the Company in general meeting. If purchases are by tender, tenders must be made available to all members alike.

The board may accept the surrender for no consideration of any fully paid share.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or installment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent (20%) per annum as the board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and members of the Company may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

(aa) he resigns by notice in writing delivered to the Company;

(bb) he becomes of unsound mind or dies;

(cc) without special leave, he is absent from meetings of the board for six (6) consecutive months, and the board resolves that his office is vacated;

(dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;

(ee) he is prohibited from being a director by law; or (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

The board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of the Stock Exchange and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the members in general meeting.

(vi) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and upon such terms as the board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) any contract or arrangement for giving to such Director or his close associate(s) any security or indemnity in respect of money lent by him or any of his close associates or obligations incurred or undertaken by him or any of his close associates at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; or

(ee) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(c) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company's name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of members

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

Under the Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given in accordance with the Articles.

(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, where a show of hands is allowed, the right to vote individually on a show of hands.

Where the Company has any knowledge that any shareholder is, under the rules of the Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company every year within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of not more than eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of the Stock Exchange.

Extraordinary general meetings may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the board shall be reimbursed to the requisitionist(s) by the Company.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days. All other general meetings must be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in the case of special business, the general nature of that business.

In addition, notice of every general meeting must be given to all members of the Company other than to such members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to, among others, the auditors for the time being of the Company.

Any notice to be given to or by any person pursuant to the Articles may be served on or delivered to any member of the Company personally, by post to such member's registered address or by advertisement in newspapers in accordance with the requirements of the Stock Exchange. Subject to compliance with Cayman Islands law and the rules of the Stock Exchange, notice may also be served or delivered by the Company to any member by electronic means.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

(aa) the declaration and sanctioning of dividends;

(bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;

(cc) the election of directors in place of those retiring;

(dd) the appointment of auditors and other officers; and

(ee) the fixing of the remuneration of the directors and of the auditors.

(v) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vi) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(f) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the rules of the Stock Exchange, the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the members may, at any general meeting, by special resolution remove the auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another auditor for the remainder of his term. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor must be submitted to the members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit.

The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the register and branch register of members shall be open to inspection for at least two (2) hours during business hours by members without charge, or by any other person upon a maximum payment of HK$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK$1.00 or such lesser sum specified by the board, at the office where the branch register of members is kept, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Law and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company's operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Law provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands (the "**Court**"), a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Law expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the register of members as holding those shares, however, notwithstanding the foregoing, the company is not be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company's articles of association or the Companies Law.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made to the company, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company's affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company's capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

(g) Disposal of assets

The Companies Law contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Law of the Cayman Islands, the Company has obtained an undertaking:

(1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and

(2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 15 November 2018.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Law prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

Members of the Company have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by section 40 of the Companies Law. A branch register must be kept in the same manner in which a principal register is by the Companies Law required or permitted to be kept. The company shall cause to be kept at the place where the company's principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to maintain a beneficial ownership register at its registered office that records details of the persons who ultimately own or control, directly or indirectly, more than 25% of the equity interests or voting rights of the company or have rights to appoint or remove a majority of the directors of the company. The beneficial ownership register is not a public document and is only accessible by a designated competent authority of the Cayman Islands. Such requirement does not, however, apply to an exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange. Accordingly, for so long as the shares of the Company are listed on the Stock Exchange, the Company is not required to maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company's affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts as they fall due. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days' notice to each contributory in any manner authorised by the company's articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by a majority in number representing seventy-five per cent (75%) in value of shareholders or class of shareholders or creditors, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, within four (4) months of the offer, the holders of not less than ninety per cent (90%) of the shares which are the subject of the offer accept, the offeror may at any time within two (2) months after the expiration of the said four (4) months, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Law, 2018 of the Cayman Islands ("ES Law") that came into force on 1 January 2019, a "relevant entity" is required to satisfy the economic substance test set out in the ES Law. A "relevant entity" includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Law.

4. GENERAL

Conyers Dill & Pearman, the Company's special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Law, is available for inspection as referred to in the paragraph headed "Documents available for inspection" in Appendix VII to this prospectus. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

FURTHER INFORMATION ABOUT THE GROUP

1. Incorporation

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 November 2018. It has established its principal place of business in Hong Kong at Room 5705, 57th Floor, The Center, 99 Queen's Road Central, Hong Kong and been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 20 December 2018, with Robertsons being appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company was incorporated in the Cayman Islands, its operation is subject to the Companies Law and its constitution comprising the Memorandum and the Articles. A summary of certain provisions of the Memorandum and Articles of the Company and relevant aspects of the Companies Law are set out in Appendix V to this prospectus.

2. Changes in the share capital of the Company

The authorised share capital of the Company as at the date of its incorporation was HK$380,000 divided into 38,000,000 Shares of HK$0.01 each. Upon its incorporation, one Share was allotted and issued, to its initial subscriber credited as fully paid. On the same day, the said one Share was transferred to TBKS International.

On 5 September 2019, TBKS International and the Pre-IPO Investor transferred their entire shareholding interest in TBKS Investments to the Company in consideration of the Company allotting and issuing 79 shares and 20 shares to TBKS International and the Pre-IPO Investor respectively, credited as fully paid.

On 5 September 2019, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 Shares of HK$0.01 each to HK$100,000,000 divided into 10,000,000,000 Shares of HK$0.01 each by creation of an additional 9,962,000,000 Shares of HK$0.01 each which rank pari passu in all respect with the existing Shares.

Save as disclosed in this appendix and in the section headed "History, development and Reorganisation" of this prospectus, there has been no alteration in the share capital of the Company within the two years immediately preceding the date of this prospectus.

3. Changes in the share capital of the Company's subsidiaries

Our subsidiaries are set out in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in the section headed "History, development and Reorganisation" of this prospectus, there has been no alteration in the share capital of the Company's subsidiaries within the two years immediately preceding the date of this prospectus.

4. Written resolutions of all the Shareholders passed on 5 September 2019

By written resolutions of all the Shareholders passed on 5 September 2019, among other things:

(a) the Company approved and adopted the Memorandum with immediate effect and conditionally approved and adopted the Articles with effect from the Listing Date;

(b) the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 Shares to HK$100,000,000 divided into 10,000,000,000 Shares by the creation of additional 9,962,000,000 Shares, which rank pari passu in all respects with the Shares in issue as at the date of such resolutions;

(c) conditional on (aa) the granting of approval by the Listing Committee for the listing of, and permission to deal in, on the Main Board, the Shares in issue and to be issued as mentioned in this prospectus including, the Offer Shares, the Shares to be allotted pursuant to the Capitalisation Issue, the Shares which may be allotted and issued pursuant to the exercise of options to be granted under the Share Option Scheme and such listing and permission not subsequently being revoked prior to the commencement of dealings in the Shares on the Stock Exchange; (bb) the Offer Price having been duly determined and the execution of the Price Determination Agreement on or around the Price Determination Date; (cc) the execution and delivery of the Placing Underwriting Agreement on or around the Price Determination Date; and (dd) the obligations of the Underwriters under the Underwriting Agreements having become unconditional (including, if relevant, as a result of a waiver of any condition(s)) and such obligations not having been terminated in accordance with the respective terms of the Underwriting Agreements, in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date falling 30 days after the date of this prospectus:

(i) the Share Offer was approved and the Directors were authorised to (aa) allot and issue the Offer Shares pursuant to the Share Offer; (bb) implement the Share Offer and the listing of Shares on the Stock Exchange; and (cc) do all things and execute all documents in connection with or incidental to the Share Offer and the Listing with such amendments or modifications (if any) as the Directors may consider necessary and/or appropriate;

(ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed "Further information about the Directors and substantial Shareholders — 13. Share Option Scheme" in this appendix, were approved and adopted (subject to such notification as may be approved by the Directors or a duly authorised committee thereof) and the Directors were authorised to approve any amendment(s) to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the Share Option Scheme;

(iii) conditional on the share premium account of the Company being credited as a result of the Share Offer, the Directors were authorised to capitalise HK$7,499,999 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 749,999,900 new Shares for allotment and issue to holders of Shares whose names appear on the register of members of the Company at the close of business on 5 September 2019 in proportion (as near as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their then existing respective shareholdings in the Company and so that the Shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the then existing issued Shares and the Directors were authorised to give effect to such capitalisation;

(iv) a general unconditional mandate was given to the Directors to exercise all powers of the Company to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment and issue of Shares in lieu of the whole or in part of any cash dividend on Shares in accordance with the Articles, or upon the exercise of any option(s) which may be granted under the Share Option Scheme or under the Share Offer or the Capitalisation Issue, Shares with an aggregate nominal value not exceeding the sum of (aa) 20% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Share Offer and the Capitalisation Issue (but excluding any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme); and (bb) the aggregate nominal value of the share capital of the Company which may be purchased by Company pursuant to the authority granted to the Directors as referred to in subparagraph (v) below, until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles or any other applicable laws of the Cayman Islands to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying or renewing the authority given to the Directors, whichever occurs first;

(v) a general unconditional mandate was given to the Directors to exercise all powers of the Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws or the requirements of the Listing Rules or equivalent rules or regulations of such other stock exchange, such number of Shares as will represent up to 10% of the aggregate of the nominal value of the share capital of the Company in issue immediately following completion of the Share Offer and the Capitalisation Issue (but excluding any Shares which may be allotted and issued pursuant to the exercise of option(s) which may be granted under the Share Option Scheme), until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles or any other applicable laws of the Cayman Islands to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying or renewing the authority given to the Directors, whichever occurs first; and

(vi) the general unconditional mandate mentioned in sub-paragraph (iv) above was extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the mandate to repurchase Shares as referred to in sub-paragraph (v) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of the Company in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme.

5. Reorganisation

The companies comprising the Group underwent the Reorganisation in preparation for the Listing. For details, please refer to the section headed "History, development and Reorganisation — Reorganisation" of this prospectus.

6. Repurchase by the Company of its own securities

This appendix includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by the Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below.

(i) Shareholders' approval

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions of all the Shareholders passed on 5 September 2019, a general unconditional mandate (the "**Repurchase Mandate**") was granted to the Directors authorising the repurchase on the Stock Exchange, or any other stock exchange on which the Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, Shares representing up to 10% of the total nominal amount of the Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding the Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, and the Repurchase Mandate shall remain in effect until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles or any other applicable laws of the Cayman Islands to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first.

(ii) Source of funds

Repurchases of the Shares must be funded out of funds legally available for the purpose in accordance with the Articles and the Companies Law. A listed company may not buy-back its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Any repurchase(s) of the Shares by the Company may be made out of profits, share premium or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Companies Law, out of capital and, in the case of any premium payable on the buy-back, out of profits of the Company or out of the Company's share premium account before or at the time the Shares are bought back or, subject to the Companies Law, out of capital.

(iii) Connected parties

The Listing Rules prohibit the Company from knowingly repurchasing the Shares on the Stock Exchange from a core connected person (as defined in the Listing Rules), which includes a Director, chief executive or substantial Shareholder of the Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to the Company.

(b) Reasons for repurchases

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole for the Directors to have a general authority from its Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the Company's net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

(c) Funding of repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands.

The Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Group which, in the opinion of the Directors, are from time to time appropriate for the Group.

The exercise in full of the Repurchase Mandate, on the basis of 1,000,000,000 Shares in issue immediately after the Listing, would result in up to 100,000,000 Shares being bought back by the Company during the period in which the Repurchase Mandate remains in force.

(d) General

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Share(s) to the Company or the Company's subsidiaries.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, the Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No core connected person of the Company has notified the Group that he/she/it has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

FURTHER INFORMATION ABOUT THE BUSINESS OF THE GROUP

7. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years preceding the date of this prospectus and are or may be material:

(a) the subscription agreement dated 12 September 2018 entered into among Mr. HT Tan, Mr. HP Tan, TBKS Investments and the Pre-IPO Investor (as supplemented by a deed dated 5 December 2018) in relation to the subscription of 20 shares in TBKS Investments by the Pre-IPO Investor for an aggregate consideration of HK$25,000,000;

(b) the subscription agreement dated 12 September 2018 entered into among TBKS Investments and TBKS International in relation to the subscription of 78 shares in TBKS Investments by TBKS International in consideration of TBKS International issuing a promissory note to procure the transfer of the entire issued share capital of TBK to TBKS Investments;

(c) the sale and purchase agreement dated 7 December 2018 entered into among Mr. HT Tan, Mr. HP Tan and TBKS Investments relating to the transfer of the entire shareholding interest in TBK from Mr. HT Tan and Mr. HP Tan to TBKS Investments' nominee, TBKS Holding, in consideration of TBKS Investments allotting and issuing one share to TBKS International as joint nominee of Mr. HT Tan and Mr. HP Tan;

(d) the sale and purchase agreement dated 5 September 2019 entered into among the Company, TBKS International and the Pre-IPO Investor relating to the transfer of the entire shareholding interest in TBKS Investments from TBKS International and the Pre-IPO Investor to the Company in consideration of the Company allotting and issuing 79 Shares and 20 Shares to TBKS International and the Pre-IPO Investor respectively, credited as fully paid; and crediting as fully paid the initial Share held by TBKS International;

(e) the Deed of Indemnity; and

(f) the Public Offer Underwriting Agreement.

8. Intellectual property rights of the Group

(a) Trademarks

As at the Latest Practicable Date, the Group has registered the following trademark:

Trademark	Registered owner	Place of registration	Classes	Registration number	Expiry date
	TBK	Hong Kong	35, 37, 42	304752847	29 November 2028

As at the Latest Practicable Date, the Group had applied for registration of the following trademark:

Trademark	Applicant	Place of application	Classes	Application number	Application date
	TBK	Malaysia	35, 37, 42	2018014757 2018014758 2018014759	23 November 2018

(b) Domain name

As at the Latest Practicable Date, the Group had registered the following domain name:

Domain name	Registrant	Registration date	Expiry date
tbkssb.com.my	TBK	28 December 2005	28 December 2019
tbksholdings.com	Company	19 August 2019	18 August 2020

Save as disclosed above, there are no trademarks, patents or other intellectual property rights which are material in relation to the business of the Group.

FURTHER INFORMATION ABOUT THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9. Particulars of Directors' service contracts and letters of appointment

(a) Executive Directors' service contracts

Each of the executive Directors has entered into a service contract with the Company on 5 September 2019. The terms and conditions of each of such service contracts are similar in all material aspects. Each service contract is for an initial term of three years with effect from the Listing Date and shall continue thereafter unless and until it is terminated by the Company or the executive Director giving to the other not less than three months' prior notice in writing. Under the service contracts, the initial annual salary payable to the executive Directors is as follows:

Name	**Amount** *(HK$)*
Mr. HP Tan	600,000
Mr. HT Tan	600,000

Each of the executive Directors is entitled to a discretionary bonus, the amount of which is determined with reference to the operating results of the Group and the performance of that executive Director. Each of the executive Directors shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board regarding the amount of annual salary and discretionary bonus payable to himself.

Save as disclosed above, none of the executive Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation)).

(b) Non-executive Director and independent non-executive Directors' letters of appointment

Each of the non-executive Director and independent non-executive Directors has entered into a letter of appointment with the Company on 5 September 2019. Each letter of appointment is for an initial term of one year commencing from the Listing Date and shall continue thereafter unless terminated by either party giving at least one month's notice in writing. Under the letters of appointment, the annual Director's fees payable to the non-executive Director and independent non-executive Directors are as follows:

Name	**Amount** *(HK$)*
Ms. Chooi Pey Nee	180,000
Mr. Tan Chade Phang	240,000
Mr. Ng Chiou Gee Willy	240,000
Mr. Chu Hoe Tin	240,000

Save as disclosed above, none of the non-executive Director and independent non-executive Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation)).

(c) Directors' remuneration

The aggregate remuneration (including fees, salaries, discretionary bonuses and defined contributions) paid by the Group to the Directors for the three years ended 30 June 2018 and nine months ended 31 March 2019 respectively was approximately RM0.8 million, RM0.8 million, RM1.8 million and RM0.6 million, respectively.

Under the arrangements currently in force, the aggregate remuneration (excluding payment pursuant to any discretionary benefits or bonuses or other fringe benefits) payable by the Group to, and benefits in kind receivable by, the Directors for the year ended 30 June 2019 are estimated to be approximately RM0.7 million.

None of the Directors or any past directors of any member of the Group has been paid or stood to receive any sum of money for the three years ended 30 June 2018 and nine months ended 31 March 2019 (i) as an inducement to join or upon joining the Company or (ii) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for the three years ended 30 June 2018 and the nine months ended 31 March 2019.

10. Interests and short positions of the Directors in the shares, underlying shares or debentures of the Company and its associated corporations

Immediately following completion of the Share Offer (without taking into account any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) and the Capitalisation Issue, the interests or short positions of the Directors and the chief executive of the Company in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, in each case once the Shares are listed on the Stock Exchange, will be as follows:

Long positions in the Shares of the Company immediately after completion of the Share Offer and the Capitalisation Issue

Name of Director	**Capacity/Nature of interest**	**Number of Shares** *(Note 1)*	**Percentage of shareholding**
Mr. HT Tan	Interest of controlled corporation *(Note 2)*	600,000,000 (L)	60%
Mr. HP Tan	Interest of controlled corporation *(Note 2)*	600,000,000 (L)	60%

Notes:

1. The letter "L" denotes the person's long position in the relevant Shares.

2. All the issued shares of TBKS International are legally and beneficially owned as to 70% and 30% by Mr. HT Tan and Mr. HP Tan respectively. Accordingly, Mr. HT Tan and Mr. HP Tan are deemed to be interested in the 600,000,000 Shares held by TBKS International under the SFO. Mr. HT Tan and Mr. HP Tan are a group of Controlling Shareholders.

11. Substantial Shareholders

So far as is known to the Directors, immediately following completion of the Share Offer (without taking into account any Shares which may be issued pursuant to the exercise of any option which may be granted under the Share Option Scheme) and the Capitalisation Issue, the following persons (not being a Director or chief executive of the Company) will have an interest or a short position in Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	**Capacity/Nature of interest**	**Number of Shares** *(Note 1)*	**Percentage of shareholding**
TBKS International	Beneficial owner	600,000,000 (L)	60%
Ms. Tan Siew Hong	Interest of spouse *(Note 2)*	600,000,000 (L)	60%
Pre-IPO Investor	Beneficial owner *(Note 3)*	150,000,000 (L)	15%
Fuji Investment SPC	Interest of controlled corporation *(Note 3)*	150,000,000 (L)	15%

Notes:

1. The letter "L" denotes the person's long position in the relevant Shares.

2. Ms. Tan Siew Hong is the spouse of Mr. HT Tan. By virtue of the SFO, Ms. Tan Siew Hong is deemed to be interested in all the Shares in which Mr. HT Tan is interested or deemed to be interested under the SFO.

3. The entire share capital of the Pre-IPO Investor is beneficially owned by Fuji Investment SPC for the account of Project B Segregated Portfolio, a segregated portfolio designated by Fuji Investment SPC whose investment objective and strategy is to generate interest income and long term capital appreciation through investing primarily in a diversified portfolio of companies in Asia with a proposed listing on the Stock Exchange.

12. Disclaimers

Save as disclosed in this appendix and the section headed "Substantial Shareholders" of this prospectus:

(a) none of the Directors or the chief executive of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange;

(b) so far as is known to any of the Directors or the chief executive of the Company, no person has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group;

(c) none of the Directors nor any of the persons listed in the paragraph headed "Other information — 20. Qualifications and consents of experts" below is interested, directly or indirectly, in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

(d) none of the Directors or the persons listed in the paragraph headed "Other information — 20. Qualifications and consents of experts" below is materially interested in any contract or arrangement with the Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of the Group;

(e) none of the persons listed in the paragraph headed "Other information — 20. Qualifications and consents of experts" below has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, securities in any member of the Group;

(f) none of the Directors has entered or has proposed to enter into any service agreements with the Company or any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and

(g) so far as is known to the Directors, none of the Directors or their close associates or any Shareholder of the Company (which to the knowledge of the Directors owns 5% or more of the issued share capital of the Company) has any interest in any of the five largest customers or suppliers of the Group.

13. Share Option Scheme

The Company has conditionally adopted the Share Option Scheme, which was approved by the written resolutions of all the Shareholders passed on 5 September 2019. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme:

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

(a) Purpose of the Share Option Scheme

The purpose of this Share Option Scheme is to enable the Board to grant options to Eligible Persons (as defined below) as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre Eligible Persons and attract human resources that are valuable to the Group.

(b) Who may join

Subject to the provisions in the Share Option Scheme, the Directors may at any time and from time to time within a period of 10 years commencing from the date of adoption of the Share Option Scheme at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK$1.00, to grant option to any person belonging to the following classes of participants (the "**Eligible Person(s)**"):

(i) any employee or proposed employee (whether full time or part time, including any director) of any member of the Group or invested entity; and

(ii) any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contributes to the development and growth of the Group or any invested entity.

(c) Maximum number of Shares

(i) Notwithstanding anything to the contrary herein, the maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company shall not, in aggregate, exceed 30% of the total number of Shares in issue from time to time.

(ii) The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 100,000,000 Shares, being 10% of the total number of Shares (assuming no options are granted under the Share Option Scheme) in issue on the Listing Date (the "**Scheme Limit**") unless approved by its Shareholders pursuant to paragraph (iv) below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company shall not be counted for the purpose of calculating the Scheme Limit.

(iii) The Company may seek separate approval of the Shareholders in general meeting for refreshing the Scheme Limit provided that such limit as refreshed shall not exceed 10% of the total number of Shares (assuming no options are granted under the Share Option Scheme) in issue as at the date of the approval of the Shareholders on the refreshment of the Scheme Limit. Options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company or exercised) will not be counted for the purpose of calculating the limit as refreshed.

For the purpose of seeking the approval of Shareholders, a circular containing the information as required under the Listing Rules shall be sent by the Company to the Shareholders.

(iv) The Company may seek separate approval of its Shareholders in general meeting for granting options beyond the Scheme Limit provided that the options in excess of the Scheme Limit are granted only to Eligible Persons specifically identified by the Company before such approval is sought and that the proposed grantee(s) and his close associates (or his associates if the proposed grantee is a connected person) shall abstain from voting in the general meeting. For the purpose of seeking the approval of the Shareholders, the Company shall send a circular to the Shareholders containing a generic description of the specified proposed grantees of such options, the number and terms of the options to be granted, the purpose of granting such options to the proposed grantees with an explanation as to how the terms of options serve such purpose and any other information as required under the Listing Rules.

(d) Maximum entitlement of each Eligible Person

No option shall be granted to any Eligible Person if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue from time to time (the "**Participant Limit**"), unless:

(i) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which the Eligible Person and his close associates shall abstain from voting;

(ii) a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the Eligible Person, the number and terms of the options to be granted and options previously granted to such the Eligible Person); and

(iii) the number and terms (including the subscription price) of such option are fixed before its Shareholders' approval is sought.

(e) Grant of options to connected persons

(i) Any grant of options to any Director, chief executive, or substantial Shareholder (excluding the proposed director or chief executive) of the Company or any of their respective associates shall be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is any offeree of an option) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

(ii) Where an option is to be granted to a substantial Shareholder or an independent non-executive Director (or any of their respective associates), and such grant will result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other share option schemes of the Company in the 12-month period up to and including the date of such grant: (1) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the total number of Shares in issue at the relevant time of grant; and (2) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of each grant, in excess of HK$5 million (or such other amount as may from time to time be specified by the Stock Exchange), such grant shall not be valid unless: (aa) a circular containing the details of the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including, in particular, a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of an option) to the independent Shareholders as to voting); and (bb) the grant has been approved by the independent Shareholders in general meeting (taken on a poll), at which the proposed grantee, his associates and all core connected persons of the Company shall abstain from voting in favour of the grant.

(iii) Where any change is to be made to the terms of any option granted to a substantial Shareholder or an independent non-executive Director (or any of their respective associates), such change shall not be valid unless the change has been approved by the independent Shareholders in general meeting as required under sub-paragraph (ii) above.

(f) Time of acceptance and exercise of an option

An offer of grant of an option may be accepted by an Eligible Person within the date as specified in the offer letter issued by the Company, being a date not later than 21 days inclusive of, and from, the date upon which it is made, by which the Eligible Person must accept the offer or be deemed to have declined it, provided that such date shall not be more than 10 years after the date of adoption of the Share Option Scheme or after the termination of the Share Option Scheme, and no such offer may be accepted by a person who ceases to be an Eligible Person after the offer has been made.

An offer shall be deemed to have been accepted on the date when the duly signed duplicate comprising acceptance of the offer by the Eligible Person, together with a payment in favour of the Company of HK$1.00 by way of consideration for the grant thereof is delivered to the Company. Such consideration shall in no circumstances be refundable. Subject to the rules of the Share Option Scheme, option may be exercised in whole or in part by the grantee at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than 10 years commencing on the date of the offer letter and expiring on the last day of such 10-year period.

(g) Performance targets

There is no performance target that has to be achieved or minimum period in which an option must be held before the exercise of any option save as otherwise imposed by the Board in the relevant offer of options.

(h) Subscription price for Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as determined by the Board, and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date (the "**Offer Date**"), which must be a trading day, on which the Board passes a resolution approving the making of an offer of grant of an option to an Eligible Person; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date; and the nominal value of a Share on the Offer Date.

Where an option is to be granted, the date of the Board meeting at which the grant was proposed shall be taken to be the date of the offer of such option. For the purpose of calculating the subscription price, where an option is to be granted less than five trading days after the listing of the Shares on the Stock Exchange, the new issue price shall be taken to be the closing price for any Business Day within the period before listing.

(i) Ranking of Shares

The Shares to be allotted and issued upon the exercise of an option shall be subject to the Company's constitutional documents for the time being in force and shall rank pari passu in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.

(j) Restrictions on the time of grant of options

No offer of an option shall be made and no option shall be granted by the Company after inside information has come to the Company's knowledge until the Company has announced the information pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's result for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no option shall be granted.

(k) Period of the Share Option Scheme

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of adoption of the Share Option Scheme, after which period no further option shall be granted. All options granted and accepted and remaining unexercised immediately prior to expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

(l) Rights on cessation of employment

Where the grantee of an outstanding option ceases to be an Eligible Person for any reason other than his serious illness, death, retirement in accordance with his contract of employment or service or the termination of his contract of employment or service on one or more of the grounds specified in paragraph (m) below, the grantee may exercise his outstanding options within three months following the date of such cessation, and any such options not exercised shall lapse and determine at the end of the said period of three months.

(m) Rights on dismissal

If the grantee of an option is an Eligible Person and ceases to be an Eligible Person by reason of a termination of his contract of employment or service on any one or more grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, his option (to the extent not already exercised) will lapse automatically on the date of cessation of being an Eligible Person.

(n) Rights on death

Where the grantee of an outstanding option dies before exercising the option in full or at all, the option may be exercised in full or in part (to the extent not already exercised) by his personal representative(s) within 12 months from the date of death or such period extended by the Board.

(o) Rights on a general offer

If a general or partial offer is made to all the Company's Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), the Directors shall as soon as practicable notify the option holder accordingly. An option holder shall be entitled to exercise his outstanding options in whole or in part within 14 days of receipt of such notice. To the extent that any option has not been so exercised, it shall upon the expiry of such period lapse and determine.

(p) Rights on winding-up

If notice is given of a general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, the Company shall forthwith give notice thereof to all option holders and each option holder shall be entitled, at any time not later than two Business Days prior to the proposed general meeting of the Company to exercise his outstanding options in whole or in part. The Company shall as soon as possible and in any event no later than one Business Day prior to the date of such general meeting, allot and issue such number of Shares to the option holders which fall to be issued on such exercise. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up.

(q) Rights on compromise or arrangement between the Company and its creditors

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all option holders on the same date as it gives notice of the meeting to its Shareholders and the Company's creditors, and thereupon each option holder shall be entitled, at any time not later than two Business Days prior to the proposed meeting of the Company, to exercise his outstanding options in whole or in part.

The Company shall as soon as possible and in any event no later than one Business Day prior to the date of such general meeting, allot and issue such number of Shares to the option holders which fall to be issued on such exercise. Subject thereto, all options then outstanding shall lapse and determine upon such compromise or arrangement becoming effective.

(r) Reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company(other than an issue of Shares as consideration in respect of a transaction), the Company shall (if applicable) make corresponding alterations (if any), in accordance with Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time (including but not limited to the supplemental guidance issued by the Stock Exchange on 5 September 2005) to:

(i) the number or nominal amount of Shares comprised in each option for the time being outstanding; and/or

(ii) the subscription price; and/or

(iii) the Scheme Limit; and/or

(iv) the Participant Limit,

as the auditors or the independent financial adviser to the Company shall certify in writing to the Board to be in their opinion fair and reasonable, provided that:

(a) the aggregate subscription price payable by an option holder on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such adjustment;

(b) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;

(c) no adjustment will be required in circumstances when there is an issue of Shares as consideration in a transaction; and

(d) any adjustment shall be made in accordance with the provisions of Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time (including but not limited to the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes).

In addition, in respect of any such adjustments, other than any made on a capitalisation issue, the auditors or independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

(s) Cancellation of options

The Board may cancel an option granted but not exercised with the approval of the option holder. Any such options cancelled by the Company cannot be re-granted to the same Eligible Person and the issue of new options must be made under the Share Option Scheme with available unissued options (excluding the cancelled options) within the Scheme Limit.

(t) Termination of the Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time, terminate the operation of the Share Option Scheme and in such event, no further option will be offered. However, the provision of the Share Option Scheme shall remain in full force and effect in all other respects. All options granted and accepted and remaining unexercised immediately prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the Share Option Scheme.

(u) Rights are personal to grantee

An option shall be personal to the grantee and shall not be assignable or transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any option. Any breach of the foregoing shall entitle the Company to cancel any outstanding option or part thereof granted to such grantee.

(v) Lapse of option

The right to exercise an option (to the extent not already exercised) shall lapse immediately upon the earliest of:

(i) the expiry of the option period to be determined and notified by the Board to the grantee;

(ii) the expiry of the periods as referred to in sub-paragraphs (l), (n), (o), (p) and (q) respectively;

(iii) subject to sub-paragraph (p), the date of the commencement of the winding-up of the Company;

(iv) the date on which the grantee ceases to be an Eligible Person by reason of the termination of his contract of employment or service on any one or more grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally or has been convicted of any criminal offence involving his integrity or honesty; and

(v) the date on which the Directors cancel any outstanding option or part thereof on the ground the grantee commits a breach of sub-paragraph (u).

(w) Alterations to the Share Option Scheme

(i) The Share Option Scheme may be amended or altered in any respect to the extent allowed by the Listing Rules by resolution of the Board except that the following alterations must first be approved by a resolution of the Shareholders in general meeting:

(a) the purpose of the Share Option Scheme;

(b) the definitions of "Eligible Person", "Option Period" and "Scheme Period";

(c) the Scheme Limit;

(d) the Participant Limit;

(e) the period within which the offer of grant of an option must be accepted;

(f) the minimum period for which an option must be held before it can be exercised;

(g) the statement as to performance targets that must be achieved before an option may be exercised;

(h) the amount payable on acceptance of an option and the period within which it must be paid for such purpose;

(i) the basis of determination of the subscription price;

(j) the rights to be attached to the Shares to be issued upon the exercise of options;

(k) the life of the Share Option Scheme;

(l) the circumstances under which options will automatically lapse;

(m) the adjustment made in the event of any alterations of the capital structure of the Company;

(n) the cancellation of options granted but not exercised;

(o) the effect on existing options of an early termination of the Share Option Scheme;

(p) the transferability of options;

(q) this sub-paragraph (w);

(r) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted to the advantage of such option holders; and

(s) any change to the authority of the Directors in relation to any alterations to the terms of the Share Option Scheme.

The amended terms of the Share Option Scheme or the options shall comply with Chapter 17 of the Listing Rules.

(ii) Notwithstanding the other provisions of the Share Option Scheme, the Share Option Scheme may be altered in any respect by resolution of the Board without the approval of the Shareholders or the grantee(s) to the extent such amendment or alteration is required by the Listing Rules or any guideline issued by the Stock Exchange from time to time.

(iii) The Company must provide to all grantees all details relating to changes in the terms of the Share Option Scheme during the life of the Share Option Scheme immediately upon such changes taking effect.

(x) Conditions

The Share Option Scheme is conditional upon:

(i) the passing of the necessary resolutions to approve and adopt the Share Option Scheme;

(ii) the Listing Committee granting approval of the listing of, and permission to deal in, the Shares in issue and the Shares which may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme; and

(iii) the commencement of dealings in the Shares on the Stock Exchange.

If the conditions referred to above are not satisfied on or before the date falling 30 days after the date of this prospectus, the Share Option Scheme shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme.

(y) Present status of the Share Option Scheme

Application has been made to the Listing Committee for the listing of and permission to deal in the Shares to be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme. The total number of Shares in respect of which options may be granted under the Scheme and any other share option scheme(s) of the Company shall not exceed 100,000,000 Shares, being 10% of the total number of Shares in issue as at the Listing Date unless the Company obtains the approval of the Shareholders in general meeting for refreshing the said 10% limit under the Share Option Scheme, provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit above mentioned.

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

OTHER INFORMATION

14. Tax and other indemnities

Each of Mr. HT Tan, Mr. HP Tan and TBKS International (collectively, the "**Indemnifiers**") has entered into the Deed of Indemnity with and in favour of the Company(for itself and as trustee for each of the Company's subsidiaries), being one of the material contracts referred to in the paragraph headed "Further information about the business of the Group — 7. Summary of material contracts" in this appendix, to provide indemnities on a joint and several basis in respect of, among other matters, the following:

(a) any duty which is or hereafter becomes payable by any member of the Group by virtue of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) ("**Estate Duty Ordinance**") (or the equivalent thereof or the requirement similar thereto under the laws of any jurisdiction outside Hong Kong) and under the provisions of section 43 of the Estate Duty Ordinance (or the equivalent thereof or the requirement similar thereto under the laws of any jurisdiction outside Hong Kong) by reason of the death of any person and by reason of the assets of the Group members;

(b) any amount recovered against any member of the Group under provisions of section 43(7) of the Estate Duty Ordinance (or the equivalent thereof or the requirement similar thereto under the laws of any jurisdiction outside Hong Kong) in respect of any duty payable under section 43(1)(c) or 43(6) of the Estate Duty Ordinance (or the equivalent thereof or the requirement similar thereto under the laws of any jurisdiction outside Hong Kong) by reason of the death of any person and by reason of the assets of the Group members;

(c) any amount of duty which any member of the Group is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance (or the equivalent thereof or the requirement similar thereto under the laws of any jurisdiction outside Hong Kong);

(d) any taxation which might be payable by any member of the Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or up to the Listing Date;

(e) any amount of tax falling on any member of the Group anywhere in the world, whether arising prior to or after the Listing and resulting from any member of the Group conducting its business operations in such jurisdictions prior to Listing and shall include any costs, expenses, interests, penalties or other liabilities in connection therewith;

(f) any and all expenses, payments, sums, outgoings, fees, demands, claims, actions, proceedings, judgments, damages, losses, costs (including but not limited to legal and other professional costs), charges, contributions, liabilities, fines, penalties (collectively, the "**Costs**") in connection with any breach or non-compliance of any applicable laws, rules or regulations (whether currently in force or repealed) in the Cayman Islands, the BVI, Hong Kong and Malaysia by any member of the Group on or before the date on which the Share Offer becomes unconditional (the "**Effective Date**"); and

(g) any and all Costs which any member of the Group may incur, suffer or accrue, directly or indirectly, from or on the basis of or in connection with any failure to obtain the necessary licences, consents or permits under the laws of the Cayman Islands, the BVI, Hong Kong and Malaysia for any Group member's valid and legal establishment and/or operation on or before the Effective Date.

The Directors have been advised that no material liability for estate duty is likely to fall on any member of the Group in the Cayman Islands, the BVI, Hong Kong and Malaysia, being jurisdictions in which the companies comprising the Group are incorporated.

The Deed of Indemnity does not cover any taxation claim and the Indemnifiers shall be under no liability under the Deed of Indemnity in respect of any taxation:

(a) to the extent that full provision or reserve has been made for such taxation in the combined audited accounts of the Group for each of the two years ended 30 June 2018 (the "**Accounts Date**"), as set out in Appendix I to this prospectus or the unaudited accounts of the relevant member of the Group for the same period and any previous audited accounts of any member of the Group;

(b) to the extent that such taxation or liability would not have arisen but for some act or omission by any member of the Group voluntarily effected without the prior written consent or agreement of the Indemnifiers (such consent or agreement not to be unreasonably withheld or delayed), otherwise than in the ordinary course of business after the date of the Deed of Indemnity;

(c) such taxation or liability for which any member of the Group is primarily liable as a result of transactions entered into in the ordinary course of business after the Accounts Date;

(d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of the Group up to 30 June 2018 which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such over-provision or excessive reserve;

(e) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the relevant authority coming into force after the date of the Deed of Indemnity or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect; or

(f) to the extent that such taxation or liability arises as a result of any member of the Group being in breach of any provision of the Deed of Indemnity.

15. Litigation

During the Track Record Period and up to the latest Practicable Date, neither the Company nor any of its subsidiaries is involved in any litigation or arbitration of material importance against any member of the Group and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

16. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor's fee in relation to the Listing is approximately HK$5.8 million.

The Sole Sponsor has made an application on the Company's behalf to the Listing Committee for the listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this prospectus, including any Shares which may be issued upon exercise of any options granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

17. Compliance adviser

In accordance with the requirements of the Listing Rules, the Company has appointed Red Sun Capital as its compliance adviser to provide consultancy services to the Company to ensure compliance with Rule 3A.19 of the Listing Rules for a period commencing on the Listing Date and ending on the date on which the Company complies with the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

18. Preliminary expenses

The preliminary expenses relating to the incorporation of the Company are approximately HK$44,000 and are payable by the Company.

19. Promoter

The Company does not have any promoter (as defined in the Listing Rules). Save as disclosed in this appendix, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Share Offer and the related transactions described in this prospectus.

20. Qualifications and consents of experts

The qualification of the experts who have given opinions or advice in this prospectus are as follows:

Name	Qualification
Red Sun Capital Limited	A corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
BDO Limited	Certified public accountants
Ben & Partners	Legal advisers to the Company as to Malaysian law
Conyers Dill & Pearman	Legal advisers to the Company as to Cayman Islands law
Frost & Sullivan Limited	Independent industry consultant

Name	Qualification
Grant Sherman Appraisal Limited	Independent property valuer

Each of the experts named above has given and has not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interest in any members of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any members of the Group.

21. Binding Effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies (Miscellaneous Provisions) Ordinance so far as applicable.

22. Taxation of holders of Shares

(a) Hong Kong

(i) Profits

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as the Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong Kong from such trade, profession or business will be chargeable to Hong Kong profits tax. Gains from sales of the Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

(ii) Stamp duty

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of the Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK$5 is currently payable on any instrument of transfer of shares.

(iii) Estate duty

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006.

(b) The Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intended holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares or exercising any rights attaching to them. It is emphasised that none of the Company, the Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of the Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercising any rights attaching to them.

23. Miscellaneous

(a) Save as disclosed in this appendix and the sections headed "History, development and Reorganisation" and "Underwriting" of this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital of the Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

(ii) no commissions, discounts, brokerages (other than under the Underwriting Agreements) or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries;

(iii) no commission has been paid or payable subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in the Company or any of its subsidiaries; and

(iv) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(b) Saved as disclosed in this prospectus, no founders, management or deferred shares of the Company or any of its subsidiaries have been issued or agreed to be issued.

(c) The Directors confirmed that, save for the estimated non-recurring Listing expenses as disclosed in the section headed "Financial Information — Listing expenses" in this prospectus, there has been no material adverse change in the financial or trading position or prospects of the Group since 31 March 2019 (being the date to which the latest audited financial statements of the Group were made up) and up to the Latest Practicable Date.

(d) There has not been any interruption in the business of the Group which has had a material adverse effect on the financial position of the Group in the 12 months preceding the date of this prospectus.

(e) None of the equity and debt securities of the Company or any of its subsidiaries is presently listed or dealt with on any other stock exchange nor is any listing or submission to deal being or proposed to be sought.

(f) None of the Directors nor any of the persons whose names are listed in paragraph headed "Other information — 20. Qualification and consents of experts" in this appendix has received any commissions, discounts, agency fees, brokerages or other special terms in connection with the issue or sale of any share or loan capital of any member of the Group.

(g) Subject to the provisions of the Companies Law, the principal register of members of the Company will be maintained in the Cayman Islands by Conyers Trust Company (Cayman) Limited and a branch register of members of the Company will be maintained in Hong Kong by Tricor Investor Services Limited. Unless the Directors otherwise agree, all transfers and other documents of title of the Shares must be lodged for registration with and registered by, the Company's branch share registrar in Hong Kong and may not be lodged in the Cayman Islands.

(h) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

(i) There is no arrangement under which future dividends have been waived.

(j) Neither the Company nor any of its subsidiaries have any outstanding convertible debt securities or debentures.

(k) There is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

24. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and the Chinese language version of this prospectus, the English language version shall prevail.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were:

(1) a copy of each of the **WHITE** Application Form, **YELLOW** Application Form and **GREEN** Application Form;

(2) the written consents referred to in the paragraph headed "Other information — 20. Qualifications and consents of experts" in Appendix VI to this prospectus; and

(3) a copy of each of the material contracts referred to in the paragraph headed "Further information about the business of the Group — 7. Summary of material contracts" in Appendix VI to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Robertsons at 57th Floor, The Center, 99 Queen's Road Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and Articles of Association of the Company;

(b) the Accountants' Report issued by BDO Limited, the text of which is set out in Appendix I to this prospectus;

(c) the report on unaudited pro forma financial information of the Group issued by BDO Limited, the text of which is set out in Appendix II to this prospectus;

(d) the audited combined financial statements of the Company prepared for the companies comprising the Group for the three years ended 30 June 2018 and the nine months ended 31 March 2019;

(e) the Share Option Scheme;

(f) the letter prepared by Conyers Dill & Pearman summarising certain aspects of Cayman Islands company law referred to in Appendix V to this prospectus;

(g) the Cayman Companies Law;

(h) the material contracts referred to in the paragraph headed "Further information about the business of the Group — 7. Summary of material contracts" in Appendix VI to this prospectus;

(i) the written consents referred to in the paragraph headed "Other information — 20. Qualifications and consents of experts" in Appendix VI to this prospectus;

(j) the service contracts referred to in the paragraph headed ‘‘Further information about the Directors and substantial Shareholders — 9. Particulars of Directors’ service contracts and letters of appointment’’ in Appendix VI to this prospectus;

(k) the legal opinion issued by Ben & Partners, the legal advisers to the Company as to Malaysian law;

(l) the industry report prepared by Frost & Sullivan Limited referred to in the section headed ‘‘Industry overview’’ of this prospectus; and

(m) the property valuation report issued by Grant Sherman Appraisal Limited, the text of which is set out in Appendix IV to this prospectus.

TBK & SONS
HOLDINGS LIMITED