

7. BUSINESS OVERVIEW (Cont'd)

Examples of moulds that we manufacture



Left: Finished moulds for monopoles prior to shipment to a customer.



Right: Interior of a mould for decorative poles.

7.3.3.2 Steel straightening and cutting machine

Our steel straightening and cutting machines are engineered to produce straightened steel wires and rods with precise and uniform lengths. The process begins by feeding the steel wire or bar into the machine, where it is first straightened. The machine then automatically cuts the straightened steel to the specified length. These steel wires and bars are used as longitudinal bars in the steel cages that reinforce spun poles and piles.

One of our steel straightening and cutting machines



7.3.3.3 Warm button heading machine

Our warm button heading machine is specifically designed to create button heads for steel cages used in spun poles and piles. Button heads are the rounded caps formed at the ends of longitudinal bars, crucial for securely attaching joint plates or anchor plates to each end of a spun pole or spun pile.

To produce the button heads, the ends of the longitudinal bars are placed in the machine, where they are heated to soften the steel. Once softened, pressure is applied in a controlled manner to shape the ends into rounded button heads.

Button heads on a spun pile steel cage



7. BUSINESS OVERVIEW (Cont'd)

The warm button heading machine is equipped with an advanced control system that regulates heating temperature, heating time, pressure, and other parameters, ensuring each button head is consistently shaped.

One of our warm button heading machines



7.3.3.4 Automated steel caging machine

The steel reinforcement used in standard poles, monopoles, decorative poles, and spun piles is known as a steel cage. This cage comprises two main elements:

- **Longitudinal bars:** These bars run the length of the standard poles, monopoles, decorative poles, and spun piles.
- **Spiral wires:** These are loops of steel wires welded at right angles to the longitudinal bars at specified intervals. They hold the longitudinal bars in place.

The longitudinal bars provide tensile strength and resist bending forces, while the spiral wires offer resistance to cracking.

One of our automated steel caging machines



The configuration of a steel cage matches the shape of the product being cast. Straight steel cages are used for spun piles and some monopoles (depending on the design), while tapered steel cages are used for standard poles, decorative poles, and some monopoles (also depending on the design). The number and arrangement of longitudinal bars and spiral wires are tailored to the size, type, and function of the spun poles and piles.

Our automated steel caging machine is designed to consistently fabricate steel cages through an efficient automated process, minimising the need for manual labour. It can produce both straight and tapered steel cages with minimal setup.

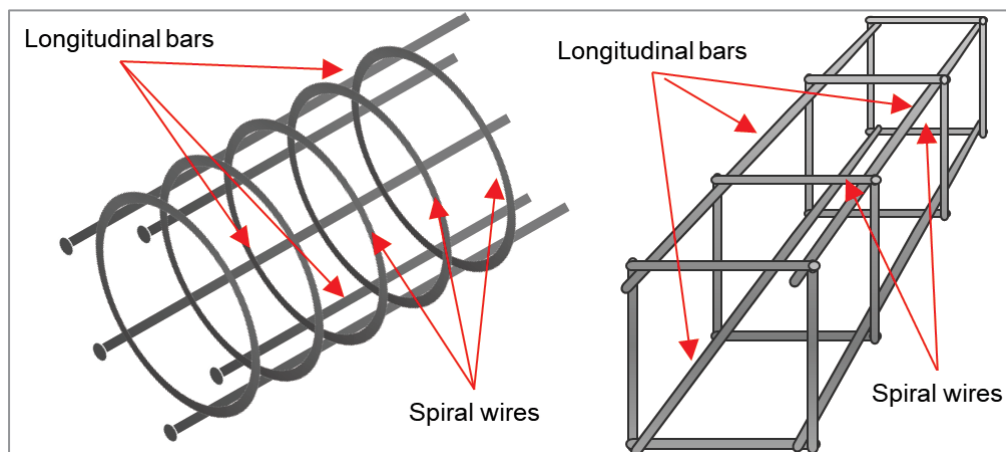
To fabricate a steel cage, the required number of longitudinal bars is first loaded into the machine. As the bars are fed through, a rotating welding electrode automatically winds the spiral wire at designated positions and welds it to the longitudinal bars. This process permanently attaches the spiral wires to the longitudinal bars, forming the steel cage.

The machine is equipped with a control system that regulates the longitudinal bar feed rate, welding electrode operation, spiral wire placement, and other parameters, ensuring precise and consistent steel cage fabrication.

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7. BUSINESS OVERVIEW (Cont'd)

Illustration of steel cage for spun poles and piles (left) and square piles (right)



7.3.3.5 Demoulding oil machine

Our demoulding oil machine is designed to apply demoulding oil to the inner surface of moulds used for spun poles and piles. The demoulding oil facilitates the removal of cured spun poles and piles from the mould, reducing the risk of damage such as chips and cracks.

The machine consists of a fixed nozzle, a pump, and a demoulding oil storage tank. To apply the oil, a closed and empty mould (without the steel cage and concrete) is first positioned over the fixed nozzle. As the mould is withdrawn from the nozzle, the demoulding oil is sprayed to evenly coat the inner surface. Once coated, the mould is ready to be loaded with the steel cage and concrete.

7.3.3.6 Prestressing machine

Our prestressing machine is essential for applying tension to the steel bar before concrete feeding and curing in the manufacturing process of spun poles and piles.

To begin, the steel wire is loaded and anchored at one end of the mould. The prestressing machine is then attached to the other end of the steel wire and pulls it until the desired tension is achieved. Once the required tension is reached, the steel wire is anchored to the opposite end of the mould to maintain this tension. The mould is then sent for concrete feeding and steam curing. After the concrete has cured and hardened, the tension is released.

One of our prestressing machines



The prestressing machine features several key components:

- Hydraulic cylinder: Generates the pulling force needed for prestressing.
- Steel wire attachment point: Ensures uniform tensioning across each longitudinal bar.
- Control system: Prevents over-tensioning by regulating the pulling force.

7.3.3.7 Concrete batching system

Our concrete batching system is designed to produce concrete according to the specific formulation required for each casting product. The system's main components include:

- Cement silo: Stores cement.
- Separate hoppers: For sand and various types of aggregate (sorted by size).

7. BUSINESS OVERVIEW (Cont'd)

- Concrete additive system: Manages the addition of concrete additives.
- Water storage: Holds water for mixing into the concrete.
- Mixer: Combines the materials into a homogeneous blend.
- Discharge and conveyor system: Transports the mixed concrete.
- Control system: Manages the entire batching process.

One of our concrete batching plants



The batching system dispenses the main input materials—cement, sand, and aggregate—in precise amounts according to the required concrete formulation. These materials are then mixed with the appropriate amounts of water and additives in the mixer. The mixer ensures that all components are thoroughly combined to produce the desired concrete consistency.

Once mixed, the concrete is discharged from the mixer into the the concrete feeding system. The control system monitors and controls material inputs, mixing times, and outputs, ensuring the consistency and quality of the concrete.

7.3.3.8 Concrete feeding systems

Our concrete feeding systems are designed to accurately deliver the required amount of concrete into the moulds, tailored to the specific type of product being cast. We offer two types of automated concrete feeding systems:

- **Automatic Injection System**

This system injects concrete directly into a closed mould that has been loaded with the steel cage. Its main components include:

- heavy-duty concrete pump that delivers concrete with high efficiency;
- nozzle head that sprays concrete into the mould;
- trolley system that moves the mould along the nozzle head at a controlled rate; and
- control system that regulates the volume of concrete fed into each mould based on the product type.

Some of the benefits of the automatic injection system include the following:

- reduced manpower as it automates the concrete feeding process, lowering labour requirements;
- enhanced consistency thus ensuring uniformity in the products produced; and

7. BUSINESS OVERVIEW (Cont'd)

- minimised wastage where the control system accurately regulates the amount of concrete, reducing excess and wastage.

Our automatic injection system is used for manufacturing some types of standard poles, monopoles, decorative poles, and spun piles, depending on the design.

- **Open-feeding system**

In this system, concrete is fed into a hopper and then deposited into an open mould that contains the steel wire cage. It features a weighing system that allows workers to monitor the quantity of concrete being used, ensuring that the correct amount is fed into the mould.

Our open-feeding system is used for manufacturing some types of standard poles, monopoles, decorative poles, spun piles and square piles, depending on the design.

7.3.3.9 Centrifugal spinning machine

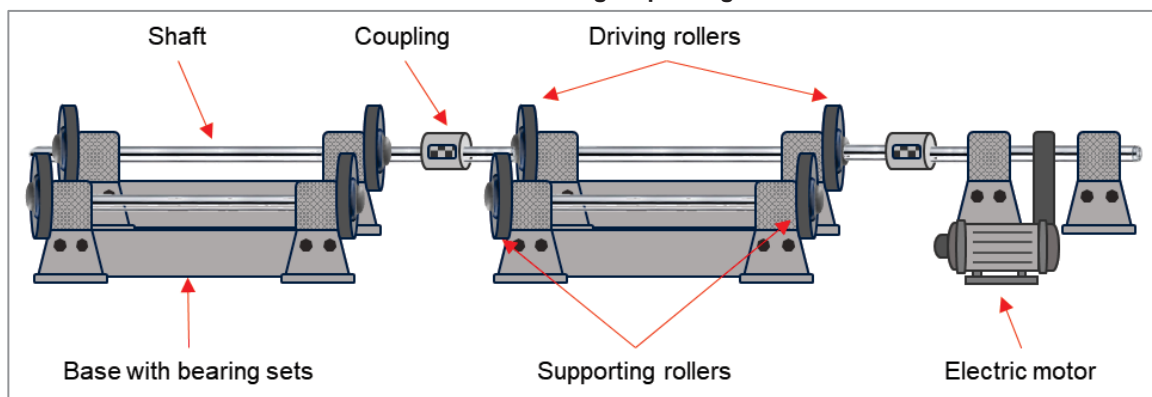
Our centrifugal spinning machine is designed to spin closed moulds loaded with concrete and steel cages, facilitating the manufacturing of spun poles and piles. The main components of our centrifugal spinning machine include:

- Electric motor: Powers the driving rollers to initiate spinning.
- Driving rollers and supporting rollers: Pairs of rollers on which the mould sits, allowing it to spin freely.
- Shafts and couplings: Connect the driving and supporting rollers to ensure synchronised rotation.
- Bases with bearing sets: Support the shafts, rollers, and moulds, ensuring stability during operation.
- Control system: Regulates the speed of the electric motor to control the spinning process.

A mould being spun on one of our centrifugal spinning machines



Illustration of a centrifugal spinning machine



The closed and loaded mould is positioned on the centrifugal spinning machine with its flanges aligned with the driving and supporting rollers. The electric motor activates the driving rollers, causing the mould to spin. The control system monitors the spinning process and automatically adjusts the spinning speed according to the specific requirements of the spun poles and piles.

7. BUSINESS OVERVIEW (Cont'd)

7.3.3.10 Steam curing system

The steam curing system is designed to accelerate the concrete curing process for spun poles and piles, allowing for faster demoulding compared to traditional curing methods. The system includes the following key components:

- Fuel oil and diesel fired boiler: Generates steam for curing.
- Curing ovens: Moulds are placed in ovens for steam curing.
- Control system: Monitors and regulates the temperature inside the curing ovens.

After the spinning process, the loaded moulds are placed in the curing ovens. Steam from the boiler is used to cure the moulds at a predetermined temperature for a specified duration. Once the curing is complete, the moulds are transferred from the curing oven to the demoulding station.

Moulds in one of our curing ovens



7.3.3.11 Demoulding machine

The demoulding machine is designed to remove cured spun poles with tapered regular cross-sections from their moulds after the curing process is complete. This includes standard poles. However, it is not suitable for decorative poles as they have moulded decorations or irregular cross-sections.

Main components:

- Hydraulic cylinder: Creates the pulling force needed to remove the product.
- Attachment point: Secures the product during the demoulding process.

Demoulding process:

- Loosening the mould: First, the bolts that secure the mould are undone to loosen it.
- Attaching the machine: The attachment point of the demoulding machine is then connected to the standard pole segment.
- Activating the hydraulic cylinder: The hydraulic cylinder is activated to pull the spun pole or pile free from the mould and onto the demoulding station.
- Inspection and storage: The demoulded pole is removed from the demoulding station for quality inspection and storage.

7.4 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

7.4.1 We have an established track record of approximately 33 years, export markets, and a large customer base to serve as a platform to secure new business

We have an established track record of approximately 33 years since we commenced business operations as a manufacturer of moulds and machinery for spun poles and piles, and spun pole accessories in 1992. In addition, we began to manufacture standard poles in 2006, giving us a track record of approximately 19 years for this product category.

We have also established a track record of serving customers in foreign countries, including Indonesia, Nigeria, Oman, Poland, Saudi Arabia, USA, and the Philippines. The products that we supplied to customers in foreign countries include moulds and machinery to manufacture concrete products.

For the FYE 2023, we have an active customer base of approximately 331 customers, which will sustain and grow our business.

Our established track record and export of our products will give potential customers the confidence of our products and services to serve as the platform to sustain and grow our business.

7. BUSINESS OVERVIEW (Cont'd)

7.4.2 We manufacture a range of concrete products used in various applications to enlarge our addressable markets

As at the LPD, we specialise in manufacturing concrete products comprising spun poles and spun poles (namely standard poles, monopoles and decorative poles), as well as square piles. Our concrete products have several applications to provide revenue diversity as well as enlarge our addressable market to sustain and grow our business. The common applications of our concrete products include the following:

Type of product	Typical applications
Standard poles	• Power transmission and distribution • Telecommunications • Railway electrification • Outdoor lighting
Monopoles	Telecommunications
Decorative poles	Outdoor lighting
Spun piles	Foundation for buildings, roads, highways and structures
Square piles	Foundation for buildings, roads, highways and structures

Demand for our concrete products is driven by, among others, the following factors:

- population growth and the expansion of communities, alongside growing commercial, industrial, institutional, and public sector activities that require new utilities such as power, telecommunications, outdoor conventional and solar-powered LED lighting, as well as increased housing, infrastructure, and other property developments;
- the nationwide rollout of advanced telecommunications technologies, including fifth-generation cellular network technology (5G) and fibre optic cables; and
- the growing electrification of Malaysia's rail system.

We have the range of concrete products to meet diverse needs of our user industries to sustain and grow our business.

In addition, as we also manufacture moulds and machinery for spun poles and piles, and square piles, we have in-house capabilities to modify or enhance our spun poles and piles to meet the needs of our customers. This would potentially enlarge our addressable customer base to drive growth for our business. In particular, we can modify the design and specifications of our concrete products for export markets that may have different requirements. For the Financial Periods Under Review, we have exported our manufactured moulds and machinery to foreign countries including Saudi Arabia, USA, Indonesia, Oman, the Philippines, Poland, and Nigeria.

7.4.3 We provide a one-stop solution for moulds and machinery to manufacture spun poles and piles, and square piles

We provide a one-stop solution for moulds and machinery to manufacture spun poles and piles, and square piles. We have in-house capability to design and manufacture the full range of moulds and machinery for spun poles and piles, and square piles. Our in-house manufactured machinery includes steel straightening and cutting machines, warm button heading machines, automated steel caging machines, demoulding oil machines, prestressing machines, concrete batching systems, concrete feeding systems, automated concrete feeding systems, centrifugal spinning machines, steam curing systems, and de-moulding machines. We also have in-house capability to design and manufacture moulds used to manufacture spun poles and piles, and square piles.

We have in-house capability to assist our customers in designing the layout of their spun poles and pile, and square pile manufacturing facility. This is based on our experience in designing our manufacturing facilities, as well as related and third-party's manufacturing facilities.

7. BUSINESS OVERVIEW (Cont'd)

Our one-stop solution provides convenience to our customers as they would only need to deal with us as a single point of contact for the complete set of moulds and machinery, and the initial setup and start-up of operations of their manufacturing facilities.

7.4.4 We manufacture spun poles and piles, and square pile at two locations to serve customers in Peninsular and East Malaysia

As at the LPD, we manufacture spun poles and piles, and square piles in four facilities at two locations, namely at Ipoh, Perak and Kota Kinabalu, Sabah. Furthermore, as a part of our business strategy we plan to establish a spun poles and piles manufacturing facility in Tanjung Manis, Sarawak.

Our existing manufacturing facilities Ipoh, Perak and Kota Kinabalu, Sabah place us in a better position to supply existing and prospective customers throughout Malaysia compared to having manufacturing facilities in either Peninsular Malaysia or East Malaysia, as spun poles and piles, and square piles are large and heavy items that are costly to ship between Peninsular and East Malaysia. Furthermore, these products are subject to the risk of breakage and damage during transportation.

Our manufacturing facilities are a key strength that enable us to serve our customers and enlarge our addressable markets throughout Peninsular Malaysia and East Malaysia.

7.4.5 We have in-house product development and enhancement to drive growth for our business

We have in-house experience, capabilities, facilities and personnel to undertake product development and enhancement as well as to meet customers' requirements for customised specifications or to meet different export market conditions and needs. Our capabilities are supported by our track record in in-house manufacturing of moulds and machinery, as well as manufacturing spun poles and piles.

Furthermore, we have developed a new type of concrete joint, instead of using steel joint, to secure monopoles to their base. The new concrete joint that we have developed is made from concrete, whereas the conventional joint that are currently commonly used are made from steel. The concrete joint that we have developed provides the same level of performance in terms of load bearing, resistance to lateral forces, and crash resistance compared to conventional steel joint, while also being more cost effective, lighter, and easier to install.

In addition, as at the LPD we have internally developed and commercialised foundation platforms designed to support monopoles and other vertical structures. These foundation platforms comprise single or modular sections that are pre-cast in a factory and transported on-site for installation. They are easier and faster to install compared to conventional foundations that are constructed in-place.

Our in-house product development capabilities allow us to develop new products and designs, which help us to address the changing needs of existing customers and attract new ones. We can also develop new ranges of concrete products that we can manufacture to enlarge our addressable markets to provide business growth. We can also undertake continuous product and process improvement and enhancement to provide quality and performance, and customer satisfaction.

7.4.6 We can quickly design and manufacture moulds to grow our business

Our in-house product development and enhancement capability coupled with our in-house track record of manufacturing moulds also enables us to quickly design and manufacture new types of moulds. We can quickly and cost-effectively develop new mould designs from new ideas and specifications provided by our customers as well ourselves, including producing prototype moulds and spun products for testing.

This is a key strength as it promotes customer loyalty by allowing us to remain relevant to our existing customers, as well as being a selling point to secure new customers. Furthermore, the in-house capability to quickly develop new moulds enables us to expand our range of in-house manufactured spun products to meet new customer and market requirements.

7. BUSINESS OVERVIEW (Cont'd)

7.4.7 We have experienced Executive Directors and Key Senior Management team to drive our growth

We have an experienced management team headed by our Executive Director and Chief Executive Officer, Lee Hon Hwa, and our Executive Director and Chief Business Development Officer, Lee Khim Hwa. They bring with them approximately 25 and 29 years of experience, respectively in the concrete poles and piles industry. They are instrumental in leading our Group's growth and future business development.

They are supported by our Key Senior Management team which comprises the following:

- Lee Siew Yoke, our Chief Human Resources Officer, has approximately 29 years of experience in the fields of administration and human resources;
- Haji Zulkepli bin Hj. Hussin, our Chief Compliance Officer, has approximately 35 years of experience in the concrete poles and piles industry;
- Datuk Brian Lee Cherng Jey, our Chief Operating Officer East Malaysia, has approximately 18 years of experience in the construction industry; and
- Chen See Mei, our Chief Financial Officer, has approximately 10 years of experience in the field of accounting.

Please refer to Sections 5.1.3 (i), 5.1.3 (ii), 5.1.3 (iii), 5.1.3 (v) and 5.5.2 of this Prospectus for the profiles of our Executive Directors and Key Senior Management team.

7.5 SEASONALITY OF THE BUSINESS

During the Financial Periods Under Review and up to the LPD, we did not experience any material seasonality in our business.

7.6 MANUFACTURING CAPACITY, OUTPUT AND UTILISATION

7.6.1 Trading

Measures of capacity and utilisation do not apply to our trading of construction materials and other products, spun poles and piles, and other concrete products business activities for the following reasons:

- For the trading of construction materials and other products, the goods are mainly sent by our suppliers directly to the delivery address. Consequently, this business activity does not utilise our machinery and equipment; and
- For the trading of spun poles and piles and other concrete products, we store the goods until they are sold and delivered to or picked up by customers, and this does not require the use of any specialised machinery and equipment.

7.6.2 Manufacturing spun poles and piles

Within the spun poles and piles segment, we do not segment our manufacturing capacity between standard poles, monopoles, decorative poles, and spun piles as the manufacturing processes are almost identical and they use the same manufacturing lines, with the exception of different moulds for different products.

During the Financial Periods Under Review, we manufactured spun poles and piles at the following facilities:

- On-going operations comprising standard poles, monopoles, decorative poles, and spun piles at Ipoh Factory 3; and
- Discontinued operations comprising standard poles at a factory in Kuching, Sarawak. We have ceased manufacturing activities at this factory since November 2024 and have sold the factory and operations to non-related parties.

7. BUSINESS OVERVIEW (Cont'd)

In addition, Winabumi and PMW Concrete also manufactured spun poles and piles during the Financial Periods Under Review, as follows:

- Winabumi manufactured standard poles and piles, and square piles at the Kota Kinabalu Factory; and
- PMW Concrete manufactured standard poles at Ipoh Factory 2.

The utilisation rates for manufacturing spun poles and piles of our Ipoh Factory 2, Ipoh Factory 3, Kota Kinabalu Factory and Kuching Factory during the Financial Periods Under Review is estimated by dividing the actual output by the capacity of the corresponding financial year or financial period. This is summarised in the following tables:

On-going operations	Capacity (tonnes)	Actual output (tonnes)	Utilisation rate (%)
<u>Ipoh Factory 2</u>			
FYE 2021	60,653	24,524	40
FYE 2022	60,653	46,430	77
FYE 2023	60,653	44,701	74
FYE 2024	60,653	42,094	69
FPE 2025	25,229	21,739	86
<u>Ipoh Factory 3</u>			
FYE 2023	15,795	7,183	45
FYE 2024	36,270	16,477	45
FPE 2025	23,652	8,054	34
<u>Kota Kinabalu Factory</u>			
FYE 2021	112,752	39,834	35
FYE 2022	112,752	39,917	35
FYE 2023	112,752	62,388	55
FYE 2024	112,752	72,793	65
FPE 2025	46,980	28,364	60
<u>Discontinued operations</u>			
<u>Kuching Factory</u>			
FYE 2021	14,094	3,905	28
FYE 2022	14,094	4,834	34
FYE 2023	14,094	6,754	48
FYE 2024	12,920	6,483	50

The utilisation rates of our on-going and discontinued operations during the Financial Periods Under Review were as follows:

- **Ipoh Factory 2:** The utilisation rate of Ipoh Factory 2 was 40% for FYE 2021 as it only operated 1 shift due to labour constraints. The factory subsequently engaged contract labour services and operated 2 shifts, which resulted in higher utilisation rates that were consistent between 69% and 77% for FYE 2022, FYE 2023, and FYE 2024. Utilisation rate was higher in FPE 2025 mainly due to an increase in orders for the products manufactured at this factory during this period.
- **Ipoh Factory 3:** In FYE 2024, we improved the layout of the manufacturing line as well as started to manufacture spun piles at Ipoh Factory 3. The utilisation rate decreased to 34% in FPE 2025 (FYE 2024: 45%) due to fewer orders received for the products manufactured at this factory during this period.

7. BUSINESS OVERVIEW (Cont'd)

- Kota Kinabalu Factory:** For FYE 2021 and FYE 2022, the utilisation rates of Kota Kinabalu Factory were 35% as it only operated 1 shift due to labour constraints. During FYE 2023, the factory hired more production workers (which enabled it to operate 2 shifts) and installed machinery to automate certain tasks (such as concrete injection for spun pole moulds) which increased the utilisation rate to 55%. During FYE 2024, the Kota Kinabalu Factory installed more machinery to automate further tasks (semi-automated concrete feeders for spun pile moulds), improved the layout of the manufacturing area and the production workers became more familiar with the new machinery, which resulted in utilisation rate increasing to 65% (FYE 2023: 55%). The utilisation rate decreased to 60% in FPE 2025 (FYE 2024: 65%) contributed by lower output during the first quarter as some customers only finalised their order in March 2025.
- Kuching Factory:** We operated 1 shift at the Kuching Factory in FYE 2021 and between January 2022 and November 2022, and changed to operating 2 shifts from November 2022 onwards. As a result, the utilisation rate of the Kuching Factory was 28% in FYE 2021 and 34% in FYE 2022 (10 months of operating 1 shift and 2 months operating 2 shifts), and subsequently increased to 48% in FYE 2023 (12 months operating 2 shifts). The utilisation rate of the Kuching Factory then increased to 50% in FYE 2024 (FYE 2023: 48%) due to improved production workflow.

The methodology used to calculate our manufacturing capacity for spun poles and piles is summarised in the following tables:

On-going operations

PMW Concrete - Ipoh Factory 2

Daily manufacturing rate	FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025: 192 tonnes per day
Working days per year or period	FYE 2021, FYE 2022, FYE 2023, and FYE 2024: 351 days per year ⁽¹⁾ FPE 2025: 146 days ⁽²⁾
Estimated manufacturing capacity per year or period	FYE 2021, FYE 2022, FYE 2023, FYE 2024: 60,653 tonnes per year ⁽³⁾ FPE 2025: 25,229 tonnes ⁽⁴⁾

Ipoh Factory 3

Daily manufacturing rate	FYE 2021 and FYE 2022: None ⁽⁵⁾ FYE 2023: 50 tonnes per day FYE 2024: 50 tonnes per day from January to June, 180 tonnes per day from July to December ⁽⁶⁾ FPE 2025: 180 tonnes per day
Working days per year or period	FYE 2023 and FYE 2024: 351 days per year ⁽¹⁾ FPE 2025: 146 days ⁽²⁾
Estimated manufacturing capacity per year or period	FYE 2023: 15,795 tonnes per year ⁽⁷⁾ FYE 2024: 36,270 tonnes ⁽⁸⁾ FPE 2025: 23,652 tonnes ⁽⁹⁾

Winabumi - Kota Kinabalu Factory

Daily manufacturing rate	FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025: 360 tonnes per day
Working days per year or period	FYE 2021, FYE 2022, FYE 2023, and FYE 2024: 348 days per year ⁽¹⁰⁾ FPE 2025: 145 days ⁽¹¹⁾
Estimated manufacturing capacity per year or period	FYE 2021, FYE 2022, FYE 2023, and FYE 2024: 112,752 tonnes per year ⁽¹²⁾ FPE 2025: 46,980 tonnes ⁽¹³⁾

7. BUSINESS OVERVIEW (Cont'd)**Discontinued operations****Kuching Factory⁽¹⁴⁾**

Daily manufacturing rate	FYE 2021, FYE 2022, FYE 2023, and FYE 2024: 45 tonnes per day FPE 2025: None
Working days per year or period	- FYE 2021, FYE 2022 and FYE 2023: 348 days per year⁽¹⁵⁾ - FYE 2024: 319 days⁽¹⁶⁾
Estimated manufacturing capacity per year or period	- FYE 2021, FYE 2022 and FYE 2023: 14,094 tonnes per year⁽¹⁷⁾ - FYE 2024: 12,920 tonnes⁽¹⁸⁾

Notes:

- (1) Number of working days at Ipoh Factory 3 and Ipoh Factory 2 for a financial year is estimated as 365 days less 14 gazetted public holidays for Perak, which comes to 351 days.
- (2) Number of working days at Ipoh Factory 3 and Ipoh Factory 2 for FPE 2025 is estimated by pro-rating 351 days by 5 months out of 12 months, which comes to 146 days.
- (3) Manufacturing capacity at the Ipoh Factory 2 for FYE 2021, FYE 2022, FYE 2023, and FYE 2024 is estimated by multiplying the daily manufacturing rate by the number of working days per year, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 60,653 tonnes.
- (4) Manufacturing capacity at the Ipoh Factory 2 for FPE 2025 is estimated by multiplying the daily manufacturing rate by the number of working days for the financial period, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 25,229 tonnes.
- (5) Ipoh Factory 3 commenced manufacturing spun poles on a commercial basis in January 2023.
- (6) Daily manufacturing capacity at Ipoh Factory 3 increased to 180 tonnes per day from July 2024 when we started to manufacture spun piles.
- (7) Manufacturing capacity at our Ipoh Factory 3 for FYE 2023 is estimated by multiplying the daily manufacturing rate by the number of working days per year, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 15,795 tonnes.
- (8) Manufacturing capacity at our Ipoh Factory 3 for FYE 2024 is estimated by the following:
 - a. Multiplying the daily manufacturing rate for January to June 2024 by 176 days, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 7,920 tonnes;
 - b. Multiplying the daily manufacturing rate for July to December 2024 by 175 days, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 28,350 tonnes; and
 - c. Adding 7,920 tonnes and 28,350 tonnes, which comes to 36,270 tonnes.
- (9) Manufacturing capacity at our Ipoh Factory 3 for FPE 2025 is estimated by is estimated by multiplying the daily manufacturing rate by the number of working days for the financial period, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 23,652 tonnes.
- (10) Number of working days at the Kota Kinabalu Factory for a financial year is estimated as 365 days less 17 gazetted public holidays for Sabah, which comes to 348 days.
- (11) Number of working days at the Kota Kinabalu Factory for FPE 2025 is estimated by pro-rating 348 days by 5 months out of 12 months, which comes to 145 days.
- (12) Manufacturing capacity at the Kota Kinabalu Factory for FYE 2021, FYE 2022 and FYE 2023 is estimated by multiplying the daily manufacturing rate by the number of working days per year, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 112,752 tonnes.
- (13) Manufacturing capacity at the Kota Kinabalu Factory for FPE 2025 is estimated by multiplying the daily manufacturing rate by the number of working days for the financial period, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 46,980 tonnes.
- (14) We ceased manufacturing activities at the Kuching Factory in November 2024 and have disposed of the operations to non-related parties.
- (15) Number of working days at our Kuching Factory for a financial year is estimated as 365 days less 17 gazetted public holidays for Sarawak, which comes to 348 days.
- (16) As we ceased manufacturing activities at the Kuching Factory in November 2024, the number of working days for FYE 2024 is estimated by pro-rating 348 days by 11 months out of 12 months, which comes to 319 days.

7. BUSINESS OVERVIEW (Cont'd)

- (17) Manufacturing capacity at our Kuching Factory for FYE 2021, FYE 2022 and FYE 2023 is estimated by multiplying the daily manufacturing rate by the number of working days per year, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 14,094 tonnes.
- (18) Manufacturing capacity at our Kuching Factory for FYE 2024 is estimated by multiplying the daily manufacturing rate by the number of working days, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 12,920 tonnes.

Actual output of our Ipoh Factory 2, Ipoh Factory 3, Kota Kinabalu Factory and Kuching Factory are based on the quantity of spun poles and piles manufactured by the respective manufacturing facilities.

7.6.3 Manufacturing steel poles

During the Financial Periods Under Review, we manufactured steel poles at our Ipoh Factory 1.

The utilisation rates for manufacturing steel poles of our Ipoh Factory 1 during the Financial Periods Under Review is estimated by dividing the actual output by the capacity of the corresponding financial year or financial period. This is summarised in the following table:

	Capacity (steel poles)	Actual output (steel poles)	Utilisation rate (%)
<u>Ipoh Factory 1</u>			
FYE 2021	2,610	1,290	49
FYE 2022	31,590	13,777	44
FYE 2023	31,590	12,433	39
FYE 2024	31,590	8,486	27
FPE 2025	13,140	5,350	41

The utilisation rate for manufacturing steel poles at Ipoh Factory 1 decreased from FYE 2021 to FYE 2024 due to decreasing orders from the end-user for this product. However, the utilisation rate increased in FPE 2025 due to an increase in orders from the end-user.

The methodology used to calculate our manufacturing capacity for steel poles is summarised in the following table:

Ipoh Factory 1

Daily manufacturing rate	FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025: 100 steel poles per day
Working days per year or period	- FYE 2021: 29 days ⁽¹⁾ - FYE 2022, FYE 2023, and FYE 2024: 351 days per year ⁽²⁾ - FPE 2025: 146 days ⁽³⁾
Estimated manufacturing capacity per year or period	- FYE 2021: 2,610 steel poles ⁽⁴⁾ - FYE 2022 and FYE 2023: 31,590 steel poles per year ⁽⁵⁾ - FPE 2025: 13,140 steel poles ⁽⁶⁾

Notes:

- (1) Ipoh Factory 1 commenced manufacturing steel poles in December 2021. Consequently, the number of working days at our Ipoh Factory 1 for FPE 2021 is estimated by pro-rating 351 days by 1 month out of 12 months, which comes to 29 days.
- (2) Number of working days at our Ipoh Factory 1 for a financial year is estimated as 365 days less 14 gazetted public holidays for Perak, which comes to 351 days.
- (3) Number of working days at our Ipoh Factory 1 for FPE 2025 is estimated by pro-rating 351 days by 5 months out of 12 months, which comes to 146 days.
- (4) Manufacturing capacity at our Ipoh Factory 1 for FYE 2021 is estimated by multiplying the daily manufacturing rate by the number of working days per year, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 2,610 steel poles.

7. BUSINESS OVERVIEW (Cont'd)

- (5) *Manufacturing capacity at our Ipoh Factory 1 for FYE 2022, FYE 2023, and FYE 2024 is estimated by multiplying the daily manufacturing rate by the number of working days per year, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 31,590 steel poles.*
- (6) *Manufacturing capacity at our Ipoh Factory 1 for FPE 2025 is estimated by multiplying the daily manufacturing rate by the number of working days for the financial period, and subtracting 10% to take into account stoppages for maintenance and product changes. This comes to 13,140 steel poles.*

Actual output of our Ipoh Factory 1 is based on the number of steel poles manufactured.

7.6.4 Manufacturing moulds, machinery, and metal products

Measures of capacity and utilisation do not apply to our manufacturing of moulds, machinery, and metal products business activity as these products are generally manufactured based on the customised specifications of the respective customers.

7.6.5 Rental of moulds and machinery

Measures of capacity and utilisation do not apply to our rental of moulds and machinery business activity as they are based on recurrent revenue contracts that stipulate the types of moulds and machinery rented to the respective customers over the contract duration period.

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7. BUSINESS OVERVIEW (Cont'd)

7.7 OUR BUSINESS AND OPERATIONAL PROCESSES

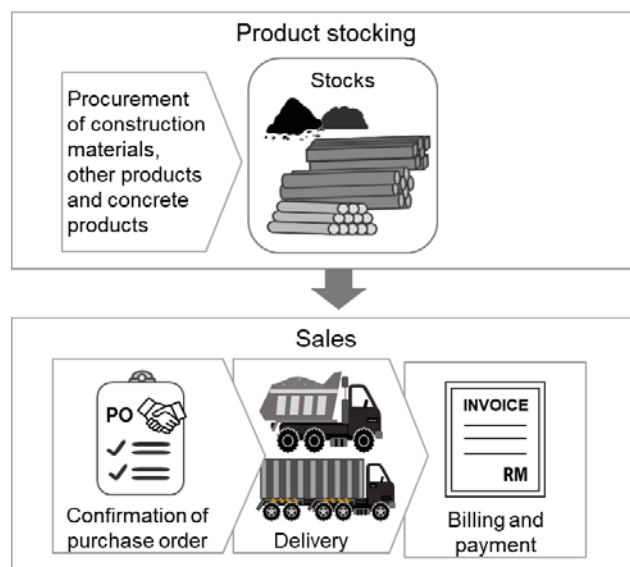
7.7.1 Trading of construction materials and other products, concrete products and lighting fixtures

We trade in the following products;

- construction materials (including cement, steel, sand, aggregate);
- other products (such as concrete additives, diesel and fuel oil, metal and plastic accessories for concrete products, (such as end plates and pointed shoes), lighting fixtures, and welding consumables and hand tools; and
- concrete products including standard poles, decorative poles, monopoles, spun piles, square piles and kicking blocks.

During the Financial Periods Under Review, we supply construction materials and other products mostly to Winabumi and PMW Concrete, and we procure the concrete products for trading only from Winabumi and PMW Concrete.

The general process flow for our trading of construction materials and other products and trading of concrete products is depicted in the diagram below:



Product stocking

We stock the relevant construction materials, other products, and concrete products for our trading operations. These products comprised those that are sourced from Winabumi, PMW Concrete, and third-party suppliers and manufacturers.

Confirmation of purchase orders

Our process typically begins with customer enquiries, where the customers will specify the products that they intend to purchase. Based on the customer's requirements, we will check the availability of the construction materials, other products, and concrete products.

Once the customers have confirmed their choice of products, they will issue a purchase order detailing the type, quantity, price of products, and other terms such as delivery location and schedule, as well as payment terms.

Procurement

If a product is available on hand, we will place an order for the product with the relevant supplier. We will confirm the availability of the products, pricing and estimated delivery date with our suppliers.

7. BUSINESS OVERVIEW (Cont'd)

Delivery

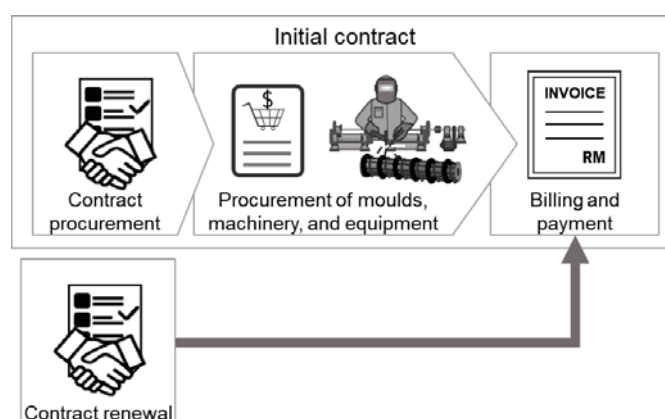
We will make the arrangement to deliver the products that we have on hand to the customer's delivery location. Our suppliers will arrange for the products to be shipped directly to the delivery location according to the agreed schedule upon customer approval. Upon arrival, the products are inspected against the purchase order. If there are no discrepancies, our customer will sign and stamp the delivery order as proof of delivery.

Billing and payment

The accounts department will then prepare the sales invoice matched against the signed and stamped delivery order and subsequently sent out to the customer. The accounts department will record all payment received in our computer system, as well as keeping relevant documents for documentation and record-keeping purposes.

7.7.2 Rentals of moulds, machinery, and equipment

We rented out moulds and machinery to Winabumi and PMW Concrete for their business activities. The general process flow for our rentals of moulds, machinery, and equipment is depicted in the diagram below:



Initial contract

Contract procurement

Upon receiving an enquiry from a prospective customer, our team will verify the availability of the requested moulds and machinery.

If the requested moulds and machinery are not available, we will manufacture the necessary moulds and machinery in-house or procure them from third-party suppliers or manufacturers. For more details of our manufacturing of moulds and machinery, please refer to Section 7.2.2.3 of this Prospectus.

When the requested moulds and machinery are available, we will proceed to draft a rental agreement that specify the terms including, among others, specific moulds and machinery to be rented, rental duration, rental fees and payment schedule, terms of use, and responsibility for damage or malfunction. We will negotiate the terms with the customers to ensure both parties understand and agree to the outlined conditions. Upon reaching an agreement, both parties will then sign the contract.

Billing and payment

Our customers pay the rental on a monthly basis. We will invoice customers for the monthly rental at the end of each month.

Upon request from the customers, we can also provide operational support to maintain the rented machinery in workable condition. This includes supplying general wear and tear parts for the production operation.

7. BUSINESS OVERVIEW (Cont'd)

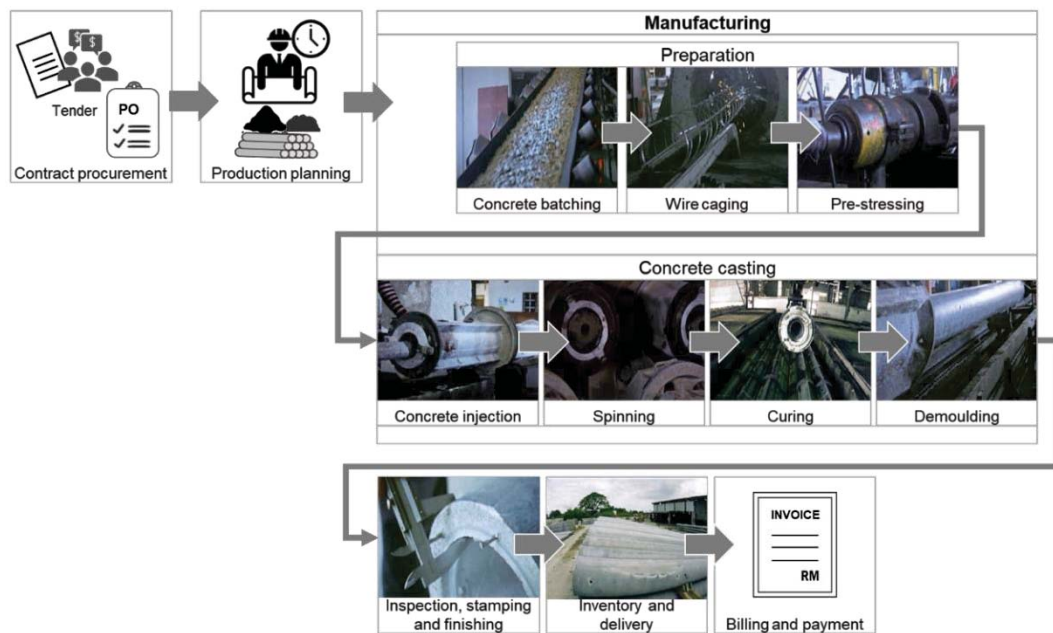
Contract renewal

For renewals, we will confirm the previously agreed-upon terms with the customers. If confirmed, the same moulds and machinery will be provided for continued use.

7.7.3 Manufacturing of spun poles and piles

Spun poles and piles include standard poles, monopoles, decorative poles and spun piles which are manufactured from concrete with steel cage as reinforcement embedded within the concrete, and that are pre-stressed and spun as part of their manufacturing process.

The general process flow for our manufacturing of spun poles and piles is depicted in the diagram below:



Contract procurement

Our contracts are secured through a tendering process or submission of proposal process. Upon receiving an invitation to tender or request for proposal from prospective customers, we will carry out a preliminary assessment based on the product requirements and background of the customer before deciding to participate in the tender.

Once we have decided to bid, we will commence the preparation of our tender documents or proposals which involve a commercial proposal focusing on pricing, payment schedules and terms, warranty and defect liability period, and a technical proposal focusing on our capabilities, track record and experience profile, scope of work, bill of materials, and completion date. We will then submit our tender or proposal together with a tender/proposal bond/deposit if required.

Despite securing the contract, our production is initiated based on purchase orders received from our customers, specifying product quantities and specifications.

In addition, we also secure purchase orders from customers without a formal contract.

Production planning

Upon receipt of a purchase order, we commence our detailed production planning. This includes preparing design and technical drawings of the spun poles and piles, which require customer approval. Once approved, we begin procuring the materials based on the bill of quantities. This includes sourcing necessary materials include, among others, steel, concrete, sand, aggregate, and concrete additives, mainly sourced from domestic suppliers. We produce the moulds in-house based on the agreed-upon drawings.

7. BUSINESS OVERVIEW (Cont'd)

Manufacturing

(a) Preparation

Concrete batching

We begin our manufacturing processes with concrete batching, which is to produce concrete based on the specific formulation that is required for the product being cast.

The main input materials of concrete, namely cement, sand, and aggregate are dispensed in measured amounts following the required concrete formulation. These input materials are mixed with the appropriate amount of water and concrete additives in the mixer to produce concrete. The concrete is discharged from the mixer into the conveyor system that transports it to the concrete feeding system.

A control system is used to monitor and control the input of materials, mixing times, and output to control the batching process and achieve consistent concrete quality.

Wire caging

Steel longitudinal bars are used to make wire cages, providing reinforcement and shaping the concrete during the pre-stressing stage. For spun piles, our warm button heading machine creates button heads on each steel longitudinal bars, which are used to securely attach the join-plates at each end of the spun pile.

We then load the required number of longitudinal bars into the automatic steel wire caging machine. As the longitudinal bars are fed through the machine, the rotating welding electrode automatically winds the spiral wire at the required positions, and then welds the spiral wire to the longitudinal bars. Our automated steel wire caging machine is equipped with a control system to control the longitudinal bar feed rate, welding electrode operation, spiral wire placement, and other parameters to facilitate accurate and consistent steel cage fabrication.

The number and arrangement of steel longitudinal bars and spiral wires in each cage varies depending on the specific product design. We determine the size, layout, and quantity of longitudinal bars and spiral wires based on the dimensions, type, and intended function of the final precast spun poles and piles.

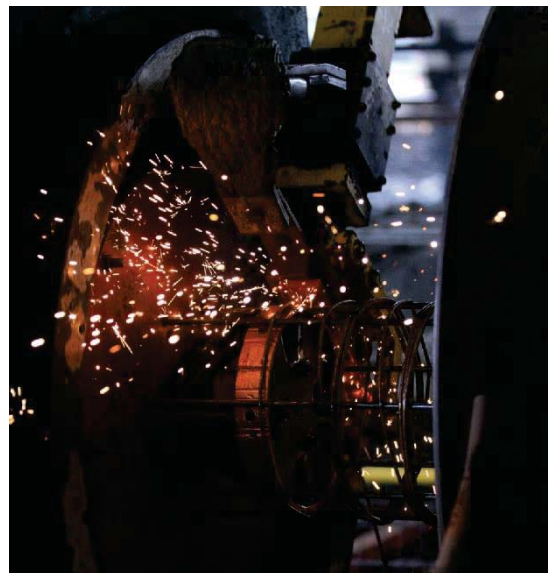
One of our concrete batching plants



Steel cages loaded into moulds



Wire caging



7. BUSINESS OVERVIEW (Cont'd)

Pre-stressing

In this stage, the steel cage is loaded and anchored to one end of the mould. The pre-stressing machine is then attached to the other end of the steel cage and applies tension by pulling it.

Once the required tension is achieved, the steel cage is then anchored at the other end of the mould to maintain the tension. The tension will be subsequently released when the concrete has cured and hardened.

(b) Concrete casting

Concrete injection

Following pre-stressing, the mould is prepared for concrete injection. The batched concrete is transferred from the holding unit to a hopper located above the mould and deposit into the mould. The system has a weighing system for workers to keep track of the quantity of concrete used to ensure that the appropriate amount is fed into the mould.

Spinning

The loaded mould is then positioned on a horizontal axis on our centrifugal spinning machine. This machine utilises an electric motor to rotate the mould at high speed to distribute the concrete evenly within the mould cavity. The spinning process also removes air bubbles and excess water within the concrete, which results in dense concrete with no internal voids, a smooth surface, and improved strength and durability.

Curing

After spinning, the moulds are placed in the curing ovens. Steam from the boiler is used to cure the loaded moulds at a preset temperature for a specified duration. After the curing process is complete, the moulds are transferred from the curing oven to the demoulding station.

Demoulding

Once the curing process is complete, we will release the tension and use demoulding machine to remove cured spun poles and piles from their moulds.

Inspection, stamping and finishing

All spun poles and piles undergo inspection to assess the dimensional accuracy and surface finish. Subsequently, our standard poles, monopoles, and spun piles are manually stamped with a batch number for identification and traceability. For decorative poles, we will apply paint to enhance their aesthetics and durability.

Steel cages of different sizes



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7. BUSINESS OVERVIEW (Cont'd)

Inventory and delivery

After the stamping and finishing processes, the spun poles and piles are then prepared for storage. We manufacture our standard poles and spun piles to stock where purchase orders are fulfilled from our stocks and delivered to destinations specified by our customers. In some situations, the customers will pick up the stock from our factory.

A final inspection will be conducted before the manufactured spun poles and piles are delivered to the customers.

Billing and payment

The accounts department will then prepare the sales invoice matched against the signed and stamped delivery order and subsequently sent out to the customer. The accounts department will record all payment received in our computer system, as well as keeping relevant documents for documentation and record-keeping purposes.

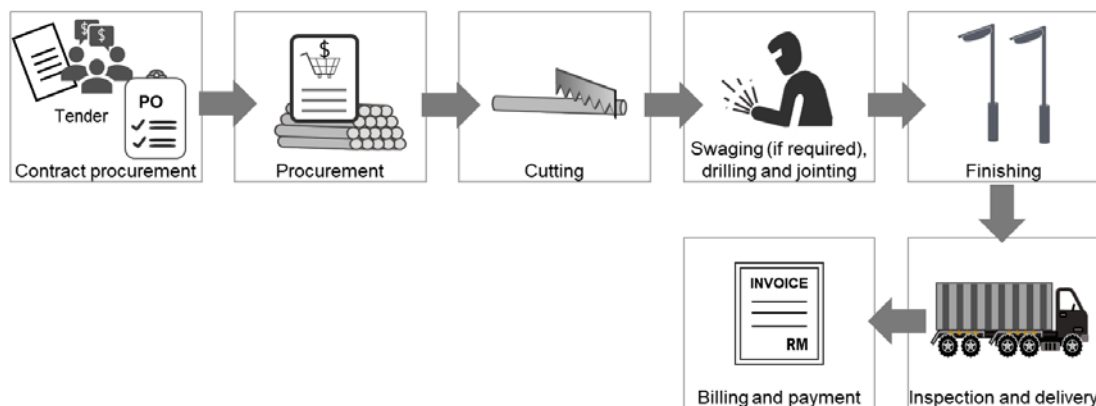
Storage of our spun poles



7.7.4 Manufacturing of steel poles

Our steel poles are used for outdoor area lighting, primarily for streets. They are manufactured from steel with one or two arms equipped with light fixtures.

The general process flow for our manufacturing of steel poles is depicted in the diagram below:



Contract procurement

Our contracts are secured through either a tendering process or a proposal submission process. Upon receiving an invitation to tender or a request for proposal from prospective customers, we will carry out a preliminary assessment based on the product requirements and background of the customer before deciding to participate in the tender.

Once we have decided to bid, we commence preparing our tender documents or proposals which involve a commercial proposal focusing on pricing, payment schedules and terms, warranty and defect liability period, and a technical proposal focusing on our capabilities, track record and experience profile, scope of work, bill of materials, and completion date. We then submit our tender or proposal, along with a tender/proposal bond/deposit if required.

Notwithstanding the secured contract, the customer must issue a purchase order to us to purchase steel poles from us, specifying the product quantities and specifications. In addition, some customers purchase steel poles from us through purchase orders without a formal contract.

7. BUSINESS OVERVIEW (Cont'd)

Procurement

We then source the necessary input materials mainly steel materials from domestic suppliers based on our customer's specifications. Upon arrival at our Ipoh Factory 1, all materials undergo a thorough inspection to ensure they meet the required specifications and are delivered in good condition.

Cutting

The steel rods are cut to the desired lengths for the pole body sections using a cutting machine to achieve the required length.

Swaging (if required), drilling and jointing

Depending on customer requirements, steel pole requiring a tapered or non-cylindrical shape will go through a swaging machine to form the desired shape. We then drill holes for electrical wiring, mounting, and access panels. The prepared ends of the steel sections are joined to create a strong joint using welding machines.

Finishing

The steel pole is then straightened using hydraulic presses to ensure it meets the required specifications for straightness. The steel pole also undergoes painting for the steel pole, providing a protective layer against corrosion. We engage third-party specialists to carry out the painting works.

Inspection and delivery

The finished steel poles are then inspected to ensure they meet dimensional and quality requirements. Once completed, the finished poles are readied for shipment and installation.

Billing and payment

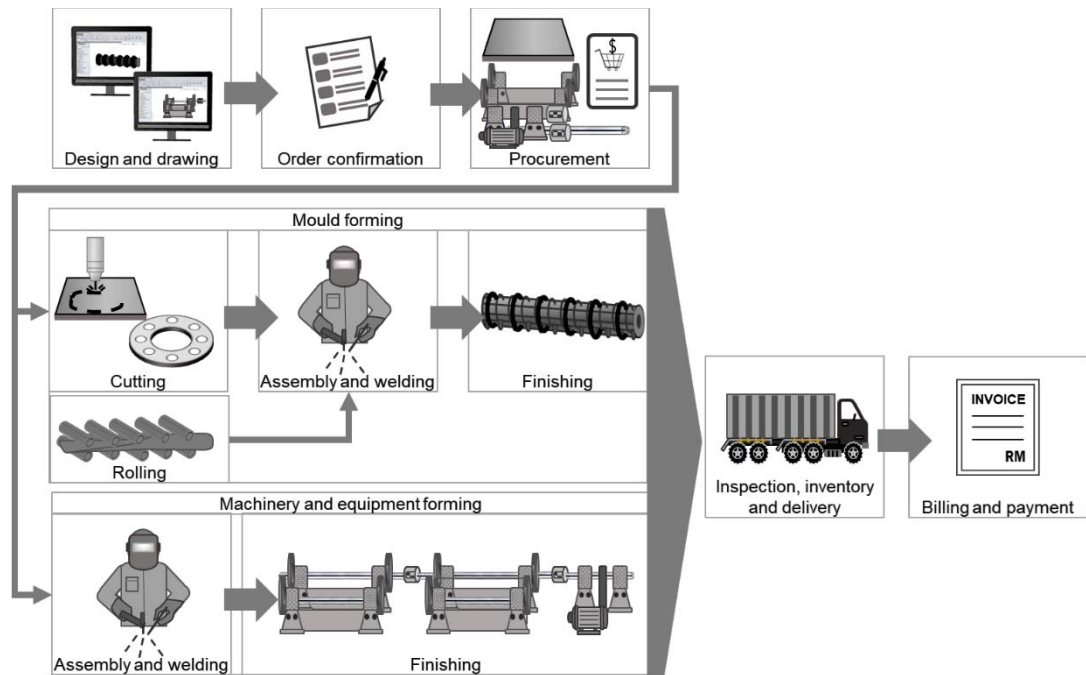
The accounts department will then prepare the sales invoice matched against the signed and stamped delivery order and subsequently sent out to the customer. The accounts department will record all payment received in our computer system, as well as keeping relevant documents for documentation and record-keeping purposes.

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7. BUSINESS OVERVIEW (Cont'd)

7.7.5 Manufacturing of moulds and machinery

The general process flow for our manufacturing of moulds and machinery is depicted in the diagram below:



Design and drawing

Our process typically begins with customer enquiries, where the customers will specify the moulds and/or machinery they intend to purchase or rent. Based on the customer's specifications, our engineers design and create detailed drawings for the moulds and/or machinery.

Order confirmation

Once the design is accepted by our customers, they will confirm their order by issuing a purchase order.

Procurement

We then source the necessary materials including steel plates, as well as machinery parts and components, from domestic and overseas suppliers based on our customer's specifications. Upon arrival at our manufacturing facilities, all materials undergo a thorough inspection to ensure they meet the required specifications and are delivered in good condition.

Mould forming

Cutting

Steel plates are cut to the required shapes and dimensions for the mould using laser cutting machines.

Cutting a steel plate for a mould



7. BUSINESS OVERVIEW (Cont'd)*Rolling*

Steel coils are rolled to the required size and shape, forming tubular sections for specific mould components. We engage third-party service providers to carry out this process.

Steel coils rolled by external parties*Assembly and welding*

All rolled parts are assemble and welded according to the design using the metal inert gas (MIG) welding method.

Finishing

After assembly and welding, we conduct a visual inspection to ensure the mould produced meets specifications. Subsequently, we paint the mould based on customer requirements. We carry out painting in-house and engage third-party specialists to carry out the painting works when necessary.

Mould assembly**Machinery and equipment forming***Assembly and welding*

Once all parts are formed, we assemble and join all parts according to the design agreed upon using MIG welding.

Finishing

After assembly and welding, we conduct a visual inspection to ensure the mould produced meets specifications. Subsequently, we paint the machinery and equipment based on customer requirements. We carry out painting in-house and engage third-party specialists to carry out the painting works when necessary.

Inspection, inventory and delivery

The finished mould and/or machinery undergo a final inspection before being stored in our inventory. A pre-delivery inspection will be conducted before the manufactured moulds and/or machinery are delivered to the customers.

Completed moulds being inspected by customers**Billing and payment**

The accounts department will then prepare the sales invoice matched against the signed and stamped delivery order and subsequently sent out to the customer. The accounts department will record all payments received in our computer system, as well as keeping relevant documents for documentation and record-keeping purposes.

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7. BUSINESS OVERVIEW (Cont'd)

7.7.6 Manufacturing of lighting fixtures

The general process flow for our manufacturing of lighting fixtures is depicted in the diagram below:



Order confirmation

Our process typically begins with customer enquiries, where the customers will specify the lighting fixtures they intend to purchase, including design, specifications, and quantities. Upon finalisation, the customer issues a purchase order to confirm the order.

Procurement

Based on the confirmed order, we then source the necessary components including lamp shades, lamp holders, wiring, cables, and other fittings from both domestic and overseas suppliers. Upon arrival at our manufacturing facilities, all incoming materials undergo a thorough inspection to ensure they meet the required specifications and are delivered in good condition.

Assembly and testing

After inspection, we proceed to assembly stage to assemble the components and parts according to the approved design and technical drawings. Once assembly is complete, each lighting fixture undergoes functional testing and quality checks to verify performance, safety, and compliance with specifications. Any non-conforming items are reworked and retested to ensure full functionality before moving to the next stage.

Inventory and delivery

Fully tested lighting fixtures undergo a final inspection before being stored in our inventory. Products are properly labelled and stored under suitable conditions to prevent damage or deterioration. Before shipment, a pre-delivery inspection is conducted to confirm that each fixture meets quality and specification requirements. The items are then packed securely and delivered to customers as per the agreed delivery schedule.

Billing and payment

The accounts department will then prepare the sales invoice matched against the signed and stamped delivery order and subsequently sent out to the customer. The accounts department will record all payments received in our computer system, as well as keeping relevant documents for documentation and record-keeping purposes.

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7. BUSINESS OVERVIEW (Cont'd)

7.8 TYPES, SOURCES AND AVAILABILITY OF MATERIALS

The following are the major types of materials and services that we purchased for our business operations during the Financial Periods Under Review:

Purchases of materials and services										
	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%	RM'000	(1)%
Materials for trading activities	34,828	73.12	40,017	65.06	84,602	86.54	97,425	81.47	43,301	85.50
Trading of concrete products	15,533	32.61	13,813	22.46	42,468	43.44	51,671	43.21	24,683	48.74
• <i>Spun products⁽²⁾</i>	12,262	25.74	13,813	22.46	30,139	30.83	35,700	29.85	18,087	35.71
• <i>Square piles</i>	3,271	6.87	-	-	12,329	12.61	15,971	13.36	6,596	13.03
Trading of construction materials and other products	19,295	40.51	26,204	42.60	42,134	43.10	45,754	38.26	18,618	36.76
• <i>Steel materials</i>	9,799	20.58	13,102	21.30	21,495	21.99	22,611	18.91	7,466	14.74
• <i>Cement, concrete, sand and aggregates</i>	6,396	13.43	8,270	13.44	13,894	14.21	15,315	12.81	6,579	12.99
• <i>Other products</i>	3,100	6.50	4,832	7.86	6,745	6.90	7,828	6.54	4,573	9.03
Materials for manufacturing activities	10,764	22.60	19,582	31.83	11,907	12.18	21,259	17.77	6,847	13.52
Steel materials	8,217	17.25	12,984	21.11	7,170	7.33	13,632	11.40	3,199	6.32
Cement, concrete, sand, and aggregates	537	1.13	893	1.45	1,867	1.91	3,129	2.62	1,440	2.84
Accessories	2,010	4.22	5,705	9.27	2,870	2.94	4,498	3.75	2,208	4.36
Services	2,040	4.28	1,915	3.11	1,257	1.28	907	0.76	497	0.98
Contract labour	1,534	3.22	1,653	2.68	1,204	1.23	875	0.73	492	0.97
Sub-contracted manufacturing services	506	1.06	262	0.43	53	0.05	32	0.03	5	0.01
	47,632	100.00	61,514	100.00	97,766	100.00	119,591	100.00	50,645	100.00

Notes:

(1) As a percentage of total Group purchases of materials and services.

(2) *Spun products* refer to standard poles and spun piles.

Our main business activity during the Financial Periods Under Review was trading, and consequently purchases of materials for trading accounted for 73.12%, 65.06%, 86.54%, 81.47%, and 85.50% of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. Purchases of materials for our manufacturing activities accounted for 22.60%, 31.83%, 12.18%, 17.77%, and 13.52% of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively, while services accounted for the remaining 4.28%, 3.11%, 1.28%, 0.76%, and 0.98% of our total purchases of materials and services.

7. BUSINESS OVERVIEW (Cont'd)

During the Financial Periods Under Review, purchases of concrete products for trading were our largest purchases value having accounted for 32.61%, 22.46%, 43.44%, 43.21%, and 48.74% of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. Purchases of spun products comprising standard poles and spun piles accounted for 25.74%, 22.46%, 30.83%, 29.85%, and 35.71% of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively, and purchases of square piles accounted for 6.87%, nil, 12.61%, 13.36%, and 13.03% of our total purchases of materials and services respectively. We mainly purchased standard poles and spun piles from Winabumi and PMW Concrete, and square piles from Winabumi.

Our total purchases of steel materials for our trading and manufacturing activities accounted for 37.83 %, 42.41%, 29.32%, 30.31%, and 21.06% of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. These steel materials are used by our customers and our Group to manufacture concrete products (comprising spun products, square piles and other concrete products), and also by our Group to manufacture moulds, machinery and other metal products such as steel poles.

During the Financial Periods Under Review, our purchases of cement, concrete, sand and aggregates for our trading and manufacturing activities accounted for 14.56%, 14.89%, 16.12%, 15.43%, and 15.83% of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. These materials are used to manufacture concrete products by our Group and our customers.

Purchases of other products for trading accounted for 6.50%, 7.86%, 6.90%, 6.54% and 9.03% of our total of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. Other products for trading included concrete additives, diesel and fuel oil, metal and plastic accessories for concrete products, lighting fixtures and other products such as welding consumables and hand tools.

During the Financial Periods Under Review, purchases of accessories for our manufacturing activities accounted for 4.22%, 9.27%, 2.94%, 3.75% and 4.36% of our total of our total purchases of materials and services for the FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. The accessories for manufacturing that we purchased included plastic sockets, spacers and accessories for spun products, wood products, and end plates.

Purchases of services accounted for 4.28%, 3.11%, 1.28%, 0.76%, and 0.98% of our total purchases of materials and services. During the Financial Periods Under Review, our purchases of services comprised contract labour services and manufacturing services such as metal fabrication, casting and machining services.

The sources of supply for our Group are summarised in the table provided below.

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	(1)RM'000	(2)%	(1)RM'000	(2)%	(1)RM'000	(2)%	(1)RM'000	(2)%	(1)RM'000	(2)%
Malaysia	45,769	96.09	57,079	92.79	94,073	96.22	114,545	95.78	46,540	91.89
Other countries ⁽³⁾	1,863	3.91	4,435	7.21	3,693	3.78	5,046	4.22	4,105	8.11
	47,632	100.00	61,514	100.00	97,766	100.00	119,591	100.00	50,645	100.00

Notes:

(1) Value of purchases of materials and services during the financial year or financial period

(2) As a percentage of total Group purchases of materials and services.

(3) Other countries include China, Hong Kong, Indonesia, South Korea, and the USA.

Most of our purchases of materials and services during the Financial Periods Under Review were from suppliers in Malaysia.

7. BUSINESS OVERVIEW (Cont'd)

We have not experienced any shortages in purchasing our materials and services during the Financial Periods Under Review and up to the LPD. Steel materials are commodity materials, and consequently they are subject by global price fluctuations due to global demand and supply conditions. Please refer to Section 9.1.2 of this Prospectus for additional information relating to the risk of fluctuations in steel prices.

7.9 SALES AND MARKETING ACTIVITIES

Our marketing position and activities to retain existing customers, secure new customers, and address business opportunities are focused on the following:

- **In-house designed products:** We position ourselves as manufacturers of concrete products which are designed and developed in-house. In addition, as we design and manufacture the moulds used to manufacture these products, we have the in-house capability to develop, design, and manufacture new types and designs to meet customers' specifications as well as to address changing market requirements without having to rely on third-parties.
- **Manufacturing facilities in Peninsular and East Malaysia:** We market our concrete products to customers in Peninsular and East Malaysia based on our manufacturing facilities in Ipoh, Perak and Kota Kinabalu, Sabah. As we manufacture concrete products at these two locations, we have the capability to deliver the products to customers throughout Malaysia in a timely and cost-effective manner. This is an important consideration as concrete products are large and bulky items that are costly to transport, and subject to the risk of damage during transportation.
- **One-stop solution provider for moulds and machinery:** We provide customers with a one-stop solution for the complete set of moulds and machinery that are needed to manufacture spun poles and piles, and square piles. We designed and manufactured most of the moulds and machinery installed at our Ipoh Factory 1, Ipoh Factory 2 and Ipoh Factory 3, Kota Kinabalu Factory, and the former Kuching Factory that are used to manufacture concrete products. The machinery that we did not manufacture in-house were supplied by third-party suppliers. In addition, we have completed projects to manufacture, install, and/or commission the moulds and machinery for spun poles and piles manufacturing facilities in other countries including Nigeria, Saudi Arabia, Oman, and the USA.
- **Leverage available distribution channels:** We utilise both the direct and indirect distribution channels to maximise our market coverage to reach as many customers and end-users as possible. Through our direct distribution channel, we can develop customer loyalty as well as directly understand our customer's requirements to sustain and grow our business. Our indirect distribution channel involves dealing with intermediaries such as contractors, construction companies, and distributors to expand our product reach through their respective customer base and networks. For the FYE 2023, our direct and indirect distribution channels accounted for 58.73% and 41.27% respectively of our total revenue.
- **Proactive customer engagement:** We proactively identify and approach prospective customers to highlight the range of concrete products, steel poles, and moulds and machinery that we design and manufacture in-house. We aim to highlight our range of existing products and as our in-house capability to design and manufacture products to meet their specific requirements.
- **Customer service and support:** We are committed to providing customer service to support our customers. We respond promptly to customer complaints relating to potentially defective concrete products and steel poles to correct the defect or to replace the affected products. We also support our customers who have purchased our moulds and machinery by providing technical assistance and maintenance services whenever required.

As at the LPD, our marketing activities are headed by our Lee Khim Hwa and 23 personnel in our sales and marketing department who are responsible for sales, marketing and business development activities.

7. BUSINESS OVERVIEW (Cont'd)

As part of our marketing strategy, we participate in exhibitions to raise our profile and meet with prospective customers. The exhibitions that we have participated in during the Financial Periods Under Review and up to the LPD are listed in the following table:

Year	Name of event	Location	Nature of our participation
2023	Sabah Construction & Machinery Expo	Kota Kinabalu, Sabah	Exhibitor
2024	Product presentation to JKR Pulau Pinang (electrical engineering branch)	Penang	Organiser
2024	Product presentation to JKR Perak (electrical engineering branch)	Ipoh, Perak	Organiser
2024	Senior Officer's Conference JKR Malaysia 2024 (SOC 2024)	Klang, Selangor	Exhibitor
2024	Product presentation to JKR Kedah (electrical engineering branch)	Alor Setar, Kedah	Organiser
2024	Electrical Engineering Exhibition & Conference 2024 (ELEXCO 24)	Alor Setar, Kedah	Exhibitor
2024	Product presentation to JKR Malaysia (electrical engineering branch)	Kuala Lumpur	Organiser
2024	Product presentation to JKR Perlis (electrical engineering branch)	Kangar, Perlis	Organiser
2024	Product presentation to JKR Johor (electrical engineering branch)	Johor Bahru, Johor	Organiser
2024	TowerXchange Meetup Asia 2024	Kuala Lumpur	Exhibitor
2025	Exhibition in conjunction with the JKR Perak Electrical Supervision and Construction Reinforcement Course	Ipoh, Perak	Exhibitor
2025	JKR Kelantan Convention & Exhibition (KeCex) 2.0 2025	Bachok, Kelantan	Exhibitor
2025	Seminar 3SP'25 JKR Johor (electrical engineering branch)	Johor Bahru, Johor	Exhibitor
2025	MWC25 Barcelona (Mobile World Congress) – Malaysia pavilion	Barcelona, Spain	Exhibitor
2025	Smart Green ASEAN Cities 2025	Ipoh, Perak	Exhibitor
2025	JKR Perlis Technical Seminar & Familiarisation Course on the LS-1 Specification	Kangar, Perlis	Exhibitor
2025	JKR Electric Seminar & Exhibition	Penang	Exhibitor
2025	JKR Kedah Technical Day 2025 (electrical engineering branch)	Alor Setar, Kedah	Exhibitor
2025	SHARED A PropEx 2025 Property Exhibition	Kota Kinabalu, Sabah	Exhibitor

7.10 RESEARCH AND DEVELOPMENT

During the Financial Periods Under Review and up to the LPD, we have not undertaken any research and development as it is not relevant for our business.

7. BUSINESS OVERVIEW (Cont'd)**7.11 TECHNOLOGY USED**

During the Financial Periods Under Review and up to the LPD, we do not use specialised technologies in our business operations.

7.12 MATERIAL INTERRUPTIONS TO BUSINESS AND OPERATIONS

We did not experience any material interruptions to our business operations during the past 12 months of our operations before the LPD.

7.13 MAJOR CUSTOMERS**7.13.1 Our major customers**

Our major customers for the Financial Periods Under Review are as follows:

FYE 2021

No.	Customers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total revenue
1.	Winabumi ⁽²⁾	Malaysia	Traded construction materials and other products, manufactured spun poles, and rental of moulds and machinery	15	20,749	27.36
2.	PMW Concrete ⁽³⁾	Malaysia	Traded construction materials and other products, rental of moulds and machinery, and manufactured spun poles and steel poles	14	16,172	21.33
3.	Kumait ⁽⁴⁾	Saudi Arabia	Manufactured moulds and machinery	2	6,452	8.51
4.	Customer Group A	USA	Manufactured moulds	#	4,766	6.29
5.	Customer B	Malaysia	Traded spun piles and square piles	2	3,597	4.74
Revenue from major customers					51,736	68.23
Total revenue					75,826	100.00

The business relationship commenced in FYE 2021.

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7. BUSINESS OVERVIEW (Cont'd)**FYE 2022**

No.	Customers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total revenue
1.	PMW Concrete ⁽³⁾	Malaysia	Traded construction materials and other products, rental of moulds and machinery, and manufactured steel poles and spun poles	15	27,478	32.24
2.	Winabumi ⁽²⁾	Malaysia	Traded construction materials and other products, manufactured spun poles and piles, and rental of moulds and machinery	16	27,406	32.15
3.	Decor Poles ⁽⁵⁾	Malaysia	Traded spun poles and manufactured spun poles	7	2,546	2.99
4.	Furse Electric (Sabah) Sdn Bhd	Malaysia	Traded spun poles	6	2,045	2.40
5.	Customer C	Malaysia	Manufactured and traded spun poles	6	2,021	2.37
Revenue from major customers					61,496	72.15
Total revenue					85,235	100.00

FYE 2023

No.	Customers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total revenue
1.	Winabumi ⁽²⁾	Malaysia	Traded construction materials and other products, and rental of moulds and machinery	17	36,266	26.89
2.	PMW Concrete ⁽³⁾	Malaysia	Traded construction materials and other products, rental of moulds and machinery, and manufactured steel poles and spun poles	16	28,624	21.22
3.	Dynamic-Telecommunication Sdn Bhd	Malaysia	Traded and manufactured spun poles	#	6,537	4.85
4.	Customer D	Malaysia	Traded spun poles	1	5,384	3.99
5.	Customer Group E	Malaysia	Manufactured steel poles, and manufactured and traded spun poles	#	2,567	1.90
Revenue from major customers					79,378	58.85
Total revenue					134,869	100.00

The business relationship commenced in FYE 2023.

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

No.	Customers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total revenue
1.	Winabumi ⁽²⁾	Malaysia	Traded construction materials and other products, and rental of moulds and machinery	18	40,438	24.46
2.	PMW Concrete ⁽³⁾	Malaysia	Traded construction materials and other products, rental of moulds and machinery, and manufactured steel poles and spun poles	17	28,633	17.32
3.	Customer Group E	Malaysia	Manufactured steel poles, and manufactured and traded spun poles	1	6,569	3.97
4.	Customer G	Malaysia	Traded spun poles	#	6,427	3.89
5.	Customer Group A	USA	Manufactured moulds	3	6,394	3.87
Revenue from major customers					88,461	53.51
Total revenue					165,337	100.00

The business relationship commenced in FYE 2024.

FPE 2025

No.	Customers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total revenue
1.	Winabumi ⁽²⁾	Malaysia	Traded construction materials and other products, and rental of moulds and machinery	19	24,069	30.56
2.	PMW Concrete ⁽³⁾	Malaysia	Traded construction materials and other products, rental of moulds and machinery, and manufactured steel poles and spun poles	18	8,302	10.54
3.	Customer H	Malaysia	Traded and manufactured spun poles	#	4,042	5.13
4.	Customer I	Nigeria	Manufactured moulds	1	3,261	4.14
5.	Customer G	Malaysia	Traded spun poles	1	2,365	3.00
Revenue from major customers					42,038	53.37
Total revenue					78,770	100.00

The business relationship commenced in FPE 2025.

Notes:

- (1) Length of relationship is determined as at the end of each financial year/period.
- (2) Winabumi is a related party. Please refer to Section 10.1.2 (iii) of this Prospectus for details of the related party transaction. As at the LPD, Winabumi has become a wholly-owned subsidiary of PMW.
- (3) PMW Concrete is an associate company. Please refer to Section 10.1.2 (i) of this Prospectus for details of the related party transaction. Following the completion of the Acquisition of PMW Concrete on 5 May 2025 and by virtue of the shareholders' agreement signed on 16 June 2025, PMW Concrete has become a subsidiary of PMW.
- (4) Kumait is a related party. Please refer to Section 10.1.2 (iv) of this Prospectus for details of the related party transaction.
- (5) Decor Poles is a related party which winding up process will commence in 2025.

During the Financial Periods Under Review, we were dependent on Winabumi and PMW Concrete as customers as they each accounted for more than 10.00% of our total revenue for each financial year and financial period. However, we will not be dependent on them as customers after the Acquisitions when they become our subsidiary companies and they cease to be our customers.

7. BUSINESS OVERVIEW (Cont'd)

We are not dependent on any of our other major customers during the Financial Periods Under Review as none of them accounted for more than 10.00% of our total revenue in any financial year or financial period.

For the Financial Periods Under Review, the major customers of PMW Concrete and Winabumi are as follows:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
PMW Concrete										
Tenaga Nasional Berhad Group	12,428	42.26	17,870	37.56	20,951	40.54	28,270	47.02	14,039	53.66
("TNB Group") ⁽¹⁾										
Telekom Malaysia Berhad Group	9,936	33.79	16,141	33.93	10,286	19.90	11,704	19.47	3,492	13.34
("TM Group") ⁽²⁾										
Decor Poles ⁽³⁾	6,808	23.15	11,039	23.21	1,119	2.17	-	-	-	-
PMW Marketing ⁽⁴⁾	140	0.48	2,474	5.20	19,293	37.33	19,390	32.25	8,629	32.98
PMW Industries ⁽⁴⁾	49	0.17	25	0.05	23	0.04	5	0.01	5	0.02
	29,361	99.85	47,549	99.95	51,672	99.98	59,369	98.75	26,165	100.00
Winabumi										
Mega Summit ⁽⁴⁾	15,392	59.63	10,454	26.02	23,026	49.67	30,344	52.44	2,538	10.47
Sabah Electricity Sdn Bhd	5,843	22.64	16,676	41.52	14,857	32.05	2,973	5.14	5,932	24.47
TM Group ⁽²⁾	4,245	16.45	11,436	28.47	480	1.03	2,086	3.61	1,740	7.18
Celcom Timur (Sabah) Sdn Bhd	332	1.28	947	2.36	8,000	17.25	22,459	38.81	1,177	4.86
Winabumi Marketing ⁽⁴⁾	-	-	-	-	-	-	-	-	12,825	52.90
	25,812	100.00	39,513	98.37	46,363	100.00	57,862	100.00	24,212	99.87

Notes:

- (1) TNB Group customers include Tenaga Nasional Berhad, TNB Energy Services Sdn Bhd, and Allo Technology Sdn Bhd.
- (2) TM Group customers include Telekom Malaysia Berhad and TM Technology Services Sdn Bhd.
- (3) Decor Poles is a related party. The transactions have ceased since the beginning of FYE 2024, and Decor Poles is currently a dormant company.
- (4) PMW Marketing, PMW Industries, Mega Summit and Winabumi Marketing are related parties. After the Acquisitions, PMW Concrete and Winabumi will be subsidiaries of PMW and these revenues will be eliminated as part of the consolidation of the financial information of the Group.

7. BUSINESS OVERVIEW (Cont'd)

During the Financial Periods Under Review, PMW Concrete was dependent on the following customers that accounted for more than 10.00% of its total revenue for two or more financial years or financial period:

- TNB Group accounted for more than 10.00% of PMW Concrete's revenue for each financial year and period. As at the LPD, PMW Concrete has a subsisting contract with TNB Group for the supply of standard poles and steel poles, which provides some assurance that TNB Group will continue purchase these products from PMW Concrete in accordance with the contract (although purchase orders are still required for individual orders).
- TM Group accounted for more than 10.00% of PMW Concrete's revenue for each financial year and period. As at the LPD, PMW Concrete has subsisting contracts with TM Group for the supply of standard poles and steel poles, which provides some assurance that TM Group will continue purchase these products from PMW Concrete in accordance with the contract (although purchase orders are still required for individual orders).

Although PMW Marketing accounted for more than 10.00% of PMW Concrete's revenue for FYE 2023, FYE 2024, and FPE 2025, PMW Concrete is not dependent on PMW Marketing as a customer as both companies are subsidiaries of our Group after the Acquisition. Although Decor Poles accounted for more than 10.00% of PMW Concrete's revenue for FYE 2021 and FYE 2022, moving forward there will not be any dependency as Decor Poles is currently a dormant company. PMW Concrete was not dependent on any of its other major customers during the Financial Periods Under Review as none of them accounted for more than 10.00% of its total revenue in any financial year or financial period.

PMW Concrete was subject to concentration risk during the Financial Periods Under Review as its major customers accounted for between 99.75% and 99.98% of its revenue during the Financial Period Under Review. However, concentration risk will be reduced or removed after the Acquisition for the following reasons:

- Revenue from third-party customers such as TNB Group and TM Group will be divided against the overall Group's revenue, which will be larger than PMW Concrete's revenue;
- There will not be any revenue from Decor Poles as it is dormant as at the LPD; and
- PMW Marketing and PMW Industries are not customers of PMW Concrete as they are subsidiaries of our Group.

During the Financial Periods Under Review, Winabumi was dependent on the following customers that accounted for more than 10.00% of its total revenue for two or more financial years or financial period:

- Sabah Electricity Sdn Bhd accounted for more than 10.00% of Winabumi's total revenue for the FYE 2021, FYE 2022, FYE 2023, and FPE 2025. As at the LPD, Winabumi has subsisting contracts with Sabah Electricity Sdn Bhd for the supply of standard poles, which provides some assurance that they will continue to purchase standard poles from Winabumi in accordance with the contract (although purchase orders are still required for individual orders).
- TM Group accounted for more than 10.00% of Winabumi's total revenue for the FYE 2021 and FYE 2022. Winabumi has a subsisting contract with TM Group as at the LPD for the supply of standard poles, which provides some assurance that they will continue to purchase standard poles from Winabumi in accordance with the contract (although purchase orders are still required for individual orders).
- Celcom Timur (Sabah) Sdn Bhd accounted for more than 10.00% of Winabumi's total revenue for the FYE 2023 and FYE 2024. Winabumi has a subsisting contract with Celcom Timur (Sabah) Sdn Bhd as at the LPD for the supply of standard poles, which provides some assurance that they will continue to purchase standard poles from Winabumi in accordance with the contract (although purchase orders are still required for individual orders).

7. BUSINESS OVERVIEW (Cont'd)

Although Mega Summit accounted for more than 10.00% of Winabumi's revenue for each financial year and financial period, and Winabumi Marketing accounted for more than 10.00% of Winabumi's revenue for FPE 2025, Winabumi is not dependent on Mega Summit and Winabumi Marketing as customers as all of these companies are subsidiaries of our Group after the Acquisition.

Winabumi was subject to concentration risk during the Financial Periods Under Review as its major customers accounted for between 98.37% and 100.00% of its revenue during the Financial Period Under Review. However, concentration risk will be reduced or removed after the Acquisition for the following reasons:

- Revenue from third-party customers such as TM Group, Sabah Electricity Sdn Bhd and Celcom Timur (Sabah) Sdn Bhd will be divided against the overall Group's revenue, which will be larger than Winabumi's revenue; and
- Mega Summit and Winabumi Marketing are not customers of Winabumi as they are subsidiaries of our Group.

7.14 MAJOR SUPPLIERS

Our major suppliers for the Financial Periods Under Review are as follows:

FYE 2021

No.	Suppliers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total purchases
1.	Winabumi ⁽²⁾	Malaysia	Spun poles and piles, and square piles	15	15,383	32.30
2.	Supplier Group A	Malaysia	Cement and diesel	1	3,172	6.66
3.	Waja Mustika Sdn Bhd	Malaysia	Steel materials	5	2,809	5.90
4.	Kaysen Industry Sdn Bhd	Malaysia	Steel materials	5	2,410	5.06
5.	Supplier B	Malaysia	Steel materials	2	2,341	4.91
Purchase from major suppliers					26,115	54.83
Total purchases					47,632	100.00

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7. BUSINESS OVERVIEW (Cont'd)**FYE 2022**

No.	Suppliers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total purchases
1.	Winabumi ⁽²⁾	Malaysia	Spun poles and piles, and square piles	16	10,454	16.99
2.	Kaysen Industry Sdn Bhd	Malaysia	Steel materials	6	3,546	5.76
3.	Waja Mustika Sdn Bhd	Malaysia	Steel materials	6	3,372	5.48
4.	Soon Hin Hardware Sdn Bhd	Malaysia	Steel materials	6	3,231	5.25
5.	Choo Bee group of companies ⁽⁴⁾	Malaysia	Steel materials, other products	6	2,945	4.79
Purchase from major suppliers					23,548	38.27
Total purchases					61,514	100.00

FYE 2023

No.	Suppliers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total purchases
1.	Winabumi ⁽²⁾	Malaysia	Spun poles and piles, and square piles	17	23,026	23.55
2.	PMW Concrete ⁽³⁾	Malaysia	Spun poles and other products	16	19,293	19.73
3.	Hume Cement Sdn Bhd	Malaysia	Cement	2	4,297	4.40
4.	Waja Mustika Sdn Bhd	Malaysia	Steel materials	7	4,027	4.12
5.	Kaysen Industry Sdn Bhd	Malaysia	Steel materials	7	3,914	4.00
Purchase from major suppliers					54,557	55.80
Total purchases					97,766	100.00

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

No.	Suppliers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total purchases
1.	Winabumi ⁽²⁾	Malaysia	Spun poles and piles, and square piles	18	30,352	25.38
2.	PMW Concrete ⁽³⁾	Malaysia	Spun poles and other products	17	19,458	16.27
3.	Hume Cement Sdn Bhd	Malaysia	Cement	3	4,907	4.10
4.	Choo Bee group of companies	Malaysia	Steel materials, other products	8	4,058	3.39
5.	Kaysen Industry Sdn Bhd	Malaysia	Steel materials	8	3,826	3.20
Purchase from major suppliers					62,601	52.34
Total purchases					119,591	100.00

FPE 2025

No.	Suppliers	Location	Types of products / services	Length of relationship (years) ⁽¹⁾	RM'000	% of total purchases
1.	Winabumi ⁽²⁾	Malaysia	Spun poles and piles, and square piles	19	15,703	31.01
2.	PMW Concrete ⁽³⁾	Malaysia	Spun poles and other products	18	5,950	11.75
3.	Party A	Malaysia	Spun poles and other products	1	3,040	6.00
4.	Hume Cement Sdn Bhd	Malaysia	Cement	4	2,531	5.00
5.	Kaysen Industry Sdn Bhd	Malaysia	Steel materials	9	1,683	3.32
Purchase from major suppliers					28,907	57.08
Total purchases					50,645	100.00

Notes:

- (1) Length of relationship is determined as at the end of each financial year/period.
- (2) Winabumi is a related party. Please refer to Section 10.1.2 (iii) of this Prospectus for details of the related party transaction. After the Acquisitions, Winabumi will be a wholly-owned subsidiary of PMW.
- (3) PMW Concrete is an associate company. Please refer to Section 10.1.2 (i) of this Prospectus for details of the related party transaction. Following the completion of the Acquisition on PMW Concrete on 5 May 2025 and by virtue of the shareholders agreement signed on 16 June 2025, PMW Concrete has become a subsidiary of PMW.
- (4) Choo Bee group of companies comprised Choo Bee Hardwares Sdn Bhd and Choo Bee Hardware (Sabah) Sdn Bhd.

During the Financial Periods Under Review, we were dependent on Winabumi as a supplier as it accounted for more than 10.00% of our total purchases of input materials and services for each financial year and financial period. We were also dependent on PMW Concrete as a supplier as it accounted for more than 10.00% of our total purchases of input materials and services for FYE 2023, FYE 2024 and FPE 2025. However, we will not be dependent on them as suppliers after the Acquisitions when they become our subsidiary companies and will cease to be our suppliers.

7. BUSINESS OVERVIEW (Cont'd)

We are not dependent on any of other major suppliers during the Financial Periods Under Review as none of them accounted for more than 10.00% of our total purchases of input materials and services in any financial years and/or financial period.

Our purchases of input materials and services from related parties amounted to 32.77% (RM15.61 million), 21.21% (RM13.05 million), 43.56% (RM42.59 million), 41.65% (RM49.81 million) and 42.75% (RM21.65 million) for the FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. We will not be dependent on the related parties as Winabumi and PMW Concrete became subsidiaries of our Group after the Acquisitions while the transactions with Decor Poles have ceased since the beginning of FYE 2024 and it is currently a dormant company.

7.15 BUSINESS STRATEGIES AND PLANS

Our business strategies and plans to grow our business are focused on leveraging our core competencies and strengths in the manufacturing of spun poles and piles, and moulds, machinery and metal products. The following diagram summarises our business strategies and plans:



7.15.1 Establish a new manufacturing facility

We plan to establish a new facility to manufacture concrete products in Tanjung Manis, Sarawak (Tanjung Manis Facility). We intend to purchase a piece of land of approximately 29 acres and construct a new building for the Tanjung Manis Facility.

The planned Tanjung Manis Facility building will have total built-up area of around 60,900 sq. ft. with a covered manufacturing area for manufacturing spun poles and piles, as well as office space. In addition, the Tanjung Manis Facility will have an open storage area of approximately 1,202,340 sq. ft. for input materials (such as sand and aggregate) and finished spun poles and piles.

We intend to install a spun poles and piles manufacturing line at the covered manufacturing area. We intend to manufacture all of the moulds and some of the machinery, and equipment required to set up the spun poles and piles manufacturing line with our in-house resources. However, if the market price of the moulds, machinery and equipment is lower than the cost of manufacturing them, the Group may opt to purchase the moulds, machinery and equipment directly.

We will commence manufacturing spun poles and piles at the Tanjung Manis Facility after we have obtained the CCC for the facility, as well as all other applicable licences and registrations. The planned manufacturing capacity of the Tanjung Manis Facility is summarised in the following table:

Type of product	Expected annual manufacturing capacity
Spun piles	122,000 tonnes
Spun poles	6,200 tonnes

The benefits that we anticipate from establishing our Tanjung Manis Facility include increasing our ability to serve customers in Sarawak and strengthening our competitive position in Sarawak.

7. BUSINESS OVERVIEW (Cont'd)

The Tanjung Manis Facility will position us to supply spun poles and piles to support construction and infrastructure development in Sarawak, particularly road and bridge construction. Coastal and inland regions of Sarawak have peat soil, which have low load bearing capacity, high compressibility, and acidic environment which makes infrastructure development, including road and bridge construction, difficult. One method implemented by the Sarawak Public Works Department to overcome this is the elevated road construction technique where road structures are raised and constructed above peat soil using supporting piles. Under the Sarawak State Budget 2025, the State Government has allocated approximately RM1.0 billion for the construction and upgrading of roads and bridges, as well as RM4.0 billion for various ongoing and new major infrastructure projects, including the Sarawak Coastal Road. These initiatives are expected to drive demand for concrete piles (which includes spun piles) that are essential for building stable and durable infrastructure in peat soil areas. (Source: IMR Report).

Furthermore, we have established a customer base in Sarawak through standard poles previously manufactured by Kuching Factory as well as the trading of concrete products manufactured by Winabumi.

PMW Industries had received a letter dated 9 October 2025 from Sarawak Timber Industry Development Corporation, a corporation established in June 1973 under the Sarawak Timber Industry Development Corporation Ordinance, 1973 enacted by the legislature of Sarawak ("**STIDC**") stating its decision to participate in the development of Tanjung Manis Facility through equity involvement ("**Proposed Joint Venture**"). STIDC will participate through, among others, its ownership of an industrial land of approximately 29 acres in Tanjung Manis, Sarawak ("**Tanjung Manis Land**"). In addition, our Group anticipates that a new entity will be incorporated ("**Joint Venture Company**") to undertake the Proposed Joint Venture.

Our Group will enter into a joint venture agreement with STIDC, facilitating both parties' equity participation in the development of the Tanjung Manis Facility after our Listing. The terms of the Proposed Joint Venture will contain, among others, the following:

- (i) The Joint Venture Company shall at all times remain a subsidiary of PMW by virtue of PMW controlling more than half of the voting power of the Joint Venture Company;
- (ii) STIDC will inject the Tanjung Manis Land or grant developmental rights on the Tanjung Manis Land to the Joint Venture Company in exchange for shares in the Joint Venture Company; and
- (iii) Representations and warranties to be provided by both parties.

Our Group will ensure that the terms of the Proposed Joint Venture will not be detrimental to the interests of our Group and will be implemented in accordance with the Listing Requirements.

As at the LPD, our indicative timeline for establishing the Tanjung Manis Facility is as follows:

Indicative timeline	Milestone
1 st quarter of 2026	- Finalisation of the Proposed Joint Venture. - Engage a consultant to finalise the design the new facility layout. - Submission of relevant approvals, licences and certifications applications to the relevant authorities to construct the new facility.
3 rd quarter of 2026	Obtain the approvals, licences, and certifications that are required to construct the new facility.
4 th quarter of 2026	Commence construction works for the new facility.
3 rd quarter of 2027	- Submission of CCC applications, relevant licences and other certificates for the new facility. - Install, test, and commissioning of the spun poles and spun piles manufacturing line at the new facility.
4 th quarter of 2027	- Obtain the CCC, licences and certifications for the new facility. - Commence manufacturing activities.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, the total estimated cost of establishing the Tanjung Manis Facility and its amenities is as follows:

Description	Estimated cost ⁽¹⁾ (RM'000)
Tanjung Manis Facility	
Construction of the manufacturing facility, warehouse and office comprising:	
- Preliminaries ⁽²⁾	200
- Piling works	129
- Steel structural, wall cladding, gutter, pipes and others	15,134
- Boiler room and air compression room	390
Fittings and fixtures	4,000
Contingencies and other costs	500
	20,353
Cost of manufacturing moulds and machinery	
Moulds	14,428
Machinery and equipment ⁽³⁾	2,979
	17,407
Purchase of machinery, equipment, and industrial vehicles	
Machinery and equipment ⁽⁴⁾	9,569
Industrial vehicles ⁽⁵⁾	1,530
Others ⁽⁶⁾	1,390
	12,489
Total	50,249

Notes:

- (1) Based on quotations received from prospective main contractors and suppliers, and our Group's estimates.
- (2) Preliminaries include mobilisation, demobilisation, site clearing, CIDB levy, insurances, surveyor and others.
- (3) Machinery and equipment to be manufactured by our Group includes concrete feeding systems, centrifugal spinning machines and de-moulding machines.
- (4) Machinery and equipment to be purchased includes steel straightening and cutting machines, automated steel caging machines, warm heading machines, demoulding oil application, pre-stressing machines, concrete batching systems and steam curing system.
- (5) Industrial vehicles comprise 1 unit each of mobile crane, shovel loader, industrial sweeper, concrete-mixer, and forklift.
- (6) Others include workshop tools and machinery, and laboratory equipment.

The total estimated cost for the construction of Tanjung Manis Facility and its amenities is approximately RM50.25 million which will be funded partly via the IPO proceeds and the balance via internally generated funds and/or bank borrowings, as follows:

	Total estimated cost (RM'000)	Source of funds	
		Internally generated funds/bank borrowings (RM'000)	IPO proceeds (RM'000)
Construction of the building, fittings and fixtures, new moulds, machinery and equipment, contingencies and other costs	50,249	3,541	46,708

Our Group does not anticipate any significant delay in the Proposed Joint Venture. However, if our Group is unable to proceed the Proposed Joint Venture within the intended timeline, we will explore the purchase of other industrial land within Tanjung Manis vicinity.

7. BUSINESS OVERVIEW (Cont'd)

Upon completion of the Tanjung Manis Facility, the total workforce required for the commencement of its operation is estimated as follows:

Category	Head Count	Position / Role
Management and professionals	4	General manager, production manager and supply chain manager
Clerical and administrative	13	Account personnel, office executives and administrative clerks
Technical personnel	22	Engineers, production supervisors, quality control personnel and maintenance team
Production workers	121	Machine and process operators, and product loading and unloading
Total	160	

7.15.2 Purchase new machinery and equipment

As part of our business strategy, we plan to purchase new machinery and equipment for our manufacturing of moulds, spun poles and spun piles business operations. The types of new machinery and equipment that we plan to purchase are as follows:

- **Laser cutting machines:** This machine uses a laser cutting tool to cut metal sheets and plates into the desired shape. The cutting tool is controlled by computer-coded instructions to achieve a high degree of accuracy and consistency. We plan to install the new laser cutting machines at Ipoh Factory 1.
- **Shovel loader:** A type of industrial vehicle with a front-mounted shovel attachment. They are typically used to move materials such as sand and aggregates. We plan to use the new shovel loader at Ipoh Factory 3.

The total estimated cost of purchasing the new machinery and equipment is RM0.58 million with the breakdown as follows:

Purchases of machinery and equipment	Intended number of units to be purchased	Total estimated cost ⁽¹⁾ (RM'000)
Laser cutting machines	1 unit	256
Shovel loader	1 unit	325
Total		581

Note:

(1) Based on quotations received from prospective suppliers, and they are subject to change.

We will utilise IPO proceeds to purchase the laser cutting machine and shovel loader. As at the LPD, we have not ordered the laser cutting machine and shovel loader. We intend to purchase them by the fourth quarter of 2025 from a local supplier.

The benefits that we anticipate include the following:

- As at the LPD, we own 1 unit of laser cutting machine as well as plasma cutting machines. The new laser cutting machines will have higher cutting speed compared to our existing laser cutting and plasma cutting machines. This is expected to reduce the cycle time for cutting steel materials into the required shape and dimensions as part of the mould manufacturing process.
- As at the LPD, we have 1 functional shovel loader shared between Ipoh Factory 2 and Ipoh Factory 3, which are located about 5 minutes apart. The sharing arrangement often requires the factories to wait for the shovel loader to arrive in order to load sand and aggregates into the storage hopper of the concrete batching plant as part of concrete batching process of manufacturing concrete products. This results in production downtime. With the new shovel loader assigned to Ipoh Factory 3 and the existing unit assigned to Ipoh Factory 2, each factory will have its own dedicated unit which should reduce waiting time.

7. BUSINESS OVERVIEW (Cont'd)

7.16 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, AGREEMENTS AND OTHER ARRANGEMENTS

Save as disclosed below, as at the LPD, our Group is not dependent on any contracts or agreements including commercial and financial contracts which are material to our business or profitability:

- (a) The salient terms of the contract agreement between PMW Concrete and Tenaga Nasional Berhad are as follows ("**G1 Agreement**"):

Contracting Parties	PMW Concrete and Tenaga Nasional Berhad
Duration	1 year effective from the date of the letter of award (i.e. 9 December 2024) with an option to extend for another 1 year with the same price and original contract terms and conditions ⁽¹⁾ .
Description	The G1 Agreement sets out the general terms and condition for the supply and delivery of various sizes of spun concrete poles for distribution network.
Governing Law / Jurisdiction	The validity, construction, operation and effect of the letter of award shall be determined and governed by the laws of Malaysia.
Defect Rectification Warranty Period	3 years.

Note:

- (1) As at the LPD, the duration of the G1 Agreement has not been extended. The option to extend the duration of G1 Agreement will be exercised within 1 month prior to its expiry date (8 December 2025).

- (b) The salient terms of the letter of award between PMW Concrete and Allo Technology Sdn Bhd are as follows ("**G2 LA**"):

Contracting Parties	PMW Concrete and Allo Technology Sdn Bhd
Duration	From 3 November 2023 until 2 November 2025 ⁽¹⁾ .
Description	The G2 LA sets out the general terms and condition for the supply and delivery of telecommunications prestressed spun concrete poles.
Governing Law / Jurisdiction	The G2 LA shall be governed by and construed in accordance with the laws of Malaysia and the parties agree to submit to the exclusive jurisdiction of the courts of Malaysia.

Note:

- (1) As at the LPD, the G2 LA has been fully utilised and will not be renewed.

- (c) The salient terms of the letter of award and relevant contract documents made between PMW Concrete and Telekom Malaysia Berhad are as follows ("**H1 LA 1**"):

Contracting Parties	PMW Concrete and Telekom Malaysia Berhad
Duration	From 15 February 2023 until 14 February 2026 ⁽¹⁾ .
Description	The H1 LA 1 sets out the general terms and condition for the supply of pre-stressed spun concrete poles (" Goods ").

7. BUSINESS OVERVIEW (Cont'd)

Termination / Events of Default	Telekom Malaysia Berhad shall have the right to terminate the H1 LA 1 without assigning any reason whatsoever, by way of a 60 days' notice in writing to PMW Concrete of its intention to do so.
Indemnities	PMW Concrete shall be liable for, and shall indemnify Telekom Malaysia Berhad and keep Telekom Malaysia Berhad fully indemnified against all actions, expenses, costs, liability, loss, damages (including any damages or compensation paid by Telekom Malaysia Berhad or any solicitor's fee paid for the purpose of settlement of any claim), claims or proceedings arising directly or indirectly out of any breach of the H1 LA 1 including any acts, negligence, omissions, misconduct or defaults of PMW Concrete, its servants or agents or in the course of or caused by the carrying out its obligation pursuant to the H1 LA 1.
Title and Risk	Full ownership and risk of the Goods shall pass to Telekom Malaysia Berhad upon the delivery of the Goods to Telekom Malaysia Berhad under the H1 LA 1. The validity of this provision is absolute; such validity is not linked to the fulfilment by Telekom Malaysia Berhad of any obligations, contractual or not. This provision shall not impair PMW Concrete's right to payment for Goods which have been delivered to and accepted by Telekom Malaysia Berhad.
Confidentiality	1. PMW Concrete, its employees, agents, distributors and representatives shall at all times treat the H1 LA 1 as private and confidential. No disclosure shall be made by PMW Concrete to any third party without the prior written consent of Telekom Malaysia Berhad. 2. Each party shall at all times during the continuance of the H1 LA 1 and after its termination maintain confidential all confidential information given to it (the "Receiving Party") by the other party (the "Disclosing Party"); not use the confidential information other than for the purposes of the H1 LA 1; and comply with the Personal Data Protection Act 2010. 3. Confidential information may be disclosed or reproduced by the Receiving Party to such an extent only as is necessary for the purposes contemplated by the H1 LA 1, or as required by law and subject in each case to the Disclosing Party being satisfied that the Receiving Party has entered into an agreement on similar terms as contained in this clause with a Receiving Party as to the confidentiality and restricted use of such information, so as to enable the Receiving Party to comply with its obligations under the H1 LA 1. 4. Confidential information disclosed pursuant to the H1 LA 1 shall be stored securely when not in use. Unless required for the purposes of a further agreement between the parties, upon expiry or termination of the H1 LA 1 pursuant to its terms and conditions, the Receiving Party shall return all confidential information and all or any permitted copies to the Disclosing Party. 5. Except where the Disclosing Party gives written instructions to the Receiving Party at any time that the obligations of confidentiality in respect of specified items of confidential information should be maintained for a different period, the Receiving Party's obligations pursuant to the H1 LA 1 shall notwithstanding subsequent termination continue for a period of 3 years. 6. The Receiving Party shall be permitted to use for any purpose and to disclose any part of the confidential information to the extent only that the confidential information is in or comes into the public domain otherwise than by disclosure by the Receiving

7. BUSINESS OVERVIEW (Cont'd)

	Party; or the confidential information was or is lawfully obtained or available from a third party who is lawfully in possession of the same and free to disclose it; or the Receiving Party already has knowledge of the confidential information prior to disclosure by the Disclosing Party as evidenced by written records; or such disclosure is required by law or governmental regulations, supervisory or regulatory body. 7. Nothing in this clause shall be deemed to grant a license expressly or by implication under any intellectual property rights. 8. The obligations set out in this clause shall extend to confidential information provide to or obtained by PMW Concrete's officers, agents, professional advisers, employees, contractors and sub-contractors. 9. This clause shall at all times be read together with the non-disclosure agreement executed by the parties prior or after execution of the H1 LA 1 (if applicable) to govern the confidentiality of information received or retained by the Receiving Party. 10. This clause shall survive the termination or expiry of the H1 LA 1.
Guarantee Period	There is a guarantee period of 12 months from the date of acceptance of the Goods by Telekom Malaysia Berhad.

Note:

(1) As at the LPD, the H1 LA 1 has not been renewed.

- (d) The salient terms of the letter of award and relevant contract documents made between PMW Concrete and Telekom Malaysia Berhad are as follows ("**H1 LA 2**"):

Contracting Parties	PMW Concrete and Telekom Malaysia Berhad
Duration	From 1 November 2022 until 31 October 2025 and has been extended until 31 December 2026.
Description	The H1 LA 2 sets out the general terms and condition for the supply of tapered tubular steel poles (" Goods ").
Termination / Events of Default	Telekom Malaysia Berhad shall have the right to terminate the H1 LA 2 without assigning any reason whatsoever, by way of a 60 days' notice in writing to PMW Concrete of its intention to do so.
Indemnities	PMW Concrete shall be liable for, and shall indemnify Telekom Malaysia Berhad and keep Telekom Malaysia Berhad fully indemnified against all actions, expenses, costs, liability, loss, damages (including any damages or compensation paid by Telekom Malaysia Berhad or any solicitor's fee paid for the purpose of settlement of any claim), claims or proceedings arising directly or indirectly out of any breach of the H1 LA 2 including any acts, negligence, omissions, misconduct or defaults of PMW Concrete, its servants or agents or in the course of or caused by the carrying out its obligation pursuant to the H1 LA 2. The obligation or liability hereunder shall survive the expiration or termination of the H1 LA 2.
Title and Risk	Full ownership and risk of the Goods shall pass to Telekom Malaysia Berhad upon the delivery of the Goods to Telekom Malaysia Berhad under the H1 LA 2. The validity of this provision is absolute; such validity is not linked to the fulfilment by Telekom Malaysia Berhad of any obligations, contractual or not. This provision shall not impair PMW Concrete's right to payment for Goods which have been delivered to and accepted by Telekom Malaysia Berhad.

7. BUSINESS OVERVIEW (Cont'd)

Confidentiality

1. PMW Concrete, its employees, agents, distributors and representatives shall at all times treat the H1 LA 2 as private and confidential. No disclosure shall be made by PMW Concrete to any third party without the prior written consent of Telekom Malaysia Berhad.
2. Each party shall at all times during the continuance of the H1 LA 2 and after its termination maintain confidential all confidential information given to it (the "**Receiving Party**") by the other party (the "**Disclosing Party**"); not use the confidential information other than for the purposes of the H1 LA 2; and comply with the Personal Data Protection Act 2010.
3. Confidential information may be disclosed or reproduced by the Receiving Party to such an extent only as is necessary for the purposes contemplated by the H1 LA 2, or as required by law and subject in each case to the Disclosing Party being satisfied that the Receiving Party has entered into an agreement on similar terms as contained in this clause with a Receiving Party as to the confidentiality and restricted use of such information, so as to enable the Receiving Party to comply with its obligations under the H1 LA 2.
4. Confidential information disclosed pursuant to the H1 LA 2 shall be stored securely when not in use. Unless required for the purposes of a further agreement between the parties, upon expiry or termination of the H1 LA 2 pursuant to its terms and conditions, the Receiving Party shall return all confidential information and all or any permitted copies to the Disclosing Party.
5. Except where the Disclosing Party gives written instructions to the Receiving Party at any time that the obligations of confidentiality in respect of specified items of confidential information should be maintained for a different period, the Receiving Party's obligations pursuant to the H1 LA 2 shall notwithstanding subsequent termination continue for a period of 3 years.
6. The Receiving Party shall be permitted to use for any purpose and to disclose any part of the confidential information to the extent only that the confidential information is in or comes into the public domain otherwise than by disclosure by the Receiving Party; or the confidential information was or is lawfully obtained or available from a third party who is lawfully in possession of the same and free to disclose it; or the Receiving Party already has knowledge of the confidential information prior to disclosure by the Disclosing Party as evidenced by written records; or such disclosure is required by law or governmental regulations, supervisory or regulatory body.
7. Nothing in this clause shall be deemed to grant a license expressly or by implication under any intellectual property rights.
8. The obligations set out in this clause shall extend to confidential information provide to or obtained by PMW Concrete's officers, agents, professional advisers, employees, contractors and sub-contractors.
9. This clause shall at all times be read together with the non-disclosure agreement executed by the parties prior or after execution of the H1 LA 2 (if applicable) to govern the confidentiality of information received or retained by the Receiving Party.
10. This clause shall survive the termination or expiry of the H1 LA 2.

7. BUSINESS OVERVIEW (Cont'd)

Guarantee Period	There is a guarantee period of 12 months from the date of acceptance of the Goods by Telekom Malaysia Berhad.
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- (e) The salient terms of the latest purchase order between Winabumi and Sabah Electricity Sdn Bhd are as follows ("**Purchase Order**"):

Contracting Parties	Winabumi and Sabah Electricity Sdn Bhd
Duration	1 year
Description	The Purchase Order sets out the general terms and condition for the supply of pre-stressed concrete poles (" Goods ").
Warranty Period	The warranty period for the Goods shall be 24 months after complete delivery and satisfactory acceptance of the Goods by Sabah Electricity Sdn Bhd.

- (f) The salient terms of the supply agreement between Winabumi and Celcom Timur (Sabah) Sdn Bhd are as follows ("**J Agreement**"):

Contracting Parties	Winabumi and Celcom Timur (Sabah) Sdn Bhd
Duration	From 12 December 2022 to 11 December 2025 with the option to renew for 2 years by Celcom Timur (Sabah) Sdn Bhd in accordance with the terms and conditions stipulated in the J Agreement ⁽¹⁾ .
Description	The J Agreement sets out the general terms and condition for the supply of pre-stressed spun concrete poles (" Goods ").
Termination / Events of Default	If Winabumi should pass a resolution to wind-up other than for the purpose of amalgamation or reconstruction, or a lawfully constituted court of competent jurisdiction in Malaysia should make an order that Winabumi shall wind-up, or if a receiver or manager on behalf of a creditor should be appointed, or if circumstances should arise which entitle such court or a creditor to appoint a receiver or manager or which entitle such court to make a winding-up order, Celcom Timur (Sabah) Sdn Bhd shall have the right to determine forthwith the J Agreement, and to the extent laid down by Malaysian Law, be refunded by Winabumi of all payment that may have been made to Winabumi in respect of undelivered Goods without any deduction whatsoever. If Winabumi shall make default in any of the following respects, namely, without reasonable cause wholly suspends the supply of Goods; fails to proceed with the supply of Goods in accordance with the scope of work as stated under the J Agreement; refuse or to a substantial degree persistently neglects after notice in writing from Celcom Timur (Sabah) Sdn Bhd to remove defective or improper materials; then, if any such default shall continue for 7 days after a notice sent to Winabumi, Celcom Timur (Sabah) Sdn Bhd may (without prejudice to any other rights herein contained) thereupon by notice terminate the J Agreement provided that notice hereunder shall not be given unreasonably or vexatiously and such notice shall be void if Celcom Timur (Sabah)

7. BUSINESS OVERVIEW (Cont'd)

	If Winabumi commits an act of bankruptcy, becomes insolvent or compounds with or makes any assignments for the benefit of its creditors, assigns or subcontracts the J Agreement or any portion thereof without the written permission of Celcom Timur (Sabah) Sdn Bhd, then, in any such event, Celcom Timur (Sabah) Sdn Bhd may without prejudice to any other rights contained in the J Agreement by a notice terminate the J Agreement.
Title and Risk	Title to each of the Goods shall pass to Celcom Timur (Sabah) Sdn Bhd upon receipt by Winabumi of payment in full.
Governing Law / Jurisdiction	The J Agreement shall be subject to the Law of Malaysia. The courts of Malaysia shall have jurisdiction.
Warranty Period	There is a warranty period of 2 years commencing from the signing of delivery order in the format provided in the J Agreement.

Note:

(1) As at the LPD, the J Agreement has not been renewed.

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7. BUSINESS OVERVIEW (Cont'd)

7.17 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

Save as disclosed below, there are no other major licences, approvals, and permits which our Group is materially dependent on for the operation of our business and the status of compliance are as set out below:

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
1.	Mega Summit	Tuaran District Council	Business Licence for factory business in manufacturing & trading of prestressed spun concrete poles, piles and its related materials at Lot 5, Lorong 2A-1, KKIP Timur Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah.	Licence No: TRN/2025/1366	9 January 2025 / 31 December 2025 ⁽¹⁾	Nil.	N/A
2.	Mega Summit	Tuaran District Council	Business Licence for manufacturing of construction materials at Lot 2, Industrial Zone 10, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah.	Licence No: TRN/2025/1368	9 January 2025 / 31 December 2025 ⁽²⁾	Nil.	N/A
3.	Mega Summit	Kota Kinabalu City Council	Business Licence for supply of construction materials at DBKK 9-3, 3 rd Floor, Lot 21, Block C, Lintas Square, 88300 Kota Kinabalu, Sabah.	Licence No: 828625	18 December 2024 / 31 December 2025 ⁽¹⁾	Nil.	N/A
4.	PMW Concrete	Ipoh City Council	Business Licence for business activities in roof tiles, walls, floor tiles, marble and stone at Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	Reference No: G1/E/2/80/1/07	1 January 2025 / 31 December 2025 ⁽¹⁾	Nil.	N/A

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
5.	PMW Concrete	MITI	Manufacturing Licence for manufacturing of 'Pre-stressed Spun Concrete Poles' at Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak. ⁽³⁾	Licence No: A024049 Serial No: A040087	22 September 2021 / Nil Effective Date: 18 August 2021	(a) MITI and MIDA shall be notified of any sale of shares in PMW Concrete. (b) PMW Concrete must train Malaysians so that the transfer of technology and expertise can be implemented at all levels. (c) PMW Concrete must comply with the Capital Investment per Employee (CIPE) requirement of at least RM140,000. (d) The total full-time workforce of PMW Concrete shall comprise of at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies. (e) PMW Concrete shall submit information on the performance of its investment and implementation of its projects under the Industrial Co-ordination Act 1975 and the Malaysian Investment Development Authority (Incorporation) Act 1965 when required by MIDA. Failure to submit such information may result in PMW Concrete: (i) guilty of an offence and liable to a fine not exceeding RM1,000 or imprisonment for a term not exceeding 3 months or both and to a further fine not exceeding RM500 for each day the offence continues; or (ii) commits an offence if it gives any statement or other information which is false or misleading in any material way and is liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding 6 months or both. (f) PMW Concrete shall implement its project as approved and in accordance with the laws and regulations of Malaysia.	Complied Complied Complied Noted⁽⁴⁾ Noted Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
6.	PMW Concrete	Sarawak State Government	Business Licence for business related to manufacturing of prestressed spun concrete poles at Sunny Commercial Centre, Jalan Dogan Off, Jalan Batu Kawaa, 93250 Kuching, Sarawak.	Licence No: 1251475	19 September 2025 / 21 September 2026	Nil.	N/A
7.	PMW Concrete	MOF	Certificate of Registration – Provision of supply and service under the following sectors, areas and sub-sectors: (a) Code 080101: Civil engineering, construction and public facilities equipment (b) Code 080199: Civil engineering, construction and public facilities equipment/ manufacturing (spun concrete pole, decorative & lighting poles) (c) Code 090101: building materials and road safety equipment	K606731529939 93194	14 October 2024 / 13 October 2027 ⁽⁵⁾	(a) PMW Concrete must ensure that the registered sectors in the Certificate of Registration shall not overlap with the approved sectors for any other companies which: (i) have similar shareholders or board of directors, management and employees; or (ii) operate on the same premise as PMW Concrete.	Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
8.	PMW Concrete	MOF	Certificate of Registration of Bumiputera Company	BP60673152993 993194	14 October 2024 / 13 October 2027	(a) PMW Concrete shall at all times maintain and enhance its position so that: (i) There must be more than 51% Bumiputera in terms of equity ownership, in the composition of the board of directors, the position of chief executive officer, managing director, or general manager, other key positions, employees of the company at the management-level, and employees. (ii) The majority of Bumiputera shall play an important role in PMW Concrete's transactions, the financial management of PMW Concrete, decision making processes and representation of PMW Concrete in meetings and other official matters. (b) MOF reserves the right to revoke and cancel PMW Concrete's Bumiputera status in the event MOF discovers that PMW Concrete has violated the conditions specified in the certificate or has transferred the management of PMW Concrete and the obtained contract to other parties. (c) PMW Concrete shall ensure that its registration with the MOF remains valid throughout the contract period.	Complied ⁽⁶⁾
9.	PMW Concrete	Ministry of Domestic Trade and Cost of Living	Scheduled Permit for purchase and storage of diesel at Lot 133077, Jalan Lahat Bukit Merah Industrial Estate, 31500 Lahat, Perak.	Permit No: PBKB/2024/P/A-000117	15 April 2024 / 14 April 2027 ⁽⁷⁾	(a) Storage of the diesel shall be at the address allowed under this permit. (b) The diesel stored or in possession shall not exceed the quantity allowed under this permit.	Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
10.	PMW Industries	Ipoh City Council	Business Licence for science and engineering materials at Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	Reference No: G1/E/2/66/5/92	1 January 2025 / 31 December 2025 ⁽¹⁾	(c) Purchase of the diesel shall be for personal use and not for resale purposes.	Complied
11.	PMW Industries	Ipoh City Council	Signboard Licence at Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	Reference No: G1/E/3/179/97	1 January 2025 / 31 December 2025 ⁽¹⁾	Nil.	N/A
12.	PMW Industries	MITI	Manufacturing Licence for manufacturing of 'Steel Moulds for Concrete Products' at Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak. ⁽⁸⁾	Licence No: A008456 Serial No: A022915	29 January 2005 / Nil. Effective Date: 24 September 1992	(a) MITI shall be notified of any sale of shares in PMW Industries. (b) PMW Industries must train Malaysians so that the transfer of technology and expertise can be implemented at all levels. (c) PMW Industries shall implement its project as approved and in accordance with the laws and regulations of Malaysia.	Complied Complied Complied
13.	PMW Industries	Ipoh City Council	Business Premise and Signboard Licence for products made from cement or stones at Lot 66140, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	Reference No. G1/E/2/J2(B)13/159/24	23 May 2025 / 22 May 2026	Nil.	N/A

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
14.	PMW Industries	MITI	Manufacturing Licence⁽¹⁾ for manufacturing of 'Concrete Pole, Smart Pole, Monopole' and 'Concrete Pile' at Lot 66140, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak. ⁽³⁾	Licence No.: A026476 Serial No.: A043648	28 April 2025 / Nil Effective Date: 15 January 2025	(a) MITI and MIDA shall be notified of any sale of shares in PMW Industries. (b) PMW Industries must train Malaysians so that the transfer of technology and expertise can be implemented at all levels. (c) PMW Industries must comply with the Capital Investment per Employee (CIPE) requirement of at least RM140,000. (d) The total full-time workforce of PMW Industries shall comprise of at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies. Nevertheless, the deferment in compliance with this employment condition of 80:20 workforce for manufacturing sector will continue until the Multi-Tiered Levy Mechanism is fully implemented. (e) PMW Industries shall submit information on the performance of its investment and implementation of its projects under the Industrial Co-ordination Act 1975 and the Malaysian Investment Development Authority (Incorporation) Act 1965 when required by MIDA. Failure to submit such information may result in PMW Industries: (i) guilty of an offence and liable to a fine not exceeding RM1,000 or imprisonment for a term not exceeding 3 months or both and to a further fine not exceeding RM500 for each day the offence continues; or	Complied Complied Complied Noted⁽⁹⁾ Noted

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
						(ii) commits an offence if it gives any statement or other information which is false or misleading in any material way and is liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding 6 months or both.	
						(f) PMW Industries shall implement its project as approved, in compliance with the provisions under the Industrial Coordination Act 1975 and in accordance with the laws and regulations of Malaysia.	Complied
15.	PMW Industries	Ministry of Domestic Trade and Cost of Living	Scheduled Permit for purchase and storage of liquefied petroleum gas at Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	Permit No: PBKB/2025/B/A-000488	6 August 2025 / 5 August 2028 ⁽⁷⁾	(a) Storage of the liquefied petroleum gas shall be at the address allowed under this permit. (b) The liquefied petroleum gas stored or in possession shall not exceed the quantity allowed under this permit. (c) Purchase of the liquefied petroleum gas shall be for personal use and not for resale purposes.	Complied Complied Complied
16.	PMW Lighting	Ipoh City Council	Business Premise and Signboard Licence for electric and electronic devices at Blok B Plot 15, Hala Perusahaan Menglembu 12, 31450 Menglembu, Perak.	Reference No. G1/E/2/J2(I)/3/22 4/24	31 July 2025 / 30 July 2026	Nil.	N/A

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
17.	PMW Lighting	Energy Commission	Certificate of Registration to Manufacture issued pursuant to Regulation 97C of the Electricity Regulations 1994 at Blok B Plot 15, Hala Perusahaan Menglembu 12, 31450 Menglembu, Perak.	Approval No. JKKE/KK/25/000 14	28 February 2025 / 28 February 2026	Nil.	N/A
18.	PMW Marketing	Ipoh City Council	Business Premise and Signboard Licence for general business offices at Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	Reference No. G1/E/2/J3(A)11/ 185/24	8 January 2025 / 7 January 2026 ⁽¹⁾	Nil.	N/A
19.	PMW Marketing	Shah Alam City Council	Business Premise and Signboard Licence for office at No. 31-1, 31-2 & 31-3, Jalan 22/5, Seksyen 22, 40300 Shah Alam, Selangor.	Reference No. MBSALSN.700-3/1/683	17 April 2025 / 31 March 2026	Nil.	N/A

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
20.	Winabumi	Tuaran District Council	Business Licence for factory business in manufacturing & trading of prestressed spun concrete poles, piles and its related materials, as well as processing and supplying building materials based on stone, sand, cement and blocks at Lot 5, Lorong 2A-1, KKIP Timur Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah.	Licence No: TRN/2025/1370	9 January 2025 / 31 December 2025 ⁽¹⁾	Nil.	N/A
21.	Winabumi	Tuaran District Council	Business Licence to conduct business of telecommunication / networking-supply product, infrastructure and service including maintenance at Lot 5, Lorong 2A-1, KKIP Timur Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah.	Licence No: TRN/2025/1371	9 January 2025 / 31 December 2025 ⁽¹⁾	Nil.	N/A
22.	Winabumi	MITI	Manufacturing Licence⁽¹⁾ for manufacturing of 'Pre-Stressed Concrete Products (Spun Poles, Spun Piles and RC Square Piles)' at Lot 5, Lorong 2A-1, KKIP Timur Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah.	Licence No: A026533 Serial No: A043723	4 June 2025 / Nil Effective Date: 16 January 2025	(a) MITI and MIDA shall be notified of any sale of shares in Winabumi. (b) Winabumi must train Malaysians so that the transfer of technology and expertise can be implemented at all levels. (c) Winabumi must comply with the Capital Investment per Employee (CIPE) requirement of at least RM140,000.	Complied Complied Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
						(d) The total full-time workforce of Winabumi shall comprise of at least 80% Malaysians. Employment of foreign workers including outsourced workers is subject to current policies. Nevertheless, the deferment in compliance with this employment condition of 80:20 workforce for manufacturing sector will continue until the Multi-Tiered Levy Mechanism is fully implemented. (e) Winabumi shall submit information on the performance of its investment and implementation of its projects under the Industrial Co-ordination Act 1975 and the Malaysian Investment Development Authority (Incorporation) Act 1965 when required by MIDA. Failure to submit such information may result in Winabumi (i) guilty of an offence and liable to a fine not exceeding RM1,000 or imprisonment for a term not exceeding 3 months or both and to a further fine not exceeding RM500 for each day the offence continues; or (ii) commits an offence if it gives any statement or other information which is false or misleading in any material way and is liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding 6 months or both. (f) Winabumi shall implement its project as approved, in compliance with the provisions under the Industrial Coordination Act 1975 and in accordance with the laws and regulations of Malaysia.	Complied
						(i) guilty of an offence and liable to a fine not exceeding RM1,000 or imprisonment for a term not exceeding 3 months or both and to a further fine not exceeding RM500 for each day the offence continues; or (ii) commits an offence if it gives any statement or other information which is false or misleading in any material way and is liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding 6 months or both. (f) Winabumi shall implement its project as approved, in compliance with the provisions under the Industrial Coordination Act 1975 and in accordance with the laws and regulations of Malaysia.	Noted
						(i) guilty of an offence and liable to a fine not exceeding RM1,000 or imprisonment for a term not exceeding 3 months or both and to a further fine not exceeding RM500 for each day the offence continues; or (ii) commits an offence if it gives any statement or other information which is false or misleading in any material way and is liable to a fine not exceeding RM2,000 or imprisonment for a term not exceeding 6 months or both. (f) Winabumi shall implement its project as approved, in compliance with the provisions under the Industrial Coordination Act 1975 and in accordance with the laws and regulations of Malaysia.	Complied

7. BUSINESS OVERVIEW (Cont'd)

No.	Company	Approving authority/ issuer	Description of approval/ licence/ approval	Licence/ Registration/ Certificate/ Account No.	Issuance date/ Expiry date	Major conditions imposed	Status of compliance
23.	Winabumi	Ministry of Domestic Trade and Cost of Living	Scheduled Permit for purchase and storage of diesel at Lot 5, Lorong 2A-1, KKIP Timur Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah ⁽¹⁰⁾	Permit No: PBKB/2025/B/S-000026	1 March 2025 / 28 February 2026 ⁽⁷⁾	(a) Storage of the diesel shall be at the address allowed under this permit. (b) The diesel stored or in possession shall not exceed the quantities allowed under this permit. (c) Purchase of the diesel shall be for personal use and not for resale purposes.	Complied Complied
24.	Winabumi Marketing	Tuaran District Council	Business Licence for factory business in marketing & trading of pre-stressed spun concrete poles, piles and its related building material at Lot 6, Lorong 2A-1, KKIP Timur Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah.	Licence No: TRN/2025/1363	9 January 2025 / 31 December 2025 ⁽¹⁾	Nil.	N/A

Notes:

- (1) The business premise licences and signboard licences are automatically renewed, subject to payment. The Group will make payment once the invoice is made available through its account on the official website of the respective local council after which the Group will be able to download the renewed licences.
- (2) Mega Summit will not renew this business licence and as at the LPD, Winabumi is in the midst of applying for a business licence for Lot 2, Industrial Zone 10, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah.
- (3) Please refer to Section 7.21 (i) of this Prospectus for disclosure of past non-compliances.
- (4) On 16 December 2024, MITI announced that the deferment in compliance with this employment condition of 80:20 workforce for manufacturing sector will continue until the Multi-Tiered Levy Mechanism is fully implemented. As at the LPD, the total full-time workforce of PMW Concrete comprises 59.43% Malaysians.
- (5) We will submit the renewal application for this licence within three (3) months prior to its expiry.
- (6) PMW Concrete consulted MOF in June 2024, and MOF verbally confirmed that they have no objection to the Acquisition of PMW Concrete and to the shareholders' agreement of PMW Concrete, provided that PMW Concrete maintains the criteria as holder of the Sijil Akuan Pendaftaran Syarikat Bumiputera issued by the MOF. Following the completion of the Acquisition of PMW Concrete on 5 May 2025 and signing of the shareholders' agreement of PMW Concrete on 16 June 2025, PMW Concrete notified MOF in writing of the changes in its shareholders and directors. As at the date of this Prospectus, PMW Concrete continues to hold this Certificate of Registration of Bumiputera Company issued by MOF.
- (7) We will submit the renewal application for this licence within 30 days prior to its expiry.

7. BUSINESS OVERVIEW (Cont'd)

- (8)

PMW Industries had previously obtained the manufacturing licence (effective from 24 September 1992) when Ipoh Factory 1 was held under the old title, namely Title No. H.S. (D) KA 6513/48, Lot No. P.T. 64818, Mukim of Ulu Kinta, District of Kinta and had its postal address at Lot P.T. 64818, Bukit Merah Industries Estate, Mukim of Ulu Kinta, Off 4th Mile, Jalan Lahat, Ipoh, Perak Darul Ridzuan. Subsequently, there was a change in the postal address pursuant to a change in the old title to Ipoh Factory 1's current title. Accordingly, PMW Industries applied and obtained a replacement manufacturing licence dated 29 January 2005 with the updated postal address.
- (9)

On 16 December 2024, MITI announced that the deferment in compliance with this employment condition of 80:20 workforce for manufacturing sector will continue until the Multi-Tiered Levy Mechanism is fully implemented. As at the LPD, the total full-time workforce of PMW Industries comprises 58.50% Malaysians.
- (10)

Please refer to Section 7.21 (x) of this Prospectus for disclosure of past non-compliances.

7.18 INTELLECTUAL PROPERTY

As at the LPD and save as disclosed below, our Group does not have any other intellectual property rights registered and/or in the process of registration.

7.18.1 Trademark

No.	Trademark	Issuing authority	Registered owner	Trademark number	Description	Place of Registration / Validity Period
1.		MyIPO	PMW Concrete	2016002807	Class 19 ⁽¹⁾	Registered / 21 March 2016 to 21 March 2026
2.		MyIPO	PMW Industries	TM2024020155	Class 6 ⁽²⁾	Registered / 10 July 2024 to 10 July 2034
3.		MyIPO	PMW Industries	TM2024020157	Class 7 ⁽³⁾	Registered / 10 July 2024 to 10 July 2034

7. BUSINESS OVERVIEW (Cont'd)

No.	Trademark	Issuing authority	Registered owner	Trademark number	Description	Place of Registration / Validity Period
4.		MyIPO	PMW Industries	TM2024020158	Class 11 ⁽⁴⁾	Registered / 10 July 2024 to 10 July 2034
5.		MyIPO	PMW Industries	TM2024020160	Class 37 ⁽⁵⁾	Registered / 10 July 2024 to 10 July 2034
6.		MyIPO	PMW Industries	TM2024020162	Class 38 ⁽⁶⁾	Registered / 10 July 2024 to 10 July 2034
7.		MyIPO	PMW Industries	TM2024020163	Class 40 ⁽⁷⁾	Registered / 10 July 2024 to 10 July 2034
8.		MyIPO	PMW Industries	TM2022033282	Class 19 ⁽⁸⁾	Registered / 8 December 2022 to 8 December 2032
9.		MyIPO	PMW Industries	2011020716	Class 19 ⁽⁹⁾	Registered / 24 November 2011 to 24 November 2031

7. BUSINESS OVERVIEW (Cont'd)

No.	Trademark	Issuing authority	Registered owner	Trademark number	Description	Place of Registration / Validity Period
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10.		MyIPO	Winabumi	2016006806	Class 19 ⁽¹⁾	Registered / 21 June 2016 to 21 June 2026
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Notes:

- (1) Pre-stressed spun concrete pole, pre-stressed spun concrete pile; all included in class 19.
- (2) Branching pipes of metal; collars of metal for fastening pipes; connectors of metal for pipes; ducts and pipes of metal for central heating installations; ducts of metal for ventilating installations; fired refractory materials of metal (building materials); joints of metal for pipes; heating ducts of metal; metal ducts for gas conduits; metal ducts for gas pipelines; metal expansion joints for piping and ducting; metal heating ducts; metal pipes; metal pipe couplings; metal pipe fittings; metal valves for water pipes; metal vent covers for hvac ducts; pipes of metal, for central heating installations; pipework of metal; reinforcing materials of metal for pipes; stainless steel pipes; stainless steels; steel; steel pipes and tubes; steel plates and sheets; tubes of metal; tubing and tubing couplings of metal for joining and terminating pipes; unwrought common metals; unwrought steel; valves of metal, other than parts of machines; vent covers of metal; ventilating ducts of metal.
- (3) Bending machines; bending machines for metalworking; blades (parts of machines); boring machines; boring machines for metalworking; casting machines; cutters (machines); cutting machines for metalworking; drilling machines for metalworking; hydraulic presses for metalworking; metalworking machine tools; metalworking machines; perforating machines for metalworking; cable-controlled crane mounted on crawlers; crawler cranes; crawler-tracked loaders; crushers for industrial purposes; excavators; hydraulic excavators; hydraulic hoists; hydraulic machines and apparatus; hydraulic motors; hydraulic motors and engines; hydraulic motors for excavators; hydraulic pliers (parts of constructing machines); hydraulic rock breakers; rubber tracks being parts of crawlers on excavators; rubber tracks for crawler excavators; sewage pulverizers; sewage pulverizers being machines; trench excavators.
- (4) Industrial type installations for cooking, drying and cooling purposes; air-conditioning apparatus; gas stoves for household use; electric heating apparatus; microwave ovens (cooking apparatus); microwave ovens for industrial purposes; electrical boilers; electric cooking pots; rice steamers, electric; electric toasters; sandwich toasters, electric; electric cooking stoves; baking ovens for household purposes; electric coffee machines for household use; electric freezers for household purposes; electric cooking pots for industrial purposes; cordless kettles, electric; deep fryers, electric; portable electric fans; electric beverage heaters; electric bread toasters for household purposes; electric coffee brewers; water heaters for household use; table-top raclette grills, electric; thermo-pots, electric; water heaters for industrial purposes; electric hair dryers; air-conditioning apparatus for industrial use; air purifying units for household purposes; electrical fans being parts of household air-conditioning installations; electric freezers; fridge-freezers; apparatus and installations for lighting, heating, cooling, steam generating, cooking, drying, ventilating, water supply and sanitary purposes; lighting apparatus and installations.
- (5) Building renovation; advisory services relating to the maintenance, repair and renovation of buildings and other structures; custom construction and building renovation; providing information relating to building renovation; renovation and maintenance of shopping centers, industrial complexes, office buildings, residential buildings and other real estate developments; construction and renovation of buildings and other structures; construction, maintenance and renovation of property; construction, maintenance and renovation of public works; renovation and restoration of buildings; renovation, repair and maintenance of electrical wiring; supervision of building renovation; construction of industrial buildings; consultancy services relating to the construction of buildings; on-site building project management (construction supervision).

7. BUSINESS OVERVIEW (Cont'd)

- (6)

Advisory services relating to telecommunications; advisory services relating to telecommunications via internet; consultancy services relating to telecommunications via internet; consultancy, information and advisory services in the field of telecommunications; digital network telecommunications services; fibre optic telecommunications services; geolocation services (telecommunications services); information about telecommunications; leasing of telecommunications apparatus and installations; providing and rental of telecommunications installations and equipment; providing telecommunication access to computer databases; rental of telecommunications apparatus and installations; rental of telecommunications facilities; telecommunications.
- (7)

Custom steel rolling and fabrication to the order and specification of others; metal fabrication and finishing services; prototype fabrication of new products for others; manufacture of furniture and plastic parts to order and specification of others; moulding of plastic materials; processing of plastic materials; processing of plastics; providing information relating to the processing of plastics; provision of information relating to the processing of plastics; metal casting; metal laminating; metal melting services; metalworking; rental of metal treating machines and tools; shaping of metal components.
- (8)

Concrete poles for building; concrete piles; sheet piles, not of metal; non-metal utility poles; poles, not of metal, for power lines; telegraph poles, not of metal; utility poles, not of metal.
- (9)

Poles of non-metallic materials; concrete piles; concrete formwork; decorative mouldings (non-metallic); cast concrete decorative articles; all included in class 19.

7.18.2 Utility Innovation

No.	Application No.	Issuing authority	Inventor	Registered owner / Applicant	Title	Date of Filing	Status
1.	UI2024005592	MyIPO	Lee Khim Hwa	PMW Industries	A precast portable foundation platform	25 September 2024	The Registrar of Patents has on 4 October 2024 cleared the preliminary examination of this utility innovation application and the application is awaiting substantive examination ⁽¹⁾

Note:

- (1)

According to PMW Industries' trademark agent, the substantive examination will usually take about 2 to 4 years from the date of filing and upon issuance of the substantive examination clear report, the certificate of grant is expected to be issued between 3 and 6 months.

7. BUSINESS OVERVIEW (Cont'd)

7.19 PROPERTIES, PLANT AND EQUIPMENT

7.19.1 Material properties owned by our Group

As at the LPD, the details of the material properties owned and utilised by our Group for business operations are set as below:

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. ft)	Date of issuance of CF / CCC / OC	Audited NBV as at 31 May 2025 (RM'000)
1.	Kumpulan Asma	<u>Title details⁽¹⁾</u> 1. P.N. 240801, Lot 133077, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("P.N. 240801")	<u>Description</u> 2 units of single storey detached factories, a 3-storey office building, a single storey guard house and store building.	<u>Category of land use</u> 1. P.N. 240801: Industrial 2. H.S. (M) 24463: Industrial	<u>Restriction in interest</u> 1. P.N. 240801: This land cannot be transferred or leased except with the approval of the Chief Minister of Perak. This land cannot be subdivided under Section 135 of the National Land Code without the approval of the Chief Minister of Perak.	<u>Land area</u> 300,950 comprising of: 1. P.N. 240801: 192,050	(i) CCC dated 20 May 2011 for a 3-storey office building.	8,458
		2. H.S. (M) 24463, PT 292901, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("H.S. (M) 24463")	<u>Existing use</u> Group head office and manufacturing facilities (Ipoh Factory 1 and Ipoh Factory 2)	<u>Express condition of land use</u> 1. P.N. 240801: Heavy Industrial – Machinery Factory 2. H.S. (M) 24463: Light Industrial – Factory Site	2. H.S. (M) 24463: This land can only be transferred or leased or charged with the written approval of the Perak state authority.	2. H.S. (M) 24463: 108,900 <u>Built-up area</u> 105,070	(ii) CF dated 21 March 2024 for 2 units of single storey detached factories, store building and guard house.	
		<u>Address</u> Lot 133077, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.						
		<u>Material encumbrances</u> 1. P.N. 240801: Lease of part of land to Tenaga Nasional Berhad for 30 years from 30 October 1996 to 29 October 2026 vide Presentation No. 00SC52436/1996.						

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. ft)	Date of issuance CF / CCC / OC	Audited NBV as at 31 May 2025 (RM'000)
2.	TEK Properties	P.N. 292638, Lot 66140, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Address Lot 66140, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	A single storey detached factory, a double storey office building, a double storey canteen & surau, a single storey guard house and a single storey toilet. Existing use Manufacturing facility (Ipoh Factory 3)	Tenure of property 1. P.N. 240801: Leasehold for 60 years, expiring on 27 July 2054 2. H.S. (M) 24463: Leasehold for 30 years, expiring on 11 June 2054	2. Private caveat registered by Public Bank Berhad on 7 August 2007 vide Presentation No. 00B11187/2007. 3. Charged to Public Bank Berhad by Kumpulan Asma vide Presentation Nos. 00SC39096/2007, 00SC39097/2007, and 00SC39098/2007. 2. H.S. (M) 24463: Nil.	265,083 Built-up area 45,958	CCC dated 30 October 2023	14,011
2.	TEK Properties	P.N. 292638, Lot 66140, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak Address Lot 66140, Jalan Lahat, Bukit Merah Industrial Estate, 31500 Lahat, Perak.	A single storey detached factory, a double storey office building, a double storey canteen & surau, a single storey guard house and a single storey toilet. Existing use Manufacturing facility (Ipoh Factory 3)	Category of land use Industrial Express condition of land use Industrial Factory Tenure of property Leasehold for 60 years, expiring on 26 April 2080	Restriction in interest This land cannot be transferred, leased, or permitted except to persons permitted in writing by the State Authority / Material encumbrances 1. Charged to Public Bank Berhad by TEK Properties vide Presentation Nos. 00SC51120/2024. 2. Private Caveat registered by Public Bank Berhad on 21 August 2024 vide Presentation No. 00B17751/2024.	Land area 265,083 Built-up area 45,958	CCC dated 30 October 2023	14,011

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. ft)	Date of issuance of CF / CCC / OC	Audited NBV as at 31 May 2025 (RM'000)
3.	Kumpulan Asma	<u>Title details</u> H.S. (D) 933072, PT 46168, Mukim Sungai Terap, Daerah Kinta, Negeri Perak	<u>Description</u> An industrial land partly covered with ponds	<u>Category of land use</u> Industrial	<u>Restriction in interest</u> This land can only be transferred or leased or charged with the written approval of the state authority. /	<u>Land area</u> 519,994 ⁽²⁾	N/A	1,296
		<u>Address</u> Lot No. 378559, Lorong Bemban, Kawasan Perindustrian Bemban 3, 31000 Batu Gajah, Perak.	<u>Existing use</u> Open storage area (Bemban Land)	<u>Express condition of land use</u> Industrial Factory Site	<u>Material encumbrances</u> Nil	<u>Built-up area</u> N/A		
				<u>Tenure of property</u> Leasehold for 60 years, expiring on 25 November 2081				
4.	<u>Registered owner</u> K.K.I.P. Sdn Bhd ⁽³⁾	<u>Title details</u> C.L. 045339320, District of Tuaran, State of Sabah	<u>Description</u> Industrial lands erected with pre-stressed spun concrete pole/pile factory building cum office block and stock yard for the concrete poles & piles	<u>Category of land use</u> Industrial	<u>Restrictions in interest</u> 1. Transfer or sublease or charge of this title is prohibited before fulfilment of the covenant herein and without the written permission from the Director of Lands and Surveys who shall impose additional premium, enhanced rent and other terms and condition while granting such permission.	<u>Land area</u> 346,302	OC dated 16 November 2016	19,570
	<u>Beneficial owner</u> Mega Summit	<u>Address</u> Lots 5, 6 and 7, Lorong 2A-1, KKIP Timur Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah	<u>Existing use</u> Office and manufacturing facility (Kota Kinabalu Factory)	<u>Express conditions of land use</u> The said land is demised herein expressly and only for the purpose of erecting thereon for use as such industrial		<u>Built-up area</u> 103,517		
				<u>Tenure of property</u> 99 years expiring on 31 December 2098 ⁽³⁾				

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered owner	Title details / address	Description / Existing use	Category of land use / Express condition of land use / Tenure of property	Restriction in interest / Material encumbrances	Land / Built-up area (sq. ft)	Date of issuance CF / CCC / OC	Audited NBV as at 31 May 2025 (RM'000)
2. Subdivision of this title is prohibited without the written permission of the Director of Lands and Surveys who shall impose additional premium and enhanced rent and any other conditions thereof when granting such permission.⁽³⁾ Material encumbrances Caveat registered by United Overseas Bank (Malaysia) Bhd on 27 December 2013 vide Memo No. MC1312040063.⁽³⁾								
5.	Mega Summit	Title details S.T. 010529941 (Parcel No. 40304), District of Kota Kinabalu, State of Sabah Address DBKK 9-3, 3 rd Floor, Lot 21, Block C, Lintas Square, Jalan Lintas, 88300 Kota Kinabalu.	Description 1 unit office building Existing use Office	Category of land use Commercial Express conditions of land use Nil Tenure of property 999 years expiring on 31 December 2913	Restrictions in interest Nil Material encumbrances Charge to Maybank Islamic Berhad by Mega Summit vide Memo No. MC2502010516.	Land area N/A ⁽⁴⁾ Built-up area 1,200	OC dated July 1999	407

7. BUSINESS OVERVIEW (Cont'd)

Notes:

- (1) On 16 December 2024, Kumpulan Asma has submitted an application to PTG Perak to amalgamate P.N. 240801 and H.S. (M) 24463 under a single title with the express condition of heavy industry to streamline the land titles. PTG Perak has on 8 August 2025 informed Kumpulan Asma that the amalgamation application has been approved. As at the LPD, Kumpulan Asma is waiting for the assessment of the premium payable to PTG Perak. Our Group expects the amalgamation to be completed within 6 months after the payment of the premium is made.
- (2) Represents the land area of the land title. Based on the tenancy agreement dated 1 January 2025 between Kumpulan Asma (as landlord) and PMW Concrete (as tenant), the area for the parcel of land excluding pond area is measuring approximately 247,643 sq. ft.
- (3) The registered owner of the property is K.K.I.P Sdn Bhd as the master title has yet to be subdivided into individual titles. Pursuant to the sale and purchase agreement between K.K.I.P Sdn Bhd and Mega Summit, the obligation to apply for and obtain the subdivided individual title is on K.K.I.P Sdn Bhd. We understand that K.K.I.P Sdn Bhd has submitted its application for subdivision to the Lands and Surveys Department Sabah and such application is currently pending for approval. As such, our Group is unable to ascertain the timeframe for the subdivision of the land title.
- (4) As at the LPD, the subsidiary title of this property states that the total land area of the main title is 63,843 sq. ft.

7.19.2 Material properties rented by our Group

As at the LPD, the details of the material properties rented by our Group are set as below:

No.	Registered Owner(s) / Landlord	Tenant	Postal Address	Existing Use	Land / Built-up Area (sq. ft.)	Tenure Tenancy	of	Rental per annum
1.	Lam Lai Hoong and Lee Weng Cheong	PMW Industries	No. 6A Laluan Bukit Merah 1, Taman Bukit Merah, 31450 Menglembu, Perak ⁽¹⁾	Foreign workers' accommodation	1,539 / 1,340	3 years commencing from 1 October 2024		RM9,000 per month) (RM750 per month)
2.	Lam Lai Chee and Wong Siew Hing	PMW Concrete	No. 2A & 4A, Laluan Bukit Merah 1, Taman Bukit Merah, 31450 Menglembu, Perak ⁽²⁾	Foreign workers' accommodation	4,306 / 3,164	1 year commencing from 1 March 2025		RM16,800 (RM1,400 per month)
3.	Toon Ah Mooi and Wong Woon Thim	PMW Concrete	No. 12A, Laluan Bukit Merah 1, Taman Bukit Merah, 31450 Menglembu, Perak ⁽²⁾	Foreign workers' accommodation	1,539 / 1,339	1 year commencing from 1 January 2025		RM6,600 (RM550 per month)
4.	Chai Chee Nyeon	PMW Industries	No. 14A, Laluan Bukit Merah 1, Taman Bukit Merah, 31450 Menglembu, Perak ⁽²⁾	Foreign workers' accommodation	1,539 / 1,345	1 year commencing from 1 June 2025 with an option to renew for 1 year		RM7,800 (RM650 per month)

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered Owner(s) / Landlord	Tenant	Postal Address	Existing Use	Land / Built-up Area (sq. ft.)	Tenure of Tenancy	Rental per annum
5.	Tang Tuck Sin	PMW Concrete	No. 3A, Laluan Bukit Merah 2, Taman Bukit Merah, 31450 Menglembu, Perak ⁽³⁾	Foreign workers' accommodation	1,421 / 1,133	1 year commencing from 1 January 2025 with an option to renew for 1 year	RM7,200 (RM600 per month)
6.	Ho Kok Peng and Ho Sik Fong	PMW Concrete	No. 13A, Laluan Bukit Merah 2, Taman Bukit Merah, 31450 Menglembu, Perak ⁽³⁾	Foreign workers' accommodation	1,475 / 1,136	1 year commencing from 1 January 2025 with an option to renew for 1 year	RM4,800 (RM400 per month)
7.	Lee Khee Chong Holdings Sdn Bhd	PMW Industries	No. 9, Jalan Menglembu Timur, Taman Bukit Merah, 31450 Menglembu, Perak ⁽⁴⁾	Foreign workers' accommodation	1,895 / 1,197	1 year commencing from 1 January 2025	RM12,000 (RM1,000 per month)
8.	Lee Khee Chong Holdings Sdn Bhd	PMW Concrete	No. 9A, Jalan Menglembu Timur, Taman Bukit Merah, 31450 Menglembu, Perak ⁽⁴⁾	Foreign workers' accommodation	1,895 / 1,328	1 year commencing from 1 January 2025	RM9,600 (RM800 per month)
9.	Ko Kian Hee	PMW Concrete	No. 19A, Laluan Bukit Merah 2, Taman Bukit Merah, 31450 Menglembu, Perak ⁽³⁾	Foreign workers' accommodation	1,518 / 1,133	3 years commencing from 1 January 2023 with an option to renew for 3 years	RM6,000 (RM500 per month)
10.	Teh Phaik Chin	PMW Concrete	No. 21A, Laluan Bukit Merah 2, Taman Bukit Merah, 31450 Menglembu, Perak ⁽³⁾	Foreign workers' accommodation	1,528 / 1,116	3 years commencing from 1 January 2023 with an option to renew for 3 years	RM6,600 (RM550 per month)

7. BUSINESS OVERVIEW (Cont'd)

No.	Registered Owner(s) / Landlord	Tenant	Postal Address	Existing Use	Land / Built-up Area (sq. ft.)	Tenure of Tenancy	Rental per annum
11.	Astrowin United Sdn Bhd	PMW Lighting	Block B Plot 15, Hala Menglembu 12, 31450 Menglembu, Perak (5)	Lighting assembly factory	102,463 ⁽⁶⁾ /13,020 ⁽⁷⁾	3 years commencing from 1 July 2024 with an option to renew for 2 years	RM144,000 (RM12,000 per month)
12.	Multi Power Industry (Malaysia) Sdn Bhd	Mega Summit	Half of the parcel of land situated at Lot 1, Jalan 2A-1, KKPI Timur, Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah ⁽⁸⁾ (9)	Storage	56,628 ⁽¹⁰⁾ / N/A	1 year commencing from 1 January 2025	RM77,355 (RM5,400 per month from January to March and RM6,795 per month from April to December)
13	Multi Power Industry (Malaysia) Sdn Bhd	Winabumi	Half of the parcel of land situated at Lot 1, Jalan 2A-1, KKIP Timur, Industrial Zone 12, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah ⁽⁸⁾ (9)	Rented Sabah Electricity Sdn Bhd for storage use	56,628 ⁽¹⁰⁾ / N/A	3 years commencing from 1 August 2023 with an option to renew for 1 year	RM80,400 (RM6,700 per month)
14.	Alfa Steel Sdn Bhd	Winabumi ⁽¹¹⁾	Part of the land situated at Lot 2, Industrial Zone 10, Kota Kinabalu Industrial Park, 89208 Tuaran, Sabah ⁽⁹⁾	Storage	245,632 ⁽¹⁰⁾ / N/A	2 years commencing from 1 August 2024 with an option to renew for 1 year	RM261,360 (RM21,780 per month)
15.	Hunka Trading Sdn Bhd	PMW Marketing	No. 31, Jalan 22/5, Seksyen 22, 40300 Shah Alam, Selangor ⁽¹²⁾	Sales office	8,712 / 8,712	2 years commencing from 1 December 2024 with an option to renew for 1 year	RM180,000 (RM15,000 per month)

Notes:

- (1) The buildings erected on this land has been issued with a CF dated 7 March 2025.
- (2) The buildings erected on this land has been issued with a CF dated 7 November 2002.
- (3) The buildings erected on this land has been issued with a CF dated 20 March 2025.
- (4) We have requested the CF / CCC from the respective landlords but have yet to obtain the CF / CCC. PMW Concrete and PMW Industries have on 26 February 2025 written a formal request to the Ipoh City Council to obtain copies of the CFs / CCCs.

7. BUSINESS OVERVIEW (Cont'd)

- (5)

The buildings erected on this land has been issued with a CCC dated 19 November 1997.
- (6)

Represents the total land area of this land.
- (7)

We have only rented 1 building out of the 3 buildings erected on this land. Based on the tenancy agreement dated 28 May 2024 between Astrowin United Sdn Bhd (as landlord) and PMW Lighting (as tenant), the built-up area for the building rented by PMW Lighting is 13,020 sq. ft.
- (8)

Mega Summit and Winabumi have each rented half of this parcel of land.
- (9)

No occupation certificate / CCC is required as no building has been erected on this land as at the LPD.
- (10)

Represents approximate land area.
- (11)

Based on the Deed of Novation between Alfa Steel Sdn Bhd, Mega Summit and Winabumi dated 1 September 2025, Mega Summit's rights and obligations under the Tenancy Agreement between Alfa Steel Sdn Bhd and Mega Summit dated 18 June 2024 have been novated to Winabumi.
- (12)

The building erected on this land has been issued with a CCC dated 6 January 2017.

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7. BUSINESS OVERVIEW (Cont'd)**7.20 MATERIAL MACHINERY AND EQUIPMENT**

Our main machinery and equipment as at 31 May 2025 are as follows:

Main machinery and equipment	Brief description	Number of units	Audited NBV as at 31 May 2025 (RM'000)
Metal products manufacturing machinery and equipment at Ipoh Factory 1	To manufacture moulds, machinery and steel poles	N/A	4,485
Spun poles and piles manufacturing line at Ipoh Factory 2	To manufacture standard poles	1 line	806
Spun poles manufacturing line at the Ipoh Factory 3	To manufacture standard poles	1 line	4,972
Spun poles and piles, and square piles manufacturing line at the Kota Kinabalu Factory	To manufacture standard poles, spun piles and square piles	1 line	9,600
Lighting fixtures manufacturing line at the Ipoh Factory 4	To manufacture lighting fixtures	1 line	134
			19,997

7.21 GOVERNING LAWS AND REGULATIONS

Our business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The relevant laws and regulations governing our Group which do not purport to be an exhaustive description of all laws and regulations of which our business is subject to are summarised below. Non-compliance with the relevant laws and regulations below may result in monetary and/or custodial penalties and/or any other orders being made.

(i) ICA

Pursuant to the ICA, no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. The ICA defines “manufacturing activity” as the “making, altering, blending, ornamenting, finishing or otherwise treating or adapting any article or substance with a view to its use, sale, transport, delivery or disposal and includes the assembly of parts and ship repairing but shall not include any activity normally associated with retail or wholesale trade”. Manufacturing companies with shareholders’ funds of RM2.5 million and above or that employ 75 or more full-time paid employees are required to apply for a manufacturing licence.

Failure to comply with the aforesaid requirement is an offence under the ICA and, on conviction, the offender is liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and a further fine not exceeding RM1,000 for every day during which such default continues.

A manufacturing licence may be revoked if the manufacturer to whom a licence is issued:

- (a) has not complied with any condition imposed in the licence;
- (b) is no longer engaged in the manufacturing activity in respect of which the licence is issued; or
- (c) has made a false statement in his application for the licence.

The ICA provides that, if there is a breach of any condition imposed in a manufacturing licence, the relevant licensing officer may, at his discretion, revoke said manufacturing licence.

Previously, PMW Concrete was carrying out its manufacturing activities at the Ipoh Factory 2 since 2006 without a valid manufacturing licence. The management of PMW Concrete was under the impression that the shareholders’ funds of PMW Concrete at that time were below

7. BUSINESS OVERVIEW (Cont'd)

RM2.5 million, without taking into account the reserve capital. Only upon consulting MIDA via email on 5 July 2021, PMW Concrete was notified that in determining the shareholders' funds, the reserve capital should also be included. PMW Concrete then submitted the application for manufacturing licence for Ipoh Factory 2 on 22 July 2021 and obtained the manufacturing licence with an issuance date of 22 September 2021 (details of which are as set out in Item 5 of Section 7.17 of this Prospectus).

Previously, PMW Industries was carrying out manufacturing activities at Kuching Factory without a valid manufacturing licence from February 2012 to October 2024. Since 1 November 2024, PMW Industries had ceased the manufacturing activities at the Kuching Factory and disposed the Kuching operations to non-related parties.

Previously, PMW Industries was carrying out manufacturing activities at Ipoh Factory 3 without a valid manufacturing licence since January 2023. The management of PMW Industries was of the view that the existing manufacturing licence for Ipoh Factory 1 is also valid for its Ipoh Factory 3. Only upon consulting MIDA officer via tele-conversation on 4 October 2024, PMW Industries then submitted the application for manufacturing licence for Ipoh Factory 3 on 6 November 2024 and obtained the manufacturing licence with an issuance date of 28 April 2025 (details of which are as set out in Item 14 of Section 7.17 of this Prospectus).

Previously, Winabumi was carrying out manufacturing activities at the Kota Kinabalu Factory since 2016. At the commencement of its manufacturing activities, the shareholders' funds of Winabumi were below RM2.5 million and it had less than 75 employees. As such, Winabumi was not required to have a manufacturing licence at that time. Since January 2017, Winabumi has more than 75 employees and accordingly, Winabumi no longer qualifies for the exemption from the manufacturing licence under the Industrial Co-ordination (Exemption) Order 1976. Winabumi has subsequently obtained a manufacturing licence with an issuance date of 4 June 2025 (details of which are as set out in Item 21 of Section 7.17 of this Prospectus).

PMW Lighting has commenced its manufacturing activities in May 2025 at the Ipoh Factory 4. Based on a confirmation letter issued by MIDA dated 26 March 2025, PMW Lighting is exempted from the requirement to obtain a manufacturing licence for its manufacturing of "LED Lighting" and "Battery Pack Assembly" as the shareholders' funds of PMW Lighting are below RM2.5 million and PMW Lighting has less than 75 employees.

As at the LPD, PMW Concrete, PMW Industries nor Winabumi have not been fined or issued with any notice of non-compliances from MITI for these past non-compliances. Our Board is of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that PMW Concrete, PMW Industries and Winabumi have obtained manufacturing licences for their respective manufacturing activities at Ipoh Factory 2, Ipoh Factory 3 and Kota Kinabalu Factory. Save as disclosed above, as at the LPD, our Group holds and maintains valid manufacturing licences issued by MITI as disclosed in Section 7.17 of this Prospectus and there has been no other past non-compliance by our Group in relation to the ICA under the Financial Periods under Review.

(ii) **National Land Code 1965 ("NLC")**

Under Section 425(1)(a) of the NLC, any person who, without lawful authority occupies, or erects any building on, any State land, reserved land or mining land, shall be guilty of an offence, and liable on conviction to a fine not exceeding RM500,000, or imprisonment for a term not exceeding 5 years.

Section 127 of the NLC provides the consequence of breach of conditions of land which include, inter alia, the land shall become liable to forfeiture to the state authority or payment of a fine of not less than RM500, and in the case of a continuing breach, a further fine of not less than RM100 for each day during which the breach continues. Pursuant to Section 128 of the NLC, where it appears to the land administrator that the breach is capable of being remedied by the proprietor within a reasonable time, the land administrator shall serve, or cause to be served, on the proprietor a notice in Form 7A specifying the action required for

7. BUSINESS OVERVIEW (Cont'd)

remedying the breach, and calling upon him to take such action within the time therein specified. If the notice is not complied with, the land administrator shall take action in accordance with Section 129 of the NLC which may lead to declaration of forfeiture of the land to the state authority.

Previously, Ipoh Factory 2 was built on 2 pieces of lands, namely (i) P.N. 240801, Lot 133077, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("**P.N. 240801**"); and (ii) H.S. (M) 24463, PT 292901, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak ("**H.S. (M) 24463**"), whereby:

- (a) the factory area on P.N. 240801 is used for PMW Concrete's manufacturing activities; and
- (b) the factory area on H.S. (M) 24463 is used for PMW Concrete's wire caging, maintenance workshop and storage for both raw materials and finished goods since December 2011 without obtaining the land office's approval.

Our Group had, on 22 July 2022, submitted an application for an alienation of H.S. (M) 24463 to the Office of the Director of Land and Mines Perak ("**PTG Perak**") for the Group's right to use the land for its current operations, which was subsequently approved on 12 March 2024. The approval contained an express condition that the land shall be used for light industry purposes.

Subsequently, our Group had, on 16 December 2024, submitted an application to PTG Perak to amalgamate P.N. 240801 and H.S. (M) 24463 under a single title with the express condition of heavy industry to streamline the land titles. PTG Perak has on 8 August 2025 informed Kumpulan Asma that the amalgamation application has been approved and the express condition of the amalgamated title to be issued will be heavy industry – machinery factory. As at the LPD, Kumpulan Asma is waiting for the assessment of the premium payable. Our Group expects the amalgamation to be completed within 6 months after the payment of the premium is made.

As at the LPD, our Group has not received any penalty or fines arising from the past non-compliance in relation to the matter above. Our Board is of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given H.S. (M) 24463 has been alienated to the Group for the right to use the land for its current operations and PTG Perak has approved the amalgamation application. Save as disclosed above, as at the LPD, there has been no other past non-compliance by our Group in relation to the NLC under the Financial Periods under Review.

(iii) Income Tax Act 1967 ("ITA")

Under Section 113(1) of the ITA, any person who makes an incorrect return by omitting or understating any income of which he is required by ITA to make a return on behalf of himself or another person; or gives any incorrect information in relation to any matter affecting his own chargeability to tax or the chargeability to tax of any other person, shall, unless he satisfies the court that the incorrect return or incorrect information was made or given in good faith, be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM1,000 and not more than RM10,000 and shall pay a special penalty of double the amount of tax which has been undercharged in consequence of the incorrect return or incorrect information or which would have been undercharged if the return or information had been accepted as correct.

Pursuant to Section 113(2) of the ITA, if no prosecution under Section 113(1) of the ITA has been instituted in respect of the incorrect return or incorrect information, the Director General may require that person to pay a penalty equal to the amount of tax which has been undercharged in consequence of the incorrect return or incorrect information or which would have been undercharged if the return or information had been accepted as correct; and, if the person pays that penalty (or, where the penalty is abated or remitted under subsection 124(3), so much, if any, of the penalty as has not been abated or remitted), he shall not be liable to be charged on the same facts with an offence under Section 113(1) of the ITA.

7. BUSINESS OVERVIEW (Cont'd)

The IRB carried out a tax audit on Mega Summit for the years of assessment from 2016 to 2021. Pursuant to the tax audit, the IRB has identified incorrect capital allowance claims made in the tax returns submitted by Mega Summit and made adjustments to capital allowance claims. In February 2024, the IRB issued notices of additional tax liabilities (inclusive of penalty) of RM110,170.91, RM56,322.09 and RM333,036.23, totalling RM499,529.23. Following Mega Summit's appeal, the total tax liabilities were reduced and Mega Summit had on 11 June 2024 fully settled the outstanding tax payable amounting to RM243,132.27 (i.e. RM499,529.23 – RM256,396.96) and hence our Board is of the view that this matter will not materially disrupt the business operations or financial condition of the Group.

As at the LPD, our Group has engaged KPMG Tax, replacing their previous tax agent, to perform an overall tax compliance review on the Group in conjunction with the Proposed Listing and based on the review by KPMG Tax:

- (a) there has been no on-going dispute with the IRB for the Financial Periods Under Review;
- (b) the income tax returns have been submitted to IRB on time for the Financial Periods Under Review; and
- (c) there is no outstanding tax liability due and owing to IRB for the Financial Periods Under Review.

As at the LPD, there has been no other material past non-compliance by our Group in relation to the ITA under the Financial Periods under Review.

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

The OSHA 1994 provides the framework to secure the safety, health and welfare among workforce and to protect others against risks to safety or health in connection with the activities of persons at work.

Pursuant to OSHA 1994, it shall be the duty of every employer to formulate a written safety and health policy with respect to the safety and health at work of his employees. Failure to comply with the general duties of employers under Part IV of OSHA 1994 constitutes an offence and the employer is liable, on conviction, to a fine not exceeding RM500,000 or to imprisonment for a term not exceeding 2 years or to both.

Further, under OSHA 1994, the employer shall establish a safety and health committee at the place of work if there are 40 or more persons employed at the place of work. Failure to comply with the requirement to establish a safety and health committee would attract, on conviction, a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both. An occupier of a place of work is also required to employ a competent person to act as a safety and health officer at the place of work. Failure to comply with the requirement to employ a competent person to act as a safety and health officer would attract, on conviction, a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 6 months or to both.

OSHA 1994 also provides amongst others:

- (a) a right to an employee to remove himself from the danger or the work if he has reasonable justification to believe there exist an imminent danger at his place of work, and the employer has failed to take any action to remove the danger;
- (b) the obligation of an employer to conduct a risk assessment in respect of the safety and health risk posed to any person who may be affected by his undertaking at the place of work and the implementation of risk control to eliminate or reduce said safety and health risk; and
- (c) provisions relating to notification of occupation of place of work, installation and periodical inspection of plant, and the prescription of any plant for which a certificate of fitness is required.

7. BUSINESS OVERVIEW (Cont'd)

Section 27C of the OSHA 1994 provides that no person shall install or caused to be installed any prescribed plant unless the person ensures that the plant has fulfilled all the requirements prescribed by the minister and has obtained the written approval from the Director General of Occupational Safety and Health. Section 27D of the OSHA 1994 further provides that no person shall operate or cause or permit to be operated any plant that has been installed under Section 27C unless the plant has a certificate of fitness issued by an officer or licenced person. Any person who contravenes Section 27C or Section 27D shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 or to imprisonment for a term not exceeding 1 year or to both.

As at the LPD, PMW Industries owned 12 overhead cranes in Ipoh Factory 1 of which 3 overhead cranes do not possess CF while PMW Concrete owned 7 overhead cranes in Ipoh Factory 2 of which 3 overhead cranes do not possess CF. As at the LPD, PMW Industries has ceased the usage of the 2 overhead cranes without CF while the remaining 1 overhead crane without CF has been dismantled. PMW Concrete on the other hand, has ceased the usage of 3 overhead cranes without CF.

Nevertheless, PMW Industries has submitted the applications to obtain the CF for 2 overhead cranes in February and March 2025 while PMW Concrete has submitted the applications to obtain the CF for 3 overhead cranes in March 2025.

As at the LPD, our Group holds valid certificates of fitness issued by the Department of Occupational Safety and Health Malaysia for the relevant machinery we use and save as disclosed above, there is no material non-compliance by our Group in relation to the OSHA 1994 under the Financial Periods Under Review. Our Group has formulated a documented standard operating policies and procedure on occupational safety, health and environmental plan. We have established safety and health committee and appointed certified safety and health officers to monitor the safety and health related matters of our Group.

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

The EQA 1974 sets out provisions in respect of prevention, abatement, control of pollution and enhancement of the environment. It is an offence under the EQA 1974 for any person, unless licenced to do so, to among others:

- (a) emit or discharge any environmentally hazardous substances, pollutants or wastes into the atmosphere;
- (b) emit or cause or permit to be emitted any noise greater in volume, intensity or quality;
- (c) pollute or cause or permit to be polluted any soil or surface of any land; or
- (d) emit, discharge or deposit any environmentally hazardous substances, pollutants or wastes into any inland waters,

in contravention of the acceptable conditions specified.

The EQA 1974 also empowers the minister charged with the responsibility for environment protection to make regulations specifying acceptable conditions for the emission, discharge or deposit of environmentally hazardous substances, pollutants or wastes or the emission of noise into the environment. The failure to comply with the prescribed conditions may attract, on conviction, a fine of at least RM10,000 and up to RM10,000,000 or to imprisonment for a period up to 5 years or to both and, if applicable, to a further fine up to RM1,000 a day for every day that the offence is continued after a notice to cease the restrictions (if any) is served upon.

Among other regulations, the Environmental Quality (Scheduled Wastes) Regulations 2005 ("**Scheduled Wastes Regulations**") specify the following requirements:

- (a) any person who generates scheduled wastes ("**Waste Generator**") shall, within 30 days from the date of generation of scheduled wastes, notify the Director General of Environmental Quality ("**DGEQ**") of the new categories and quantities of scheduled wastes which are generated;

7. BUSINESS OVERVIEW (Cont'd)

- (b) scheduled wastes shall be disposed of at prescribed premises only and shall, as far as practicable, before disposal, be rendered innocuous;
- (c) scheduled wastes be treated at prescribed premises or at on-site treatment facilities only and the residuals from treatment of scheduled wastes shall be treated and disposed of at prescribed premises;
- (d) a Waste Generator may apply to the DGEQ in writing to have the scheduled wastes generated from their particular facility or process excluded from being treated, disposed of or recovered in premises or facilities other than at the prescribed premises, on-site treatment or recovery facilities. If the DGEQ is satisfied with the application made, the DGEQ may grant a written approval either with or without conditions; and
- (e) a Waste Generator shall keep an accurate and up-to-date inventory of the categories and quantities of scheduled wastes generated, treated and disposed of and of materials or product recovered from such scheduled wastes for a period up to 3 years from the date of the scheduled wastes was generated in accordance with the fifth schedule of the Scheduled Wastes Regulations.

Section 49A of the EQA 1974 provides that an owner or occupier of a premise shall employ a person who has been certified by the DGEQ as competent person to conduct the operation of a control equipment, the management of scheduled wastes, the conduct of studies or the preparation and submission of reports or other documents relating to environmental matters. As at the LPD, PMW Industries, PMW Concrete, Mega Summit and Winabumi have each identified and arranged for their employees to undertake certification programmes and expect their respective identified employees for PMW industries and PMW Concrete and the identified employees for Mega Summit and Winabumi to be certified as competent persons by the fourth quarter of 2025 and second quarter of 2026 respectively. As the employees identified by our Group have not been certified by the DGEQ as competent person, this would be a non-compliance of Section 49A of the EQA 1974.

Failure to comply with the provisions of the EQA 1974 or any regulations made thereunder shall be an offence against the EQA 1974 and where no penalty is expressly provided, the offender shall be liable to a fine of at least RM5,000 and not exceeding RM250,000 or to imprisonment for a period not exceeding 2 years or to both.

Ipoh Factory 1, Ipoh Factory 2, Ipoh Factory 3 and Kota Kinabalu Factory generate scheduled wastes and PMW Industries, PMW Concrete, Mega Summit and Winabumi did not notify the DGEQ within 30 days from the date of generation of their respective scheduled wastes.

On 15 January 2025, PMW Industries and PMW Concrete notified the Department of Environment (Perak) that Ipoh Factory 1, Ipoh Factory 2 and Ipoh Factory 3 generate scheduled wastes. Meanwhile, on 27 January 2025, Mega Summit and Winabumi notified the Department of Environment (Sabah) that Mega Summit and Kota Kinabalu Factory generate scheduled wastes.

Save as disclosed, there has been no material past non-compliance by our Group in relation to the EQA 1974 under the Financial Periods Under Review. As at the LPD, our Group has appointed 2 licensed service providers to handle the scheduled wastes generated in our operation. Further, our Group has not received any notices, penalties or reprimands from the Department of Environment for non-compliance of the environmental laws and regulations.

(vi) **Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAAA 1990")**

The EMSHAAA 1990 prescribes the minimum standards of housing, nurseries and accommodations for employees (and their dependants, if applicable) as well as health, hospital, medical and social amenities to be provided by the employers to their employees.

The EMSHAAA 1990 imposes the duty and responsibility on employers or centralised accommodation providers to, among other things, ensure that:

- (a) every accommodation provided for employees complies with the minimum standards required under the EMSHAAA 1990 and any regulations made thereunder;

7. BUSINESS OVERVIEW (Cont'd)

- (b) any accommodation that is unfit for human habitation in accordance with the relevant written laws are not to be used to accommodate employees; and
- (c) no accommodation will be provided to an employee unless certified with a Certificate of Accommodation ("**CoA**").

An employer who fails to obtain the CoA commits an offence and will on conviction, be liable to a fine not exceeding RM50,000. An employer who contravenes any other provision of the EMSHAAA 1990 or any regulation made thereunder or fails to carry out any order made by the Director General of Labour, will be guilty of an offence under such provision and if no penalty is expressly provided for, the offence will on conviction, be liable to a fine not exceeding RM50,000 and to a further fine not exceeding RM1,000 a day for each day during which the offence continues.

As at the LPD, our Group has rented 10 properties in Ipoh as accommodation for our foreign workers.

As at the LPD, we have obtained the CoA for the 10 rented properties occupied by our foreign workers and there has been no material past non-compliance by our Group in relation to the EMSHAAA 1990 under the Financial Periods under Review.

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

Pursuant to Section 102(s) of the LGA 1976, the relevant local authorities may control and supervise, by registration, licensing or otherwise, a trade, business or industry. Businesses in Ipoh are regulated by the Advertisement (Ipoh City Council) By-Laws 2013 ("**Ipoh By-Laws 2013**") and Licensing of Trades, Business and Industries (Ipoh City Council) By-Laws 2017 ("**Ipoh By-Laws 2017**").

The Ipoh By-Laws 2013 provides that no person shall exhibit or erect or cause to be exhibited or erected any advertisement without a licence issued by the Ipoh City Council, whereas the Ipoh By-Laws 2017 provides that no person shall operate any activity of trade, business or industry or use any place or premise in the local area of Ipoh for any activity or trade, business or industry without the licence issued by the licensing authority.

Under Section 104 of the LGA 1976, any person who breaches any by-law commits an offence and shall, on conviction be liable to a fine not exceeding RM2,000 or imprisonment for a term of not more than 1 year or both, and to a further fine not exceeding RM200 for each day during which such offence is continued after conviction.

There has been no material past non-compliance by our Group in relation to the LGA under the Financial Periods Under Review and as at the LPD, our Group holds valid business licences issued by relevant local authorities. These business licences are valid until its respective expiry dates and will subsequently be renewed.

(viii) Trades Licensing Ordinance (Sabah Cap. 144)

Under Section 3 of the Trades Licensing Ordinance (Sabah Cap. 144), no person shall carry on in Sabah, whether as principal or agent, any business in respect of which a valid trading licence is not for the time being in force or carry on any such business in any place other than that specified in such licence. If any person contravenes Section 3, such person shall be liable to a fine of 4 times the amount of the licence fee and to a further fine of RM10 for each day or part of a day subsequent to a conviction during which the contravention continues.

There has been no past non-compliance by our Group in relation to the Trades Licensing Ordinance (Sabah Cap. 144) under the Financial Periods Under Review and as at the LPD, our Group holds and maintains valid trading licences issued by the respective local councils for our premises in various locations where we conduct our business activities.

7. BUSINESS OVERVIEW (Cont'd)**(ix) Immigration Act 1959/63 ("IA 1959/63")**

The employment of foreign workers in Malaysia shall be subject to the IA 1959/63 that regulates the immigration matters in Malaysia. The IA 1959/63 provides that no person other than a citizen shall enter Malaysia unless he is in possession of a valid entry permit, his name is endorsed upon the said valid entry permit and he is in the company of the holder of the said permit or he is in possession of a valid pass lawfully issued to him to enter Malaysia or exemption is granted to him pursuant to the IA 1959/63.

Section 55B(1) of the IA 1959/63 provides that any person who employs one or more persons, other than a citizen or a holder of an entry permit who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or both for each such employee. Section 55B(3) of the IA 1959/63 provides that where the person at the same time employed more than 5 such employees, that person shall, on conviction be liable to imprisonment for a term of not less than 6 months but not more than 5 years and shall also be liable to whipping of not more than 6 strokes.

Pursuant to Section 55E(1) of the IA 1959/63, no occupier shall permit any illegal immigrant to enter or remain at any of its premises. As such, a company has an obligation to ensure that the employees that are present at its premises hold valid work permits and have the corresponding right to legitimately be present at the premises to render their services. Pursuant to Section 55E(2) of the IA 1959/63, an occupier who contravenes Section 55E(1) shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM5,000 and not more than RM30,000 or to imprisonment for a term not exceeding 12 months or to both for each illegal immigrant found at the premises.

On 5 September 2022, officers from the Immigration Department conducted a surprise inspection of the Group's factory premises in Ipoh. During this inspection, they apprehended 29 subcontracted foreign workers present on site, of which 24 foreign workers from UTS Setia Provider Sdn Bhd and 5 foreign workers from KF Construction Work. All the subcontracted foreign workers were taken to the Immigration Department's Meru branch for documentation processing which were handled by the management of their respective subcontractors. Upon the surprise inspection, the Immigration Department also conducted further examination of PMW Industries and PMW Concrete's foreign workers' documents when it was discovered that 2 foreign workers were without valid permits. These 2 foreign workers were detained in Bidor Temporary Depot in Perak for approximately 3 months before they were deported to their country on 16 November 2022.

The Immigration Department issued court summons to PMW Industries. At the court hearing on 14 September 2023, PMW Industries was charged with a compound of RM43,000 and payment was made on that same day.

Our Group is required to comply with the provisions of the IA 1959/63 insofar as foreign workers employed by us are concerned. As at the LPD, all foreign employees of the Group are in possession of valid work permits and save as disclosed above, there has been no past non-compliance by our Group in relation to the IA 1959/63 under the Financial Periods under Review.

(x) Petroleum Development Act 1974 / Control of Supplies Act 1961 ("CSA 1961") and Control of Supplies Regulations 1974 ("CSR 1974")

Section 6(3) of the Petroleum Development Act 1974 requires prior permission from the Prime Minister to carry out business of marketing or distributing of petroleum or petro-chemical products which includes diesel and fuel oil. Section 6(5) of the Petroleum Development Act 1974 further provides that any person who acts in contravention of this section shall 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 5 years or to both, and in the case of continuing offence, 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

7. BUSINESS OVERVIEW (Cont'd)

recorded; and 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.

Additionally, pursuant to the CSA 1961, any article or food may be declared as controlled article or rationed article either generally or with reference to some specified part(s) of Malaysia. In exercise of the powers conferred by Section 6 of the CSA 1961, the CSR 1974 has been put into force in relation to the controlled articles specified in the schedule to the CSR 1974 ("**Scheduled Articles**"). Regulation 18(1) of CSR 1974 provides any person who carries on any trade or business, which in the course of the trade or business he uses or consumes any of the Scheduled Articles as specified in Column 1 of Part IV of the Schedule, shall not have in his possession the quantity of the Scheduled Articles as specified in Column 2 of Part IV of the Schedule unless he is authorised by way of a permit issued by the controller as provided by Regulation 18(2) of CSR 1974.

Mega Summit had previously obtained a scheduled articles permit for purchase and storage of diesel at Kota Kinabalu Factory. Condition 4 of the permit expressly provides that the purchase of diesel should be for personal use and not for resale. Regulation 21 of the CSR 1974 provides that any person who contravenes any provision of the terms and conditions of any permit granted, shall be guilty of an offence. However, Regulation 2 of the CSR 1974 read together with First Schedule of the Control of Supplies (Compounding of Offences) Regulations 2001 provides that all offences under the CSR 1974 is compoundable offences. If the offence is not compounded, Section 22(2) of the CSA 1961 provides that any body corporate which commits an offence shall, on conviction, be liable to a fine not exceeding RM2,000,000 and, for a second or subsequent offence, to a fine not exceeding RM5,000,000.

Between 2007 to 30 November 2024, Mega Summit had sold diesel and fuel oil to its related party, Winabumi and not to any other entities, and therefore breached Condition 4 of the permit. Mega Summit has ceased selling diesel and fuel oil to Winabumi since 30 November 2024 and Winabumi has on 1 March 2025 obtained a scheduled articles permit for the purchases and storage of diesel at Kota Kinabalu Factory.

As at the LPD, Mega Summit has not been fined or issued with any notice of non-compliances from the Ministry of Domestic Trade and Cost of Living for its past non-compliances of Condition 4 of the permit. Our Board is of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low as Mega Summit is not carrying out the business of marketing or distributing of diesel and fuel oil under the Petroleum Development Act 1974. Our Board confirmed that Mega Summit had only supplied the diesel and fuel oil to Winabumi which is required for the operation of the machinery rented by Winabumi from Mega Summit and Mega Summit did not supply the diesel and fuel oil to any other party.

As at the LPD, save as disclosed above, there has been no other past non-compliance by our Group in relation to the Petroleum Development Act 1974, CSA 1961 and CSR 1974 under the Financial Periods under Review.

(xi) **Electricity Supply Act 1990 ("ESA 1990") and the Electricity Regulations 1994 ("ER 1994")**

The ESA 1990, including the ER 1994, regulate the electricity supply industry, the supply of electricity, the licensing of any electricity installation, as well as the registration of any manufacturers, electrical contractors, importers and any competent person involved in the supply or use of electricity.

Regulation 97C of the ER 1994 states that any person who manufactures or imports any equipment under Regulation 97 of the ER 1994 shall apply to be registered with the Commission, in a manner that may be determined by the Commission.

Any person who contravenes or fails to comply with any of the provisions of ER 1994 shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM5,000 or to imprisonment for a term not exceeding 1 year or to both.

7. BUSINESS OVERVIEW (Cont'd)

As at the LPD, PMW Lighting holds a valid certificate of registration to manufacture pursuant to Regulation 97C of the ER 1994 (details of which are as set out in Item 16 of Section 7.17 of this Prospectus) and there has been no past non-compliance by our Group in relation to the ESA 1990 and ER 1994 under the Financial Periods under Review.

Our Group is fully committed to comply with all relevant laws, regulations, rules, and internal policies, by establishment of an internal compliance committee ("**Compliance Committee**") to enhance the internal control of the Group and prevent the recurrence of non-compliance incidents. As at the LPD, our Group has established a Compliance Committee that consists of following members:

- (a) Chief Compliance Officer, as Chairman of the Compliance Committee;
- (b) Chief Human Resource Officer, as a member;
- (c) Chief Financial Officer, as a member;
- (d) General Manager Ipoh Operations, as a member;
- (e) Assistant General Manager of Sabah Operations, as a member; and
- (f) General Manager of Lighting Operation, as a member.

The Compliance Committee will report to the Audit and Risk Management Committee on quarterly basis.

The Compliance Committee's roles and responsibilities are to monitor, assess, and address non-compliance issues within the Group, focusing on adherence to environmental compliance requirements and other applicable regulations. Furthermore, the roles and responsibilities of the Compliance Committee are outlined as follows:

- (a) Continuously monitor the Group's compliance with relevant laws, regulations, rules, and internal policies;
- (b) Maintain oversight of compliance with environmental regulations and other statutory requirements;
- (c) Identify potential non-compliance risks within the Group's operations, particularly in areas with historical non-compliance;
- (d) Conduct regular compliance risk assessments and report findings to the Audit and Risk Management Committee;
- (e) Develop and recommend policies and procedures to prevent non-compliance incidents;
- (f) Implement compliance controls to ensure adherence to applicable environmental and regulatory standards;
- (g) Review incidents of non-compliance and initiate prompt remedial actions to address identified issues; Ensure that appropriate corrective measures are implemented to prevent recurrence;
- (h) Provide regular updates to the Audit and Risk Management Committee on compliance status, issues identified, and remedial actions taken;
- (i) Where necessary, liaise with internal control advisers, external legal advisers, and other professional advisers to obtain guidance on compliance matters;
- (j) Regularly review and update compliance policies and procedures to reflect changes in laws and regulations; and
- (k) Benchmark compliance practices against industry standards to ensure best practices are maintained.

Save as disclosed above, as at the LPD, our Group is in compliance with the governing laws, regulations, rules or requirements relating to its business.

7.22 EMPLOYEES

As at the LPD, our Group has a total workforce of 695 employees of which 526 are permanent employees and 169 are contractual workers; which are made up of 535 local employees, 159 foreign workers and 1 expatriate. As at the LPD, all of our foreign workers have valid working permits and are not in breach of any immigration laws.

7. BUSINESS OVERVIEW (Cont'd)

As the application and renewal of the work permits are an ongoing process, there will be foreign workers that are in the midst of applying for or renewing their work permits at any one point in time.

A summary of our Group's total workforce according to job functions as at FPE 2025 and LPD is as below:

Category	As at FPE 2025						
	Permanent employees		Contractual employees		Geographical Location		Total number of employees
	Local	Foreign	Local	Foreign	West Malaysia	East Malaysia	
Management	9	-	-	-	7	2	9
Finance	18	-	-	-	12	6	18
Human resource and administration	22	-	-	-	10	12	22
Information technology	3	-	-	-	3	-	3
Occupational safety, health and environment	18	-	-	1	17	2	19
Operations	353	-	10	159	303	219	522
Quality assurance and quality control	31	-	-	-	17	14	31
Sales and marketing	23	-	-	-	15	8	23
	477	-	10	160	384	263	647

Category	As at the LPD						
	Permanent employees		Contractual employees		Geographical Location		Total number of employees
	Local	Foreign	Local	Foreign	West Malaysia	East Malaysia	
Management	9	-	-	-	7	2	9
Finance	22	-	-	-	16	6	22
Human resource and administration	20	-	-	-	13	7	20
Information technology	3	-	-	-	3	-	3
Occupational safety, health and environment	26	-	-	1	19	8	27
Operations	388	-	9	159	335	221	556
Quality assurance and quality control	35	-	-	-	20	15	35
Sales and marketing	23	-	-	-	15	8	23
	526	-	9	160	428	267	695

PMW Concrete, PMW Industries and Winabumi's manufacturing licences contains an express condition that their respective total full-time workforce shall comprise at least 80% Malaysians. As at the LPD, PMW Concrete, PMW Industries and Winabumi each has a total of 145, 86 and 253 Malaysian employees respectively, representing approximately 59.43%, 58.50% and 100.00% of their respective total full-time workforce.

7. BUSINESS OVERVIEW (Cont'd)

On 16 December 2024, MITI announced that the deferment in compliance with the employment condition of 80:20 workforce for manufacturing sector will continue until the Multi-Tiered Levy Mechanism is fully implemented. Nonetheless, the initiatives taken by our Group to comply with the said condition are as follows:

- (i) prioritise hiring Malaysian citizens for available positions;
- (ii) invest in training and development programs to equip existing local workforce with necessary skills for higher-value roles;
- (iii) explore automation technologies with the aim to reduce reliance on manual labour; and
- (iv) engage with relevant government bodies to access programs aimed at promoting local employment.

As at the LPD, our Group complies with the requirements under Minimum Wages Order 2024. None of our employees belong to any union nor are they parties to any collective agreements and we have not experienced any strikes or other disruptions due to labour disputes.

Further, our Group provides accommodations to our foreign workers. Please refer to Section 7.21 (vi) of this Prospectus for further details.

7.23 EXCHANGE CONTROLS

Our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital or remittance of profits by or to our Group.

7.24 ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) PRACTICES

Our Group recognises the importance of adopting ESG practices such as ensuring environmentally responsible operations, provision of conducive workplaces for our employees and good corporate governance for sustainable value creation. As such, our Group focuses on the following ESG practices:

Our Group is dedicated to integrate sustainability objectives across all facets of our business and operations, ensuring environmental and social responsibility alongside strong corporate governance. We emphasise transparency, innovation, and adaptability as fundamental principles for sustaining long-term business growth.

Our Group will develop our sustainability framework based on the following frameworks and standards:

- Bursa Securities’ ACE Market Listing Requirements for Sustainability;
- Bursa Securities’ Sustainability Reporting Guide; and
- MCGG

Our primary goal is to drive sustainable development among our stakeholders by ensuring access to renewable energy, encouraging innovation, and empowering both our employees and the wider community. As a responsible entity in public governance, we are deeply committed to advancing sustainability and actively championing positive global change.

Our Group is dedicated to build an organization that places sustainable development at the forefront, benefiting both the community and stakeholders. This commitment reflects our firm dedication to implementing meaningful initiatives and strategies that mitigate the impact of our operations on the economy, environment, society, and governance. We will continuously work to improve our performance in these areas, ensuring our actions contribute to a more sustainable future.

Our Board holds the collective responsibility for assessing, approving, and overseeing the ESG-related policies, objectives, and strategies within our Group. The Compliance Committee is tasked with supervising the formulation and execution of sustainability strategies. Additionally, Compliance Committee monitors business plans, governance frameworks, compliance matters, and key

7. BUSINESS OVERVIEW (Cont'd)

initiatives while ensuring alignment with sustainability principles. The implementation of sustainability strategies across our business operations is managed by senior leadership, who report directly to Compliance Committee.

(i) Environmental

We are committed to minimising our environmental impact by adopting sustainable practices and reducing carbon emissions:

- We enhance the use of renewable energy and improving overall energy efficiency in our manufacturing and operations.
- We reduce greenhouse gas (GHG) emissions through energy-efficient production and logistics practices.
- We minimise waste generation and promote recycling and sustainable resource use.
- We comply with all relevant environmental laws, regulations and standards.
- We conduct regular environmental impact assessment to identify risks and improvement areas.

(ii) Social

We strive to create a positive impact by fostering inclusivity, employee well-being and community engagement:

- We implement robust occupational health and safety (OHS) policies to minimise workplace hazards.
- We ensure a safety, healthy and inclusive workplace with zero tolerance for discrimination and harassment.
- We practice gender equality and cultural diversity with equal opportunities, career development and advancement in pays for employees.
- We engage with local communities through corporate social responsibility (CSR) initiatives, including education and environmental sustainability programs.
- We uphold human rights and ensuring ethical labour practices across our supply chain, in compliance with international labour standards.

(iii) Governance

We are committed in upholding the good corporate governance and conducting our business ethically. In maintaining good corporate governance, our Group has adopted the recommendations under the MCCG. Save for certain practices of the MCCG, the compliance of which could only be achieved or becomes applicable upon the listing of the Company (such as the recommended disclosures to be made in the Company's Annual Report and Corporate Governance Report), the MCCG practices our Group has adopted are as follows:

- at least half of our Board are independent directors;
- at least 30% of our Board are women directors;
- our Audit and Risk Management Committee comprises solely of independent directors; and
- our Independent Non-Executive Chairman is not a member of any of our board committees.

In addition, we have zero tolerance towards any form of bribery and corruption in our business operations. As such, we have established various policies such as anti-bribery and corruption policy, whistle-blowing policy and code of conduct and ethics to ensure the sufficiency and integrity of our Group's risk management and internal control system.

8. IMR REPORT

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

1 October 2025

The Board of Directors
PMW International Berhad
Lot 133077, Jalan Lahat,
Bukit Merah Industrial Estate,
31500 Lahat, Perak

Dear Sirs and Madams

Vital Factor Consulting Sdn Bhd
(Company No.: 199301012059 (266797-T))
V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: (603) 7931-3188
Website: www.vitalfactor.com

Independent Assessment of the Concrete Poles and Piles Industry in Malaysia

We are an independent business consulting and market research firm based in Malaysia, established in 1993. We offer consulting services, including business plans, opportunity evaluations, commercial due diligence, feasibility studies, financial and industry assessments, and market research. Since 1996, we have been involved in corporate exercises such as initial public offerings, reverse takeovers, chain listings, transfers to the Main Market, and business regularisations for publicly listed companies on Bursa Malaysia Securities Berhad (Bursa Securities). Our corporate exercise services encompass business overviews, independent industry assessments, management discussions and analyses, and business and industry risk assessments for prospectuses, shareholders' circulars and information memorandums.

We have been engaged in providing an independent assessment of the concrete poles and piles industry in Malaysia for inclusion in PMW International Berhad's prospectus for its initial public offering and listing of its shares on the ACE Market of Bursa Securities. This report has been prepared independently and objectively, with all reasonable due care taken to ensure its accuracy and completeness.

We believe the report provides a true and fair assessment of the industry, considering the limitations of timely and available information, and analyses based on secondary and primary market research as of the report date. However, it should be noted that our assessment pertains to the industry as a whole and may not reflect the performance of any specific company. We accept no responsibility for the decisions or actions of readers based on this document. This report should not be construed as a recommendation to buy, not buy, sell or not sell the securities of any company.

Please be aware that our report may include disclosures, assessments, opinions, and forward-looking statements that are subject to hitherto unknown or undisclosed information, uncertainties, and contingencies. These statements are based on secondary information and primary market research, and despite careful analysis, the industry is influenced by various known and unforeseen factors that could cause actual outcomes and future results to differ materially from these statements.

Yours sincerely

Wooi Tan
Managing Director

Wooi Tan holds a Bachelor of Science from the University of New South Wales and a Master of Business Administration from the University of Technology, Sydney. He is a Fellow of both the Australian Marketing Institute and the Institute of Managers and Leaders. With over 30 years of experience in business consulting and market research, he has also assisted companies in their initial public offerings and listings on Bursa Malaysia Securities Berhad.

8. IMR REPORT (Cont'd)

VITAL FACTOR CONSULTING
Creating Winning Business Solutions

Date of Report: 1 October 2025

INDEPENDENT ASSESSMENT OF THE CONCRETE POLES AND PILES INDUSTRY IN MALAYSIA

1. OVERVIEW OF PMW GROUP'S BUSINESS AND REPORT PARAMETERS

- PMW International Berhad, together with its subsidiaries (PMW Group or the Group), is mainly involved in trading construction materials and other products, prestressed spun concrete poles and piles, and other concrete products. In addition, the Group also manufactures prestressed spun concrete poles and piles, moulds, machinery, metal products such as hollow round cross-section steel poles, and other concrete products. As of the date of this report, PMW Group has recently acquired two related companies, Winabumi Sdn Bhd and PMW Concrete Industries Sdn Bhd. After the acquisition, PMW Group will mainly manufacture prestressed spun concrete poles and piles in Malaysia.
- PMW Group's prestressed spun concrete poles primarily cater to the telecommunications and electricity utility industries, while the prestressed spun concrete piles are mainly used in foundations for buildings and structures. These shall form the focus of this report. Unless stated otherwise, all information in this report relates to Malaysia and is based on the latest publicly available information.

2. INDUSTRY OVERVIEW

- Poles and piles are long, vertical structures designed to support vertical loads. Poles are installed above ground, while piles are driven into the ground, primarily supporting above-ground structures. Some structures, such as shear walls, sheet piles and retention walls, are not considered vertical structures as they are primarily used to resist lateral force, such as retaining soil or water.

The diagram titled 'Types of Vertical Supporting Structures' is divided into two main categories: 'Superstructures (above ground)' and 'Substructures (below ground)'. Under 'Superstructures', it lists Towers, Poles, Columns, and Others. Under 'Substructures', it lists Piles, Caissons, Bored piles, and Others. A legend indicates that PMW Group is involved in the structures listed in the 'Poles' and 'Piles' boxes.
- Vertical supporting structures are crucial in ensuring the stability and functionality of various constructions, including buildings, bridges, and public utilities like telecommunications and power systems. Their importance lies in their ability to distribute vertical loads and provide foundational support, particularly in areas where soil conditions or other environmental factors make traditional foundations unsuitable. PMW Group is involved in the provision of poles as superstructures for the utility industry and of piles as substructures for building foundations, which will be the focus of this report.
- Poles and piles are made from various materials, including concrete, steel, timber, plastic, and fibreglass. PMW Group primarily supplies concrete poles and piles, with steel poles comprising a smaller portion of its offerings.

2.1 Concrete Poles and Piles

- The value chain of the concrete poles and piles industry generally begins with the production or supply of input materials such as cement, sand, and gravel, followed by processing these materials into finished products through various manufacturing techniques. Concrete poles and piles manufacturers would sell their products either to traders or directly to end users such as construction or utility companies. PMW Group is involved in the manufacturing and trading of concrete poles and piles in Malaysia.

The diagram titled 'Value Chain of the Concrete Poles and Piles Industry' shows a flow from 'Input material manufacturers/suppliers' to 'Manufacturers', then to 'Traders', and finally to 'End users'. A legend indicates that PMW Group is involved in the 'Manufacturers' and 'Traders' segments.

8. IMR REPORT (Cont'd)



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- Concrete is a widely used construction material that mixes cement, aggregates (such as sand, gravel, or crushed stone), water, and sometimes additives. Concrete's strength, durability, and resistance to environmental factors often surpass common materials like timber and steel. These properties make concrete poles and piles more resistant to rot, fire, and termites, ensuring greater longevity and reliability compared to some alternative materials.
- To further strengthen concrete poles and piles, common techniques like reinforcing, spinning, and prestressing are applied to enhance their structural integrity, durability and load-bearing capacity.
 - **Reinforcing:** This involves embedding reinforcing bars (rebars) within the concrete according to engineering specifications. The reinforcement compensates for concrete's relatively low tensile strength and ductility, enhancing its ability to resist tensile stresses and providing additional strength and flexibility.
 - **Spinning:** This involves rotating the mould filled with concrete at high speed, utilising centrifugal force to ensure a uniform concrete distribution within the mould. During the spinning process, excess water and air are expelled, resulting in a denser and more evenly distributed concrete structure. The product from such a technique is usually cylindrical with a hollow centre.
 - **Prestressing:** This involves embedding and stretching high-strength steel tendons, such as bars, wire, or strands, placed during production. Tensioning these tendons within the concrete induces compressive forces, enhancing the product's durability, reducing cracking, and improving overall reliability over time. The two primary methods of prestressing are pre-tensioning and post-tensioning.

Pre-tensioning: This involves stretching steel tendons to a predetermined tension and anchoring them to fixed bulkheads or moulds. Once the tendons are stretched, concrete is poured around them, and the entire assembly is allowed to cure and harden. After curing, the tension is released from the tendons, compressing the concrete and creating a prestressed structure.

Post-tensioning: This is similar to pre-tensioning, but the key difference is that the tendons are installed inside the hardened concrete and are only tensioned after the concrete has fully cured. The tendons are tensioned using hydraulic jacks and then anchored in place, creating compressive forces in the concrete.
- Reinforcement, prestressing, and spinning techniques are often combined in the production of prestressed spun products to leverage the benefits of each method in strengthening poles and piles. In some cases, poles and piles are only reinforced without the use of prestressing and spinning. PMW Group specialises in the manufacturing and supply of prestressed spun concrete poles and piles utilising pre-tensioning techniques. It also supplies reinforced concrete piles.

2.2 Applications of Concrete Poles and Piles

- Concrete poles and piles fulfil distinct roles in infrastructure and construction, each tailored to specific applications. Their unique functions determine their specialised uses.
- Some common applications of **concrete poles** include:
 - **telecommunications**, which provides structural support for telephone cables between poles and/or serves as mounting platforms for wireless telecommunications equipment at the top;
 - **power distribution**, which forms the backbone of the last-mile distribution network for electricity by supporting the power cables connecting substations to end-user premises such as residential, commercial, and industrial buildings;

8. IMR REPORT (Cont'd)



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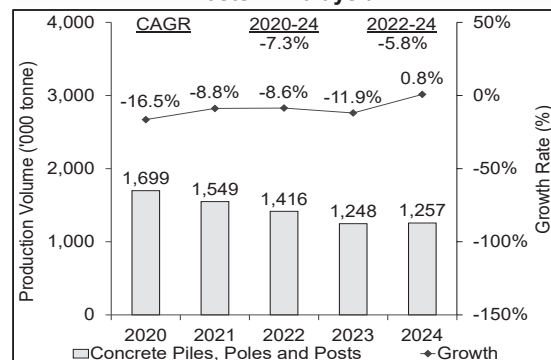
- **lighting**, which supports cross-arms equipped with lighting fixtures to illuminate streets, compounds, and other public spaces;
 - **railway electrifications**, which provides structural support for overhead electrical cables that supply power to electrically driven trains along the track; and
 - **others**, include specialised applications such as smart city applications (combines multiple functionalities such as traffic signals, LED display panels, surveillance cameras, and streetlights into a single integrated structure), signage and other customised applications.
- **Concrete piles** (not referring to bored piles), on the other hand, serve primarily as the fundamental substructure for building constructions. They are widely used across various construction industry sectors, including, among others, residential buildings (especially low-rise buildings), civil engineering projects and others.
 - PMW Group supplies prestressed spun concrete poles and piles for most of the abovementioned applications.

3. PERFORMANCE OF CONCRETE POLES AND PILES INDUSTRY IN MALAYSIA

3.1 Production of Concrete Poles and Piles

- Between 2022 and 2024, the production volume of concrete piles, poles, and posts in Malaysia declined at an average annual rate of 5.8%. Nevertheless, the production volume of concrete piles, poles, and posts grew by 0.8% to 1.3 million tonnes in 2024. In the first half (H1) of 2025, the production volume of concrete piles, poles, and posts in Malaysia declined by 19.5% compared to H1 2024 (Source: DoSM). The decline was in line with the reductions in the planned supply of residential, commercial, and industrial properties in Malaysia, which fell by 20.0%, 9.3%, and 45.6% respectively, at the end of the second quarter (Q2) of 2025 compared to Q2 2024 (Source: National Property Information Centre (NAPIC)).

Production Volume of Concrete Piles, Poles, and Posts in Malaysia

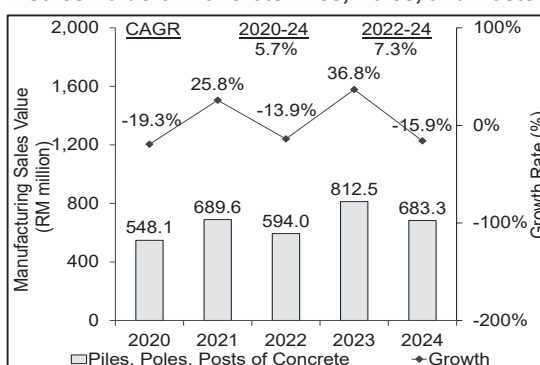


(Source: Department of Statistics Malaysia (DoSM))

(Source: National Property Information Centre (NAPIC)).

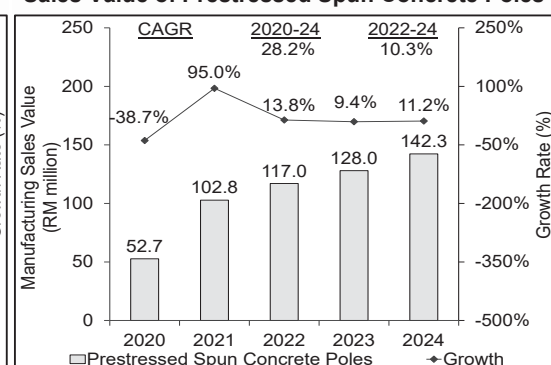
3.2 Sales Value of Concrete Poles and Piles

Sales Value of Concrete Piles, Poles, and Posts



(Source: DoSM)

Sales Value of Prestressed Spun Concrete Poles



8. IMR REPORT (Cont'd)

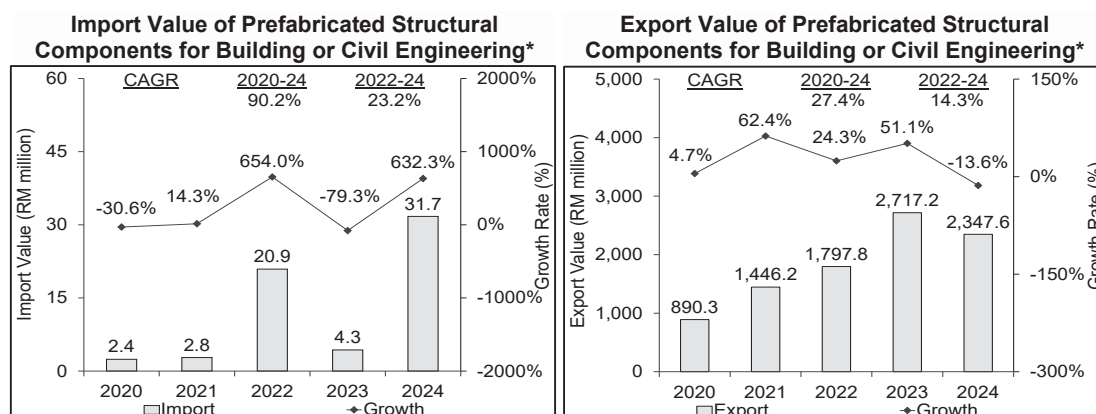


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- Despite encountering a growth in 2023, the sales value of domestically manufactured concrete piles, poles, and posts subsequently declined by 15.9% in 2024. The decline was primarily attributed to subdued external demand, as reflected by a 13.6% decrease in the export value of prefabricated structural components in 2024 (*Source: DoSM*).
- In 2024, the sales value of domestically manufactured prestressed spun concrete poles amounted to RM142.3 million.
- PMW Group is involved in the manufacturing of prestressed spun concrete poles and piles in Malaysia. A growing sales value in concrete poles and piles may augur well for operators within the industry like PMW Group.

3.3 Trade Performance of Prefabricated Structural Components

- The prefabricated structural components in Malaysia are primarily used in the building or civil engineering sector. The import and export of prefabricated structural components, including concrete poles and piles, may indicate their supply and demand dynamic.



* Comprise components made from concrete, cement or artificial stone. No further segmentation available.
(*Source: DoSM*)

- Malaysia is a net exporter of prefabricated structural components for building or civil engineering, which has recorded a trade surplus for such products for the past few years. In 2023, the import and export value of prefabricated structural components for building or civil engineering amounted to RM4.3 million and RM2,717.2 million, respectively.
- Nevertheless, in 2024, the import value increased by 632.3% to RM31.7 million, while the export value declined by 13.6% to RM2,347.6 million. This resulted in a trade balance of RM2.32 billion in 2024. In H1 2025, the import value increased by 14.1%, while the export value decreased by 0.3%, compared to H1 2024 (*Source: DoSM*).

4. DEMAND DEPENDENCIES – CONSTRUCTION ACTIVITIES IN MALAYSIA

- Concrete poles are generally used in civil engineering construction, including utility projects such as telecommunications and power distribution. In contrast, concrete piles are typically used as foundations in building constructions. Therefore, construction activities involving utility projects, residential, commercial, and industrial buildings may provide opportunities for operators within the concrete poles and piles industry.
- Between 2022 and 2024, the value of construction work completed for utility projects grew at a CAGR of 31.4%, reaching RM24.0 billion worth of construction work completed in 2024. The construction work completed for utility projects represented 39.2% of the total value of the construction work completed for civil engineering in 2024. In H1 2025, the value of construction

8. IMR REPORT (Cont'd)

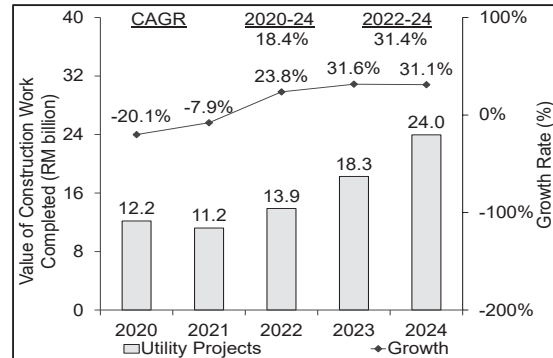


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work completed for utility projects further increased by 28.1% compared to H1 2024. (Source: DoSM)

- The future supply (comprising incoming and planned supply) of residential, commercial, and industrial buildings indicates the demand for concrete piles. Between 2022 and 2024, the low-rise and high-rise residential buildings declined at an average annual rate of 3.0% and 1.6%, respectively. The future supply of low-rise and high-rise residential buildings at the end of Q2 2025 compared to Q2 2024 declined by 12.9% and 5.8%, respectively. (Source: NAPIC)

Value of Construction Work Completed for Utility Projects



(Source: DoSM)

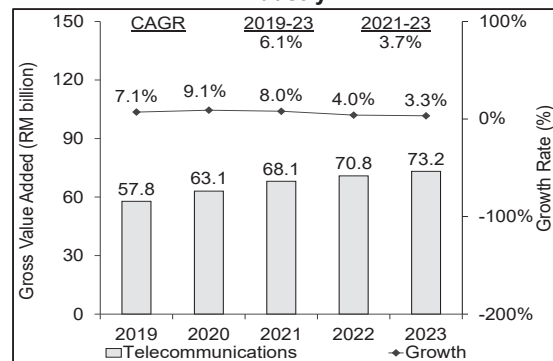
- Between 2022 and 2024, the future supply of commercial and industrial buildings declined at an average annual rate of 1.7% and 3.7%, respectively. The future supply of commercial buildings at the end of Q2 2025 compared to Q2 2024 grew by 1.0%, while the future supply of industrial buildings declined by 18.6%. (Source: NAPIC)

5. END-USER INDUSTRIES

5.1 Telecommunications Industry

- PMW Group mainly supplies prestressed spun concrete poles serving the telecommunications industry in Malaysia. Hence, this section will analyse the performance of the telecommunications industry since this can be deemed as the demand for PMW Group's products.
- The telecommunications industry's gross value added (GVA) quantifies the value of output generated excluding the value of intermediate goods and services. In 2023, the GVA of the telecommunications industry in Malaysia amounted to RM73.2 billion, representing 69.7% of Malaysia's total ICT services industry (Source: DoSM). A growing telecommunications industry may indicate the increasing demand for new or upgraded telecommunication towers.

Gross Value Added of Telecommunications Industry



Note: Latest available data. (Source: DoSM)

- According to the Industry Performance Reports from the Malaysian Communications and Multimedia Commission (MCMC), the telecommunications industry's capital expenditure grew at a CAGR of 13.6% to RM6.4 billion between 2021 and 2023. Service providers' increasing capital expenditure may provide opportunities for operators involved in the provision of concrete poles for the telecommunications industry in Malaysia.

5.1.1 Telecommunications Services and Connectivity in Malaysia

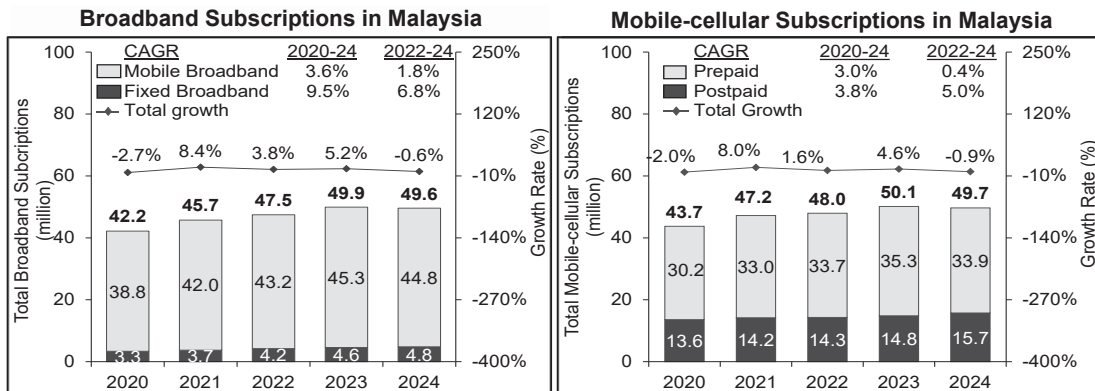
- The telecommunications services in Malaysia primarily focus on broadband (mobile and fixed) and mobile cellular services, which include prepaid and postpaid plans.
- Subscriptions for both mobile and fixed broadband services in Malaysia have steadily increased over the past three years. Between 2022 and 2024, the subscriptions of mobile and fixed broadband services grew at a CAGR of 1.8% and 6.8%, respectively. In 2024, the total

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number of broadband subscriptions in Malaysia reached 49.6 million, reflecting a 0.6% decline compared to 2023. At the end of Q2 2025, the total broadband subscriptions declined by 1.3% compared to the corresponding period in 2024 (Source: MCMC).



Note: Mobile broadband refers to subscriptions by individuals. Fixed broadband refers to subscriptions by premise, household and non-household. (Source: DoSM)

- Mobile-cellular services are a widely adopted technology that enables wireless communication between mobile devices and allows individuals to access telecommunication services on the go (Source: MCMC). Between 2022 and 2024, the total mobile-cellular subscriptions in Malaysia grew at a CAGR of 1.8% (Source: DoSM). Malaysia remained a prepaid-dominant market, with prepaid plans for mobile-cellular services accounting for 68.3 % of total mobile-cellular subscriptions in 2024. At the end of Q2 2025, the total mobile-cellular subscriptions declined by 1.1% compared to the corresponding period in 2024 (Source: MCMC).
- Additionally, the penetration rates of broadband and mobile-cellular services expanded moderately between 2022 and 2024. However, in 2024, the penetration rates of mobile broadband services declined from 134.5% to 131.1%, while mobile-cellular services dropped from 148.7% to 145.4%, both measured by per 100 inhabitants. Similarly, the fixed broadband services recorded a penetration rate of 48.7% per 100 premises in 2024. At the end of Q2 2025, the penetration rates for mobile broadband, fixed broadband, and mobile-cellular services were 144.9%, 48.8%, and 129.3%, respectively (Source: MCMC).

Penetration Rates of Telecommunications Services in Malaysia

	Mobile broadband ^(a)	Fixed broadband ^(b)	Mobile-cellular ^(a)
2020	118.7%	37.2%	133.6%
2021	126.4%	40.8%	144.0%
2022	131.0%	47.6%	145.3%
2023	134.5%	50.6%	148.7%
2024	131.1%	48.7%	145.4%

(Source: DoSM)

(a) Refers to penetration rate per 100 inhabitants.

(b) Refers to penetration rate per 100 premises.

- The trends in the subscription and penetration rates of telecommunications services in Malaysia indicate a growing demand for connectivity, highlighting the increasing adoption and reliance on these services. Telecommunication companies may focus on enhancing their existing infrastructure or constructing new telecommunication towers to accommodate the increasing capacity and data demands or to expand their services into underserved regions further. This is especially pertinent in the provision of fifth generation (5G) telecommunications services. This could drive demand for supporting infrastructure such as concrete telecommunication poles, benefiting operators like PMW Group which supplies its products to telecommunication companies.

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5.2 Electricity Utility Industry

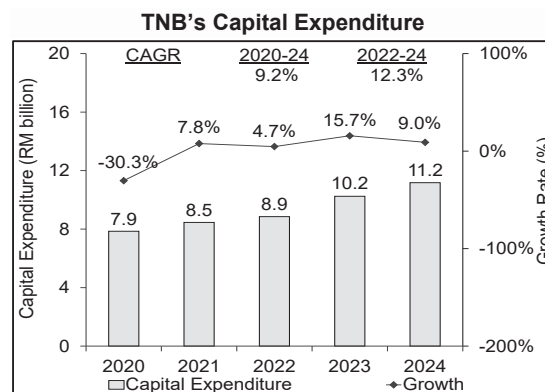
- PMW Group also supplies prestressed spun concrete poles serving the electricity utility industry in Malaysia. This section will examine the performance of the country's electricity utility industry. Growing electricity consumption and demand may increase the need for future expansion of the current electricity distribution network. Furthermore, capital expenditure by electricity utility companies could indicate future demand for upgrading and expanding infrastructures.

5.2.1 Electricity Consumption and Peak Demand

- The local electricity consumption in Malaysia comprises two main segments, namely industrial, commercial, and mining as one segment, and domestic and public lighting as the other segment. Between 2022 and 2024, local electricity consumption grew at a CAGR of 4.9%, with the industrial, commercial, and mining segment, as well as the domestic and public lighting segment recording a CAGR of 4.2% and 7.1%, respectively. (Source: DoSM)
- Peak demand for electricity represents the maximum electricity demand registered within a stated period such as a year and is indicated by megawatt hours. Between 2021 and 2023, being the latest available data, the peak demand for electricity in Peninsular Malaysia, Sabah and the Federal Territory of Labuan grew at a CAGR of 3.1%. In 2023, the peak demand for electricity in Peninsular Malaysia, Sabah and the Federal Territory of Labuan was 20,807 megawatt hours. (Source: Tenaga Nasional Berhad (TNB))
- Increasing electricity consumption and peak demand drive the need to expand the current distribution network, creating opportunities for operators that supply power distribution poles to electricity utility companies, such as PMW Group.

5.2.2 Capital Expenditure of Tenaga Nasional Berhad (TNB)

- In Peninsular Malaysia, the power grid (including power generation, power transmission and power distribution) is under the purview of TNB, while Sarawak and Sabah are under Sarawak Energy Board and Sabah Electricity Sdn Bhd (SESB), respectively. TNB holds a majority stake in SESB alongside the State Government of Sabah. As a result, TNB's capital expenditures may offer insights into potential future demand for expansion to the current distribution network, which requires concrete poles as a supporting infrastructure.
- The increasing capital expenditure of TNB reflects its commitment to maintaining the security of electricity supply, meeting the projected electricity demand growth and facilitating the energy transition (Source: TNB). Between 2022 and 2024, the capital expenditure of TNB grew at a CAGR of 12.3% from RM8.9 billion to RM11.2 billion.
- The capital expenditure on the power grid, distribution network, and retail sector accounted for a significant portion of the total capital expenditure spent in the past few years. In 2024, TNB allocated RM2.5 billion and RM6.4 billion funds for the grid, and distribution network, and the retail segments, respectively. (Source: TNB)
- In 2023, TNB invested a total of RM7.3 billion to expand and upgrade its electricity transmission and distribution network. This investment in capital expenditure by TNB led to a 2.5% increase in the length of TNB's distribution lines across Peninsular Malaysia, Sabah,



(Source: TNB)

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and the Federal Territory of Labuan, reaching a total of 789,214.1 kilometres (km) in 2023. However, in 2024, TNB's distribution lines declined by 6.5% to 738,027.6 km. (Source: TNB)

6. SUPPLY DEPENDENCIES – PRICING OF KEY INPUT MATERIALS

- The concrete poles and piles industry in Malaysia is subject to price fluctuation in key input materials like cement, concrete, and rebar (for reinforcement purposes). The following section will focus on the pricing of ready-mixed concrete and rebar, as a sustained increase in key input materials prices may impact the operating costs of operators.

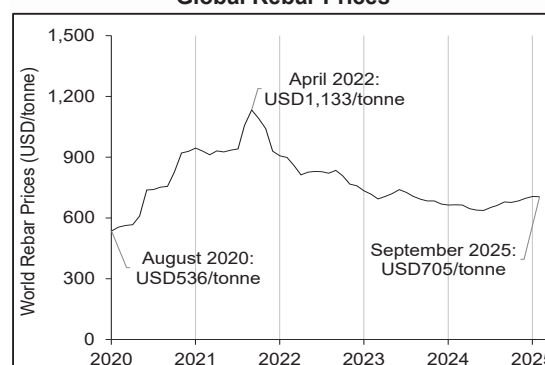
- In Malaysia, the prices of ready-mixed concrete have been increasing since the COVID-19 pandemic. Between 2021 and 2023, the average prices of ready-mixed concrete in Malaysia grew at a CAGR of 9.3% to RM340.50 per cubic metre. Peninsular Malaysia experienced greater volatility than other parts of Malaysia during the same period, marking a CAGR of 15.7%. Nevertheless, the average prices of ready-mixed concrete in Sabah and Sarawak are relatively higher than in Peninsular Malaysia. As at May 2025, the average price of ready-mixed concrete in Malaysia was RM328.38 per cubic metre. (Source: CIDB)

Average Ready-mixed Concrete Prices in Malaysia (RM/m³)

	Malaysia	Peninsular Malaysia	Sabah	Sarawak
2020	284.60	209.00	325.56	319.19
2021	284.90	210.33	325.76	318.67
2022	300.50	256.67	325.67	319.11
2023	340.50	281.56	365.83	374.08
2021-23 CAGR	9.3%	15.7%	6.0%	8.3%

Note: Latest available data. (Source: Construction Industry Development Board (CIDB))

Global Rebar Prices



(Source: Vital Factor analysis)

- In addition, the prices of global rebar increased by 111.4% over approximately two years from USD536 per tonne in August 2020 to USD1,133 in April 2022, which subsequently decreased by 37.8% to USD705 per tonne in September 2025. Overall, the global rebar price experienced significant volatility between 2020 and 2022 due to the impact of the COVID-19 pandemic on the supply chain and demands. In early 2022, the prices increased further due to supply concerns attributed to the Russia-Ukraine conflict. However, prices started to decline due to the subdued global demand amid growing inflationary pressures and tightening financial conditions.

7. COMPETITIVE LANDSCAPE

- There are no published data on the number of companies involved in Malaysia's concrete poles and piles industry. The selection criteria for the companies listed in the table below are: (1) involved in the manufacturing of prestressed spun concrete poles and/or prestressed spun concrete piles; (2) having manufacturing facilities in Malaysia; and (3) availability of the latest available financial information. Some companies may also manufacture other concrete products or engage in other business activities. This list is sorted in decreasing order of total revenue and is not an exhaustive list:

Company	A	B	FYE ⁽¹⁾	Rev ⁽²⁾ (RM mil)	GP ⁽²⁾ (RM mil)	GP ⁽²⁾ margin	NP/(NL) ⁽²⁾ (RM mil)	NP/(NL) ⁽²⁾ margin
Industrial Concrete ⁽³⁾		√	Mar-24	1,275.5	259.1	20.3%	130.8	10.3%
PMW Group	√	√	Dec-24	165.3	28.1	17.0%	17.4	10.5%
SCIB Concrete ⁽⁴⁾		√	Jun-24	115.3	30.4	26.4%	10.3	9.0%
Concrete Engineering ⁽⁵⁾	√	√	Aug-24	104.0	24.1	23.2%	(4.6)	(4.4%)

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Company	A	B	FYE ⁽¹⁾	Rev ⁽²⁾ (RM mil)	GP ⁽²⁾ (RM mil)	GP ⁽²⁾ margin	NP/(NL) ⁽²⁾ (RM mil)	NP/(NL) ⁽²⁾ margin
Sunway Spun Pile (M) S/B ⁽⁶⁾		√	Dec-24	97.7	22.1	22.7%	21.8	22.4%
Eng Beng ⁽⁷⁾		√	Aug-24	95.0	17.5	18.4%	5.3	5.6%
Binaan Desjaya S/B	√		May-24	74.1	n.a.	n.a.	6.3	8.6%
Tract Evo S/B	√		Dec-24	40.6	5.6	13.8%	2.7	6.7%
Zenn Hrb S/B	√		Sep-24	28.6	1.5	5.2%	0.3	0.9%
Desjaya Concrete ⁽⁸⁾	√		Apr-24	13.9	1.9	13.5%	0.3	2.5%
Dalia Industries S/B	√		Dec-24	10.5	1.3	11.9%	(1.1)	(10.6%)

A= Prestressed Spun Concrete Poles; B= Prestressed Spun Concrete Piles; FYE= Financial Year Ended; Rev= Revenue; GP= Gross Profit; NP= Net Profit; NL= Net Loss; mil= million; S/B= Sendirian Berhad; n.a = not available.

(1) Latest audited financial data from the Companies Commission of Malaysia, annual report and PMW Group. (2) It may include other business activities, products, or services at the group or company level. (3) Industrial Concrete Products S/B. A subsidiary of IJM Corporation Berhad, a listed entity on the Main Market of Bursa Securities. (4) SCIB Concrete Manufacturing S/B. A subsidiary of Sarawak Consolidated Industries Berhad, a listed entity on the Main Market of Bursa Securities. Sarawak Consolidated Industries Berhad serves as the ultimate holding company of this company. (5) Concrete Engineering Products Berhad. A listed entity on the Main Market of Bursa Securities. (6) A subsidiary of Sunway Berhad, a listed entity on the Main Market of Bursa Securities. Sunway Berhad serves as the intermediate holding company of this company. (7) Eng Beng Manufacturing (M) S/B. (8) Desjaya Concrete Products S/B. The company has changed its name to DCP Unggul S/B since 21 August 2025.

8. BARRIERS TO ENTRY

- In Malaysia, precast concrete piles, including prestressed spun concrete piles and reinforced or prestressed concrete square piles, must be certified by CIDB. The number of companies registered with CIDB as manufacturers serves as an indicator of entry barriers. The barriers to entry for **manufacturing prestressed spun concrete piles are high**, as evidenced by 6 companies registered with CIDB in this category, 1 of which is a subsidiary of PMW Group. In contrast, the barriers to entry for **manufacturing concrete piles are moderate**, with 46 companies registered as precast concrete pile manufacturers, including the 6 mentioned above (Source: CIDB, as at 1 October 2025). Another barrier to entry for manufacturing prestressed spun concrete piles is market concentration, where the largest manufacturer accounts for approximately two-thirds of the total market. Additionally, several factors may pose challenges to new entrants in the concrete poles and piles industry. These include the initial capital investment required for machinery and equipment, sufficient working capital to procure input materials, maintain inventory levels, and extend credit to customers.

9. INDUSTRY SIZE AND SHARE

- The industry size and market share in Malaysia are estimated as below:

2024 – Manufacturing Sales Value	Industry Size ^(a)	PMW Group	
		Revenue ^(b)	Market share ⁽³⁾
Prestressed spun concrete poles	RM142 million	RM26 million ⁽¹⁾	18%
2024 – Production Volume	Industry Size ^(a)	PMW Group	
		Production ^(b)	Market share ⁽³⁾
Piles, poles, posts of concrete	1,257,134 tonnes	22,960 tonnes ⁽²⁾	2%

Source: (a) DoSM; (b) PMW Group.

- (1) PMW Group's revenue from manufacturing prestressed spun concrete poles for the financial year ended 31 December 2024.
 (2) PMW Group's concrete poles and piles production volume for the financial year ended 31 December 2024.
 (3) [(b) divided by (a)] x 100% in respective categories.

10. INDUSTRY OUTLOOK AND PROSPECTS

Some consideration factors that impact the outlook and prospects of the concrete poles and piles industry are as follows:

8. IMR REPORT (Cont'd)



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- Concrete poles and piles are commonly used as vertical support structures in various subsectors of the construction industry, including building construction and civil engineering, especially in projects related to public utilities. Therefore, the performance of the overall construction industry, along with the key industries that utilise these products (such as public utilities), directly influences the demand for concrete poles and piles in Malaysia.
- In 2024, the **construction industry** expanded by 17.5%. The growth was driven by the broad-based expansion across all sectors, with the residential, non-residential, civil engineering, and specialised construction sectors increasing by 18.8%, 14.0%, 16.3%, and 21.0%, respectively. (Source: DoSM) The growth in the civil engineering sector can be attributable to the multi-year infrastructure projects, particularly the transportation sector, while the increasing demand backed the growth in the residential sector for new housing projects. The industry is forecasted to grow by 11.0% in 2025, driven by the continued expansion in non-residential, residential, and specialised construction sectors. (Source: Bank Negara Malaysia (BNM))
- The **development of public utility industries** in Malaysia, such as telecommunications and electricity utility, relies on federal government development expenditures. The Federal Government is vital in allocating resources for infrastructure projects that support economic growth. Concrete poles and piles are essential for public infrastructure, making the government's consistent investment in these sectors a crucial driver for the industry's sustainable development. Between 2022 and 2024, the federal government development expenditure declined at an average annual rate of 3.8%. In H1 2025, the federal government expenditure for public utilities grew by 14.7% compared to H1 2024. In Budget 2025, the Malaysian government further allocated RM3.0 billion for the public utilities sector solidifying its commitment to infrastructure development. (Source: Ministry of Finance (MoF))
- The **rollout of the fifth generation of cellular network technology (5G)** in Malaysia, driven by government initiatives like MyDIGITAL, the Jalinan Digital Negara (JENDELA) plan and the rapid deployment of Digital Nasional Berhad (DNB), has significantly improved the network infrastructure. As of 31 July 2025, 5G coverage in populated areas reached 82.4%, with efforts underway to address the remaining gap. This expansion is expected to spur the construction of new telecommunication towers, driving demand for concrete poles. Since implementation, DNB has completed 7,489 5G transmitter sites. (Source: MCMC)

On 1 November 2024, MCMC awarded U Mobile Sdn Bhd (U Mobile), one of Malaysia's mobile network operators, the contract to deploy the country's second 5G infrastructure network. This marks Malaysia's transition to a Dual Wholesale Network model for 5G networks. Since operation commencement, U Mobile has upgraded 1,232 sites to provide 5G coverage. The government's ongoing commitment to 5G deployment creates opportunities for telecommunications infrastructure providers, such as PMW Group, which provides concrete poles to the telecommunications industry. (Source: MCMC)

- Growth in the telecommunications and electricity utility industries may be a sustainable platform for the continued demand for concrete poles and piles.
- The peat soil conditions in the coastal and inland regions of **Sarawak** pose significant challenges to infrastructure development due to their low bearing capacity, high long-term compressibility, and acidic environment, which can accelerate the deterioration of structural materials. This necessitates specialised road and bridge development construction techniques. The Sarawak Public Works Department has implemented, among others, the elevated road technique which involves the construction of raised road structures above peat soil by using supporting piles. Under the Sarawak State Budget 2025, the State Government has allocated approximately RM1.0 billion for the construction and upgrading of roads and bridges, as well as RM4.0 billion for various ongoing and new major infrastructure projects, including the Sarawak Coastal Road. These initiatives are expected to drive demand for concrete piles, which are essential for ensuring stable and durable infrastructure in such geotechnically challenging environments. (Source: State Legislative Assembly, Sarawak and Sarawak Premier's Office)

9. RISK FACTORS

YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING KEY RISK FACTORS WHICH MAY HAVE A MATERIAL ADVERSE IMPACT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND THE FUTURE PERFORMANCE OF OUR GROUP, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE INVESTING IN OUR COMPANY.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

9.1.1 Our business sustainability and financial performance are dependent on our ability to secure new contracts and purchase orders continuously

During the Financial Periods Under Review and up to the LPD, most of our revenue is non-recurrent in nature as they are based on contracts or purchase orders for a single order of goods. Revenue from these types of non-recurrent contracts accounted for 91.29%, 88.03%, 91.37%, 93.08% and 94.61% of our total revenue for the FYE 2021, FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

As these contracts or purchase orders are non-recurrent, our business sustainability and financial performance depend on our ability to secure new contracts and purchase orders from our customers continuously. If we cannot continuously secure new contracts and purchase orders in sufficient numbers and sizeable value, our business sustainability and future financial performance will be adversely affected.

In addition, most of Winabumi and PMW Concrete's revenue are non-recurrent in nature as they are based on contracts or purchase orders for a single order of goods, consequently their business sustainability and financial performance depend on their abilities to continuously secure new contracts and purchase orders from their customers. If they cannot continuously secure new contracts and purchase orders in sufficient numbers and sizeable value, their business sustainability and future financial performance will be adversely affected.

9.1.2 Fluctuations and increases in the prices of input materials may adversely affect our financial performance

Some of the input materials we purchased for our trading and manufacturing operations, such as steel materials, cement, sand, and aggregates, are subject to price fluctuations and increases from time to time. The value of our purchases of these input materials during the Financial Periods Under Review is summarised in the following table:

	FYE 2021		FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	(RM'000)	(1)(%)	(RM'000)	(1)(%)	(RM'000)	(1)(%)	(RM'000)	(1)(%)	(RM'000)	(1)(%)
Steel materials	18,016	37.83	26,086	42.41	28,665	29.32	36,243	30.31	10,665	21.06
Cement, concrete, sand, and aggregates	6,934	14.56	9,162	14.89	15,760	16.12	18,444	15.43	8,019	15.83
	24,950	52.39	35,248	57.30	44,425	45.44	54,687	45.74	18,684	36.89

Note:

(1) As a percentage of total Group purchases of materials and services.

Steel materials, cement, sand, and aggregates are generally considered commodities, and their prices are subject to fluctuations in the market. Factors such as supply and demand, excess capacity, and government regulations, over which we have no control, can influence these price changes. A sustained increase or significant volatility in the prices of any of these materials could negatively impact our financial performance.

Some of our contracts include a price adjustment mechanism, which allows us to increase product prices in response to rises in the cost of specified input materials (particularly steel) based on an agreed formula. In other cases, our price quotes are based on the prevailing prices of the relevant input materials at the time, plus our margin. These price quotes are valid for 30 to 60 days, after which they expire. If the customer accepts our quote and issues a contract or purchase order, we will commence to progressively purchase the necessary materials from our suppliers to mitigate the risk of price fluctuations. However, there is no guarantee that prices will not increase significantly between submitting the price quote and purchasing the materials.

9. RISK FACTORS (Cont'd)

During the Financial Periods Under Review and up to the LPD, we have not experienced any instances where there was a material increase in the prices of input materials between the issuance of our price quotes and the acceptance and issuance of a contract or purchase order by the customer. However, there is no guarantee that we can successfully pass increased input material costs to our customers or avoid adverse effects from price fluctuations. If input material prices rise, our financial performance may be impacted.

9.1.3 The terms of the Proposed Joint Venture have not been finalised and the plan to establish the Tanjung Manis Facility may change

As part of our business strategy, we plan to establish the Tanjung Manis Facility through a joint venture with STIDC. Please refer to Sections 4.7(i)(a) and 7.15.1 for additional information on this business strategy. As of the date of this Prospectus, we have not entered into any agreements with STIDC relating to the Proposed Joint Venture. Based on the indicative timeline, we expect to finalise the Proposed Joint Venture by the 1st quarter of 2026. Any delays may lead to a corresponding delay in completing the Tanjung Manis Facility.

If we are unable to enter into a joint venture agreement with STIDC on terms that are not detrimental to our Group, we will explore the purchase of other industrial land within the Tanjung Manis area to establish the Tanjung Manis Facility (although there can be no guarantee that we will be able to purchase a suitable piece of land). If we establish the Tanjung Manis Facility on a different piece of land, we may need to make material changes to our plan, including the size and layout of the facility, annual manufacturing capacity, construction timeline, and costs of construction, moulds, machinery, and industrial vehicles. Furthermore, we may have to incur additional costs to purchase the land (land costs are not included in the planned estimated costs of RM50.25 million as at the LPD) which required to be funded using our internal generated funds and/or bank borrowings.

9.1.4 Disruptions in our trading and manufacturing operations may affect our financial performance

Various events, including supply chain disruptions, fires, floods, natural disasters, machinery breakdowns, and shortages or disruptions in electricity, water, diesel, fuel oil, or labour may disrupt our trading and manufacturing operations. Such disruptions could lead to missed delivery schedules, order cancellations, customer loss, or reputational damage, which may negatively impact our financial performance.

Since the commencement of operations at our Ipoh Factory 1, Ipoh Factory 2, Ipoh Factory 3, Ipoh Factory 4, Kuching Factory (up to when we ceased manufacturing activities there in November 2024 and disposed of the operations to non-related parties), and Kota Kinabalu Factory up to the LPD, we have not experienced any significant manufacturing interruptions that resulted in missed delivery schedules.

However, we cannot guarantee that we will not face material disruptions in the future or fail to meet our delivery commitments.

9.1.5 We are exposed to credit risks from some of our customers

We are exposed to credit risks from customers to whom we extend credit. During the Financial Periods Under Review, our standard credit terms ranged from 30 to 90 days, with other terms assessed and approved on a case-by-case basis. Our average trade receivables turnover periods were 69 days, 77 days, 67 days, 79 days, and 85 days for FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively, which were within the normal credit period granted to customers.

If a customer fails to pay within the stipulated credit period or defaults entirely, we may need to recognise impairment losses on trade receivables or write off bad debts, which would negatively impact our financial performance, cash flow, and profitability.

For FYE 2021, FYE 2022, FYE 2023, FYE 2024, and FPE 2025, impairment losses on trade receivables amounted to RM0.27 million, RM0.44 million, RM0.47 million, RM0.55 million, and RM0.46 million, respectively. For further details, refer to Note 8 and Note 26.4 of the Accountant's Report and Section 12.3.13 (i) of this Prospectus.

9. RISK FACTORS (Cont'd)

There is no assurance that future additions to impairment allowances or bad debt write-offs will not increase or become significant.

9.1.6 There is no guarantee that we will be able to implement our business strategies and plans successfully

Our growth strategy includes developing the Tanjung Manis Facility in Sarawak to manufacture spun poles and piles.

Establishing the Tanjung Manis Facility involves construction of new facilities and procurement of machinery and equipment. As at the LPD, the estimated cost of establishing the Tanjung Manis Facility is RM50.25 million, of which RM46.71 million will be funded through IPO proceeds and RM3.54 million through internally generated funds and/or bank borrowings. For more details on our business strategy and plans, please refer to Section 7.15 of this Prospectus.

The growth and future prospects of our business depend on our ability to effectively and promptly execute our strategies and plans. However, there is a risk that we may face challenges in implementation, and we cannot guarantee that our strategies will be commercially successful or that we will anticipate all associated business and operational risks. Factors that may impact our ability to execute our plans include insufficient funding or bank borrowings, limitations in human resources or expertise, regulatory changes, and other unforeseen delays.

There is no assurance that we will successfully implement our business strategy and plans, including establishing the Tanjung Manis Facility.

9.1.7 We may be subject to customer claims related to product warranty and defective products

We provide product warranty for specific types of concrete products (comprising standard poles for telecommunications and electricity distribution, and monopoles for telecommunications) and lighting fixtures, which is specified in the contract or purchase order with the respective customer. We do not provide product warranty for the other types of products. The product warranty period is summarised in the following table:

Type of product	Typical warranty period
Standard poles for telecommunications	1 year from date of customer acceptance
Standard poles for electricity distribution	1 and 3 years from date of delivery to the customer
Monopoles for telecommunications	Ranges between 25 and 50 years ⁽¹⁾
Steel poles	1 year
Moulds, machinery and equipment	1 year
Lighting fixtures	2 to 5 years

Note:

- (1) *The warranty period for the monopole's design and materials is 50 years from the date of final customer acceptance, and for the galvanised parts and painting of the monopole, it is 25 years and 5 years from the date of final customer acceptance, respectively.*

Customers may report defective products or manufacturing defects discovered within the warranty period. If feasible, we will repair the defect, otherwise, we will provide a replacement at our expense. The costs that we incurred to replace defective products were not material during the Financial Periods Under Review.

The costs that we incurred to replace defective products amounted to RM0.12 million, RM0.17 million, RM0.14 million, and RM0.01 million for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 respectively. While these costs were not material during the Financial Periods Under Review, there is no assurance that they will not increase or become significant in the future.

9.1.8 We are dependent on our Executive Directors and Key Senior Management

We depend on the experience, expertise, technical knowledge, and sales and marketing expertise of our Executive Director and Chief Executive Officer, Lee Hon Hwa, and our Executive Director and Chief Business Development Officer, Lee Khim Hwa. We are also dependent on our Key Senior Management for the experience, expertise and technical knowledge in their respective areas of

9. RISK FACTORS (Cont'd)

responsibility, namely our Chief Human Resources Officer, Lee Siew Yoke, Chief Compliance Officer, Haji Zulkepli bin Hj. Hussin, our Chief Operating Officer East Malaysia, Datuk Brian Lee Cherng Jey, and our Chief Financial Officer, Chen See Mei.

If we lose the services of one or more of the Executive Directors or Key Senior Management and cannot promptly engage a suitable replacement, our day-to-day business operations, financial performance, and the successful implementation of our business strategies may be adversely affected. Please refer to Sections 5.1.3 (i), 5.1.3 (ii), 5.1.3 (iii), 5.1.3 (v) and 5.5.2 of this Prospectus for the profiles of our Directors and key senior management.

9.1.9 We are required to comply with the relevant HSE laws and regulations

We must comply with all applicable Health, Safety, and Environmental (HSE) laws and regulations governing our Ipoh Factory 1, Ipoh Factory 2, Ipoh Factory 3, Ipoh Factory 4 and Kota Kinabalu Factory. These regulations cover employee and contractor safety as well as the environmental impact of our operations.

Our operations may be suspended or restricted if a workplace accident harms employees or contractors, if our activities negatively impact the environment, or if we fail to comply with HSE laws and regulations. Non-compliance or workplace incidents may also lead to administrative or legal action by regulatory authorities.

During the Financial Periods Under Review and up to the LPD, the number of workplace accidents at Ipoh Factory 1, Ipoh Factory 2, Ipoh Factory 3 and Kota Kinabalu Factory that were reported to the Department of Occupational Safety and Health (DOSH) 5 in FYE 2021, 12 in FYE 2022, 14 in FYE 2023, 28 in FYE 2024, and 16 between 1 January 2025 up to the LPD. These injuries did not disrupt our operations. Additionally, there have been no breaches of HSE laws or regulations that resulted in the negative consequences mentioned above.

Our Group has established relevant standard operating procedures to ensure adherence to HSE laws and regulations and to effectively manage the occurrence of workplace accidents. These procedures are part of the Group's HSE framework, aimed at preventing incidents and ensuring workplace safety. Our Group's HSE framework is structured to ensure that all operational sites, including these factories, comply with applicable HSE laws and regulations as part of our Group's overarching governance structure. Our Group's HSE framework will be reviewed and monitored by the Compliance Committee and periodic safety awareness and training will be conducted from time to time.

However, there is no assurance that workplace injuries, harm to employees or contractors, or non-compliance with HSE laws and regulations will not occur in the future.

9.1.10 Our insurance coverage may not fully cover the losses and liabilities that may arise from our business operations and are subject to renewal

Our factory operations involve various risks and hazards, including workplace accidents, fires, floods, and other natural disasters. To mitigate potential losses and liabilities, we maintain insurance coverage in relation to fire, all risks, group personal accident, group special occupational personal accident, foreign workers' hospitalisation, plant and equipment, and motor vehicle insurance.

Our insurance policies are subject to periodic renewal, which may result in changes to premiums, terms, or claim limits. If premiums increase significantly or claim limits are reduced, we may face higher costs to maintain the same level of coverage or be forced to reduce our insurance protection. Additionally, if claims exceed our policy coverage, we would be responsible for any shortfalls, which could materially and adversely affect our financial position.

During the Financial Periods Under Review and up to the LPD, we have not experienced any losses or liabilities from our business operations that resulted from insufficient insurance coverage. Our total insurance claims relating to our factory operations for FYE 2022, FYE 2023, FYE 2024, and FPE 2025 amounted to approximately RM0.01 million, RM0.01 million, RM0.01 million, and nil, respectively.

9. RISK FACTORS (*Cont'd*)

9.1.11 We require licences, permits, approvals and certificates from relevant government authorities and regulatory agencies for our business operations

We require and hold certain licences, permits and approvals issued by various government authorities and regulatory agencies and these approvals, licences and permits are essential for the conduct of our business. See Section 7.17 of this Prospectus for further details of our major approvals, licences and permits obtained including the applicable authorities, expiration dates and status of compliance.

As at the LPD, save for the non-compliance incidents set out in Section 7.21 of this Prospectus, we have obtained all major licences, permits and approvals which our Group is dependent on for our business operations in Malaysia.

As at the LPD, save for the non-compliance incidents set out in Section 7.21 of this Prospectus, there have not been any past circumstances where the Group was unable to fulfil new or existing terms or conditions imposed by the relevant authorities.

According to Section 3(1) of the ICA and the Industrial Co-ordination (Exemption) Order 1976, manufacturing companies with shareholders' funds of RM2.50 million and above or employing 75 or more full-time paid employees are required to have a manufacturing licence. Section 3(2) of the ICA provides that failure to comply with Section 3(1) of the ICA is an offence and on conviction, the offender is liable to a fine not exceeding RM2,000 or to a term of imprisonment not exceeding six (6) months and a further fine not exceeding RM1,000 for every day during which such default continues. We had in the past, experienced non-compliance with Section 3(1) of the ICA at Kuching Factory, Ipoh Factory 2, Ipoh Factory 3 and Kota Kinabalu Factory. Please refer to Section 7.21 (i) of this Prospectus for further details.

According to Section 425 of the NLC, any person who, without lawful authority occupies, or erects any building on, any State land, reserved land or mining land, shall be guilty of an offence, and liable on conviction to a fine not exceeding RM500,000, or imprisonment for a term not exceeding 5 years. We had in the past, experienced non-compliance with Section 425 of the NLC at Ipoh Factory 2. Please refer to Section 7.21 (ii) of this Prospectus for further details.

Under the EQA 1974, failure to comply with the provisions of the EQA 1974 or any regulations made thereunder shall be an offence against the EQA 1974 and where no penalty is expressly provided, the offender shall be liable to a fine of at least RM5,000 and not exceeding RM250,000 or to imprisonment for a period not exceeding 2 years or to both. As at the LPD, as the employees identified by our Group to undertake the certification programmes have not been certified by the DGEQ as competent person, this would be a non-compliance of Section 49A of the EQA 1974. Please refer to Section 7.21 (v) of this Prospectus for further details.

As at the LPD, we have not been subject to any enforcement action with respect to the foregoing. However, there can be no assurance that we will not be subject to enforcement actions by the relevant authorities, including cessation of operation or monetary penalties.

Generally, the licences, permits and approvals we require and hold are subject to a variety of conditions which are either stipulated within the licences, permits and approvals themselves, or under the particular legislation and/or regulations of the issuing authorities. Certain of these licences, permits and approvals need to be renewed on a periodic basis or reassessed by the relevant regulatory authorities. If we are unable to fulfil any new or existing terms or conditions that may be imposed, we may not be able to renew or obtain the approvals, licences and permits required for our operations. Further, regulations of the issuing authorities may become more stringent from time to time and it may be costly for us to comply with the terms and conditions of these licences, permits and approvals.

9. RISK FACTORS (Cont'd)

In addition, as disclosed in Notes (2) and (7) in Section 7.17 and Section 7.22 of this Prospectus, PMW Concrete and PMW Industries have yet to comply with the conditions of their respective manufacturing licences, whereby the total workforce of each of PMW Concrete and PMW Industries shall comprise of at least 80% Malaysians.

Notwithstanding the announcement made by MITI on 16 December 2024 to defer the compliance in relation to the above condition, there is no assurance that MITI may change its decision and take action by issuing warnings, imposing penalties or additional conditions or restrictions, suspending and/or revoking our manufacturing licences for any breach or non-compliance of the condition. In the event of a revocation of our manufacturing licences, our Group's operations and financial performance will be materially affected. As at the LPD, save as disclosed above, we have complied with the relevant rules, regulations and requirements that apply to our major approvals, licences and permits.

Should there be any subsequent modifications of, or additions or new terms and conditions to the current compliance standards, we may incur additional costs to comply with the new or modified standards which may adversely affect our profitability. Any breach or material non-compliance with such regulations may result in the suspension, withdrawal or termination of the relevant licences, permits and approvals, financial penalties or cessation of our operations.

9.1.12 We rely on foreign workers in our operations

We rely on foreign workers in our business operations. As at the LPD, we have a total workforce of 695 employees, out of which 160 or 23.02% (including 1 expatriate) are foreign workers.

As the standard of living in Malaysia improves over time, we have found it increasingly difficult to hire local production workers for our manufacturing operations and this difficulty may increase in the future. In addition, the costs of foreign labour may continue to increase in the future. Besides, any increase in levy rate for foreign workers will increase our cost for labour which consequently may increase our cost of sales and decrease our profit margins if we are unable to pass such cost increases to our customers.

The number of foreign workers we may hire and our ability to obtain or renew work permits for our foreign workers are subject to regulations and approvals from the Ministry of Home Affairs.

There have not been past instances where we face difficulties in obtaining or renewing work permits for our foreign workers which impacted the Group's operations or financial performance.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 Our business is dependent on the performance and development of building construction and infrastructure industries

Spun poles and piles are mainly used in building construction and infrastructure developments. Any slowdown in these user industries will impact the demand for our products, which will negatively affect our financial performance. Factors that may affect the performance of the end-user industries include, among others, government budgets, fiscal policies, regulatory changes, economic growth, rate of urbanisation and construction activities.

9.2.2 We are subject to the risk of competition from other operators that manufacture similar services

We face competition from operators that manufacture or trade similar products, including spun poles and piles, and square piles, and from operators that manufacture or trade similar or substitute products. There can be no assurance that competition from existing operators and new entrants in Malaysia and other countries will not have a material adverse effect on our business and financial performance.

9. RISK FACTORS (*Cont'd*)

9.2.3 We are subject to risks related to changes in conditions in Malaysia as well as global events

Changes in Malaysia's political, social, economic, and regulatory conditions may adversely affect our business operations and financial performance. Examples of changes include, but are not limited to, changes in political leadership, geopolitical events, wars, acts of terrorism, riots, prolonged or emergence of new epidemics or pandemics, economic policies such as expropriation, nationalisation, fiscal and monetary policies such as changes in interest rates, methods of taxation, tax policies, and foreign worker levy, changes in international relationships and other matters that may influence consumer and business confidence and spending.

In addition, our business may also be affected by global events such as geopolitical events, financial crises, trade conflicts and sanctions, and technological changes.

Changes in political, social, economic, and regulatory conditions in Malaysia and global events are beyond our control. There can be no assurance that such changes and events will not materially affect our business operations and financial performance.

9.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

9.3.1 No prior market for our Shares

Prior to our IPO, there has been no public market for our Shares. Hence, there is no assurance that upon Listing, an active market for the trading of our Shares will develop, or if developed, that such a market will be sustainable. There is also no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

There also can be no assurance that the IPO Price which has been determined after taking into consideration the factors set out in Section 4.4 of this Prospectus will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing.

9.3.2 Delay in or failure of our Listing

The occurrence of certain events, including the following, may cause a delay in, or abortion of, our Listing:

- (a) our Company or our Underwriter fails to honour its obligations under the Underwriting Agreement;
- (b) identified investors fail to subscribe for the portions of the IPO Shares allotted to them; and/or
- (c) we are unable to meet the public shareholding spread requirements of the Listing Requirements, i.e. at least 25.00% of our issued share capital for which listing is sought must be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of Listing.

In the event that we fail to fulfil any of the events above, we will return in full, without interest, monies paid in respect of all applications, in compliance with Section 243(2) of the CMSA.

Nevertheless, we will endeavour to ensure compliance of the various listing requirements for our successful listing on the ACE Market.

9.3.3 Volatility of share prices traded on Bursa Securities

The trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include material variations in our results and operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and global stock exchanges and the flows of foreign funds. Market sentiment is also influenced by factors such as the prevailing economic and political climate of the country, and the potential for growth in various sectors of the economy. Other factors that may negatively affect investor sentiment include natural disasters, and health epidemics including outbreaks of contagious diseases. These factors contribute to the volatility of trading volumes on Bursa Securities, and of the market price of our Shares.