

## **NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF NORTHERN SOLAR HOLDINGS BERHAD (“NORTHERN SOLAR HOLDINGS” OR THE “COMPANY”) DATED 18 DECEMBER 2024 (“ELECTRONIC PROSPECTUS”)**

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

### **Website**

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad’s (“**Bursa Securities**”) website at [www.bursamalaysia.com](http://www.bursamalaysia.com) (“**Website**”).

### **Availability and Location of Paper/Printed Prospectus**

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

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

### **Jurisdictional Disclaimer**

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

### **Close of Application**

Applications will be accepted from 10.00 a.m. on 18 December 2024 and will close at 5.00 p.m. on 20 January 2025.

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

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

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

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

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

# PROSPECTUS



**NORTHERN SOLAR HOLDINGS BERHAD**  
(Registration No. 202401001236 (1547087-X))  
(Incorporated in Malaysia)

**INITIAL PUBLIC OFFERING IN CONJUNCTION WITH OUR LISTING ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") COMPRISING:**

- (I) **PUBLIC ISSUE OF 67,252,000 NEW ORDINARY SHARES IN OUR COMPANY ("SHARES") IN THE FOLLOWING MANNER:**
- 19,780,000 NEW SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;
  - 7,912,000 NEW SHARES AVAILABLE FOR APPLICATION BY OUR ELIGIBLE DIRECTORS, EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF OUR GROUP; AND
  - 39,560,000 NEW SHARES BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY;
- AND
- (II) **OFFER FOR SALE OF 35,604,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT IN THE FOLLOWING MANNER:**
- 9,890,000 EXISTING SHARES TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY; AND
  - 25,714,000 EXISTING SHARES TO SELECTED INVESTORS,

AT AN ISSUE/OFFER PRICE OF RM0.63 PER SHARE, PAYABLE IN FULL UPON APPLICATION.

*Adviser, Sponsor, Underwriter and Placement Agent*



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

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

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

**FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 189.**

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

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

**THIS PROSPECTUS IS DATED 18 DECEMBER 2024**

PROSPECTUS



**NORTHERN SOLAR HOLDINGS BERHAD**  
(Registration No. 202401001236 (1547087-X))  
(Incorporated in Malaysia)



**NORTHERN SOLAR HOLDINGS BERHAD**  
(Registration No. 202401001236 (1547087-X))

Units 8-01 and 8-02, Level 8, Menara Legenda  
No. 3, Jalan SS20/27  
47400 Petaling Jaya, Selangor

+603-7839 8319

info@northernsolar.com.my

www.northernsolar.com.my

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

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

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

Investors should note that they may seek recourse under Sections 248, 249 and 357 of the Capital Markets and Services Act 2007 ("**CMSA**") for breaches of securities laws including any statement in the Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to the Prospectus or the conduct of any other person in relation to our Group (as defined herein).

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

Approval has been obtained from Bursa Securities for the listing of and quotation for our IPO Shares (as defined herein) on 17 September 2024. Our admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

The Securities Commission Malaysia ("**SC**") has on 23 September 2024 approved the resultant equity structure of our Company under the Bumiputera equity requirements for public listed companies pursuant to our Listing (as defined herein).

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

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

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

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

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

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



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

### **ELECTRONIC PROSPECTUS**

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

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

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

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

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

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

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

- (a) The Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions or Participating Securities Firms and shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions or

Participating Securities Firms and thereafter communicated or disseminated in any manner to you or other parties; and

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

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

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**INDICATIVE TIMETABLE**

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

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

<b>Events</b>	<b>Indicative date</b>
Issuance of this Prospectus / Opening of Application	18 December 2024
Closing of Application	20 January 2025
Balloting of Application	22 January 2025
Allotment / Transfer of our IPO Shares to successful applicants	3 February 2025
Date of Listing	6 February 2025

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

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**PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

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

All references to "Company" in this Prospectus are to Northern Solar Holdings Berhad (Registration No: 202401001236 (1547087-X)). Unless otherwise stated, references to "Group" are to our Company and our subsidiaries taken as a whole; and references to "we", "us", "our" and "ourselves" are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to "Management" are to our Directors and key senior management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

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

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

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

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

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

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

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## **FORWARD-LOOKING STATEMENTS**

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

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

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

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

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

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

- (a) The economic, political and investment environment in Malaysia; and
- (b) Government policy, legislation or regulation.

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

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

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## DEFINITIONS

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

### COMPANIES WITHIN OUR GROUP:

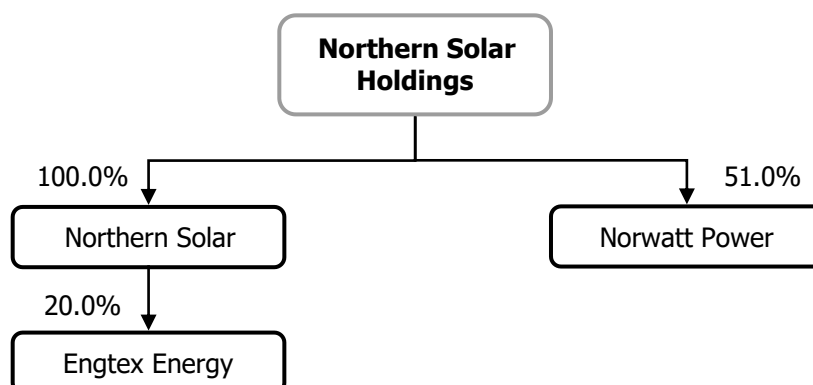
- "Northern Solar Holdings" or "Company" : Northern Solar Holdings Berhad (Registration No. 202401001236 (1547087-X))
- "Northern Solar Holdings Group" or "Group" : Northern Solar Holdings and its subsidiaries, collectively

### Subsidiaries

- "Northern Solar" : Northern Solar Sdn Bhd (Registration No. 201901040021 (1349351-T))
- "Norwatt Power" : Norwatt Power Sdn Bhd (Registration No. 202101015779 (1416079-K))

### Associated company

- "Engtex Energy" : Engtex Energy Sdn Bhd (Registration No. 200201017260 (584923-X))



### GENERAL:

- "ACE Market" : ACE Market of Bursa Securities
- "Acquisitions" : Acquisition of Northern Solar and Acquisition of Norwatt Power, collectively
- "Acquisition of Northern Solar" : Acquisition by Northern Solar Holdings of the entire equity interest of Northern Solar from Lew Shoong Kai, Chew Win Hoe and Lagenda Properties for a purchase consideration of RM14,874,164, which was wholly satisfied by the issuance 328,347,999 new Shares at an issue price of RM0.0453 per share, which was completed on 11 October 2024
- "Acquisition of Norwatt Power" : Acquisition by Northern Solar Holdings of 51.0% equity interest of Norwatt Power from NS Powercare for a cash consideration of RM510,000, which was completed on 11 October 2024

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**DEFINITIONS (Cont'd)**

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"Act"	: Companies Act, 2016
"ADA"	: Authorised Depository Agent
"Adviser" or "Sponsor" or "Underwriter" or "Placement Agent"	: M&A Securities
"Application(s)"	: Application(s) for IPO Shares by way of Application Form(s), Electronic Share Application(s) or Internet Share Application(s)
"Application Form(s)"	: Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
"ATM"	: Automated teller machine
"BNM"	: Bank Negara Malaysia
"Board"	: Board of Directors of Northern Solar Holdings
"Bursa Depository" or "Depository"	: Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
"Bursa Securities"	: Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"CDS"	: Central Depository System
"CDS Account"	: Account established by Bursa Depository for a depositor for the recording and dealing in securities by the depositor
"CIDB"	: Construction Industry Development Board
"CIDB Act"	: Lembaga Pembangunan Industri Pembinaan Malaysia Act, 1994
"China"	: People's Republic of China
"Closing Date"	: Date adopted in this Prospectus as the last date for acceptance and receipt of the Application
"CMSA"	: Capital Markets and Services Act, 2007
"Constitution"	: Our constitution
"COVID-19"	: Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
"Director(s)"	: An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act
"DOSH"	: Department of Occupational Safety and Health
"EBIT"	: Earnings before interest and tax
"EBITDA"	: Earnings before interest, tax, depreciation and amortisation

## **DEFINITIONS (Cont'd)**

"Electronic Prospectus"	: Copy of this Prospectus that is issued, circulated or disseminated via the internet and/or an electronic storage medium
"Electronic Share Application(s)"	: Application(s) for IPO Shares through a Participating Financial Institution's ATM
"EMSH 1990"	: Employees' Minimum Standards of Housing, Accommodations and Amenities Act, 1990
"EPCC"	: Engineering, procurement, construction and commissioning
"EPS"	: Earnings per share
"FPE 2024"	: Financial period ended 30 September 2023
"FPE 2025"	: Financial period ended 30 September 2024
"FYE(s)"	: Financial year(s) ended/ending 31 March, as the case may be
"Government"	: Government of Malaysia
"GP"	: Gross profit
"Head Office"	: 2 office units located at Units 8-01 and 8-02, Level 8, Menara Lagenda, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor. Further details on the head office is set out in Section 6.9.2
"Hong Kong"	: Hong Kong Special Administrative Region of the People's Republic of China
"IFRS"	: International Financial Reporting Standards
"IMR" or "Providence"	: Providence Strategic Partners Sdn Bhd (Registration No. 201701024744 (1238910-A)), our Independent Market Researcher
"IMR Report"	: Independent Market Research Report titled "Outlook of the Solar Photovoltaic Engineering, Procurement, Construction and Commissioning Services Industry in Malaysia"
"Initial Public Offering" or "IPO"	: Our initial public offering comprising the Public Issue and Offer for Sale
"Internet Participating Financial Institution(s)" or "Participating Securities Firm(s)"	: Participating financial institution(s) or securities firm(s) for Internet Share Application(s) as listed in Section 16.6
"Internet Share Application(s)"	: Application(s) for IPO Shares through an online share application service provided by Internet Participating Financial Institution(s) or Participating Securities Firm(s)
"IPO Price"	: Issue/Offer price of RM0.63 per Share under our Public Issue and Offer for Sale

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**DEFINITIONS (Cont'd)**

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"IPO Share(s)"	: Issue Share(s) and Offer Share(s), collectively
"ISO"	: International Organisation for Standardisation
"Issue Share(s)"	: New Share(s) to be issued under the Public Issue
"Issuing House"	: Tricor Investor & Issuing House Services Sdn Bhd (Registration No. 197101000970 (11324-H))
"IT"	: Information Technology
"Johor Regional Office"	: 1 unit of business suite located at Unit #13-04, 13 <sup>th</sup> Floor, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor. Further details on the Johor Regional Office is set out in Section 6.9.2
"LAD"	: Liquidated ascertained damages
"Lagenda Properties"	: Lagenda Properties Berhad (Registration No. 200101000008 (535763-A)), a company listed on the Main Market of Bursa Securities
"Listing"	: Listing of and quotation for our entire enlarged share capital of RM57,242,925 comprising 395,600,000 Shares on the ACE Market
"Listing Requirements"	: ACE Market Listing Requirements of Bursa Securities, as amended from time to time
"Listing Scheme"	: Comprising the Public Issue, Offer for Sale and Listing, collectively
"LOA"	: Letter of award
"LPD"	: 19 November 2024, being the latest practicable date for ascertaining certain information contained in this Prospectus
"M&A Securities"	: M & A Securities Sdn Bhd (Registration No. 197301001503 (15017-H))
"Malaysian Public"	: Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia, but excluding the Group's Directors, substantial shareholders and persons associated with them (as defined by the Listing Requirements)
"Market Day"	: Any day between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for the trading of securities. This may include a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year
"MCO"	: The nationwide Movement Control Order imposed by the Government under the Prevention and Control of Infectious Diseases Act, 1988 and the Police Act, 1967

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**DEFINITIONS (Cont'd)**

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"MFRS"	: Malaysian Financial Reporting Standards
"MGTC"	: Malaysian Green Technology and Climate Change Corporation
"MIDA"	: Malaysian Investment Development Authority
"MITI"	: Ministry of Investment, Trade and Industry
"NA"	: Net assets
"NBV"	: Net book value
"NS Powercare"	: NS Powercare Sdn Bhd (Registration No. 201901019416 (1328745-W))
"Offer for Sale"	: Offer for sale of 35,604,000 Offer Shares by our Selling Shareholders at our IPO Price
"Offer Share(s)"	: Existing Share(s) to be offered by our Selling Shareholders pursuant to the Offer for Sale
"Official List"	: A list specifying all securities which have been admitted for listing on the ACE Market
"Participating Financial Institution(s)"	: Participating financial institution(s) for Electronic Share Application(s) as listed in Section 16.5
"PAT"	: Profit after tax
"PBT"	: Profit before tax
"PE Multiple"	: Price-to-earnings multiple
"Pink Form Allocations"	: Allocation of 7,912,000 Issue Shares to our eligible Directors, employees and persons who have contributed to the success of our Group, which forms part of our Public Issue
"Promoter(s)"	: Lew Shoong Kai and Chew Win Hoe, collectively
"Prospectus"	: This prospectus dated 18 December 2024 in relation to our IPO
"Public Issue"	: Public issue of 67,252,000 Issue Shares at our IPO Price
"ROC"	: Registrar of Companies
"Rules of Bursa Depository"	: Rules of Bursa Depository as issued pursuant to the SICDA
"SC"	: Securities Commission Malaysia
"SEDA"	: Sustainable Energy Development Authority, Malaysia
"Selling Shareholder(s)"	: Lew Shoong Kai and Chew Win Hoe, who are undertaking the Offer for Sale, collectively

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**DEFINITIONS (Cont'd)**

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"Share(s)" or "Northern Solar Holdings Share(s)"	:	Ordinary share(s) in Northern Solar Holdings
"SICDA" or "Depository Act"	:	Securities Industry (Central Depositories) Act, 1991
"Specified Shareholder(s)"	:	Lew Shoong Kai and Chew Win Hoe, collectively
"SST"	:	Sales and service tax
"ST" or "Suruhanjaya Tenaga"	:	Energy Commission Malaysia
"TNB"	:	Tenaga Nasional Berhad (Registration No. 199001009294 (200866-W))
"Underwriting Agreement"	:	Underwriting agreement dated 21 November 2024 entered into between our Company and our Underwriter for the purpose of our IPO

**CURRENCIES AND UNITS:**

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

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## TECHNICAL GLOSSARY

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

- "air filters" : A device composed of fibrous, or porous materials which removes solid particulates such as dust, pollen, mould, and bacteria from the air
- "balance of system" : Encompasses all components of a solar PV system other than the solar PV panels. Balance of system includes, among others, mounting structures to hold the solar PV modules in place, cables and wiring systems, junction boxes with fuses and relays, electricity generation and bi-directional meters, energy management and monitoring system, and safety and grounding equipment
- "bi-directional meter" : A device used in grid-connected solar PV systems to measure and record the quantity of electricity drawn from the utility grid, and supplied to the utility grid
- "civil and structural construction" : Works relating to the design and build of building structures and infrastructure
- "combiner box" : A device that combines the output of numerous strings of solar PV modules for connection to the inverter
- "CGPP" : Corporate Green Power Programme. A mechanism of virtual power purchase agreement, which is implemented using the NEDA framework
- "displaced cost" : The average cost of generating and supplying 1 kWh of electricity from non-renewable resources up to the point of interconnection. The prevailing displaced cost is available on [https://dev.seda.gov.my/seda\\_dev/prevaling\\_displaced\\_cost.html](https://dev.seda.gov.my/seda_dev/prevaling_displaced_cost.html)
- "Distribution Licensee" : TNB and Sabah Electricity Sdn Bhd being the holders of the licence to distribute electricity in Peninsular Malaysia and Sabah respectively, issued by Suruhanjaya Tenaga under Section 9 of the Electricity Supply Act, 1990
- "electricity" : A secondary energy source derived from electromagnetism, one of the natural forces. As a secondary energy source, the generation of electricity relies on primary energy sources such as solar, wind, fossil fuels, hydro, and radioactive materials
- In the context of this Prospectus, it is used synonymously with "power", unless indicated otherwise
- "energy management and monitoring system" : A system that regulates power generation from the connected sources (which may include solar PV panels, power generator set and/or battery), controls power usage by connected users and manages the flow of electricity into and out of a battery to prevent damage from over-charging or over-discharging (if one is connected)

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**TECHNICAL GLOSSARY (Cont'd)**

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"EPCC"	:	Engineering, procurement, construction and commissioning. A form of contract to undertake construction contracts where the contractor holds the responsibility towards the design, procurement, construction, commissioning and handover of a project
"feed-in approval holder"	:	Individuals or companies who hold a "feed-in approval" certificate issued by SEDA. Feed-in approval holders are eligible to sell renewable energy at the FiT rate
"FiT"	:	Feed-in-tariff
"FiT system"	:	Feed-in tariff system. The FiT system obliges Distribution Licensees to buy from feed-in approval holders the electricity produced from renewable resources (renewable energy) and sets the FiT rate. The Distribution Licensee will pay for renewable energy supplied to the utility grid for a specific duration. For the avoidance of doubt, the FiT system for solar PV systems is no longer being offered by SEDA
"interconnection"	:	Refers to where a solar PV system is connected to the utility grid, commonly within the premises of the facility
"inverter"	:	An electronic device or circuitry that changes direct current to alternating current. Electricity generated by solar PV systems is indirect, which has to be converted into alternating current using an inverter, before it can be used by most electrical appliances, machineries, and equipment, or transmitted over the utility grid
"levelised cost of energy"	:	The price at which the generated electricity should be sold for the system to break even at the end of its lifetime
"LSS"	:	Large scale solar. A competitive bidding programme to drive down the levelised cost of energy for the development of LSS plant and Suruhanjaya Tenaga is the implementing agency for this scheme
"M&E works"	:	Mechanical and electrical works. Works relating to electrical and electrical systems
"mounting system"	:	Solar module racking used for solar power plants
"NEDA"	:	New Enhanced Dispatch Arrangement. A programme which allows non-power purchase agreement/ service level agreement generators such as co-generators, renewable energy generators/producers, embedded generators and expired power purchase agreement/ service level agreement generators to operate as merchant generators to sell energy to the single buyer. NEDA allows these power generators to bid their variable costs (fuel cost and operation and maintenance cost) compared to those stated in the power purchase agreements and service level agreements. NEDA is designed to enhance competition and cost efficiency of the single buyer market

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**TECHNICAL GLOSSARY (Cont'd)**

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"NEM"	:	Net Energy Metering. A scheme whereby the energy produced from the solar PV system installed will first be used by the consumer for his own consumption. Any surplus of energy produced will be exported to the utility grid and sold to the Distribution Licensees at the displaced cost
"O&M"	:	Operations and maintenance. Routine operations and maintenance of an asset, including preventive maintenance and, when needed, unscheduled repairs
"on-grid"	:	A solar PV system that is connected to the utility grid
"PPA"	:	Power purchase agreement
"PV"	:	Photovoltaic, refers to the conversion of light into electricity using semiconducting materials
"renewable energy"	:	Energy from renewable resources that are naturally replenished. Examples of renewable energy sources include solar, wind, hydro, current, wave, and geothermal heat
"REPPA"	:	Renewable energy power purchase agreement. A legal contract entered into between a NEM / SELCO consumer and investor / asset owner. REPPA sets out details on the contract tenure, the solar price (sen / kWh), the covenants and obligations of each party
"rooftop solar PV system"	:	A solar PV system that has its electricity-generating solar panels mounted on the rooftop of a residential, commercial or industrial building or structure
"SARE"	:	Supply Agreement with Renewable Energy. A tripartite agreement between a NEM / SELCO consumer, Distribution Licensee and investor / asset owner. SARE sets out details on the contract years, the solar price (sen / kWh), the covenants and obligations of each party
"SELCO"	:	Self-Consumption. A scheme that allows consumers to install solar PV systems entirely for their own use, and in the event of excess of generation, the electricity is not allowed to be exported to the utility grid
"solar PV module"	:	An arrangement of multiple interconnected solar PV panels that are assembled together as a single unit encased within a frame
"solar PV panel"	:	Solar photovoltaic panels. A device that converts sunlight into electricity by using PV cells
"solar PV system"	:	Solar PV system comprises solar PV panels combined with inverters and other electrical and mechanical hardware that converts sunlight into electricity

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**TECHNICAL GLOSSARY (Cont'd)**

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- "substation" : A structure in the utility grid that performs functions such as changing the voltage from high to low (known as step-down), or from low to high (known as step-up), or distributing the power to other locations or for some other functions. It also provides the interconnection point between the utility grid and the power generator or distribution to users
- "transformer" : An electrical equipment that changes the voltage from high to low (known as step-down), or from low to high (known as step-up). For example, electricity generated by a solar PV power plant passes through a step-up transformer, where its voltage is stepped-up to the required voltage for transmission
- "utility grid" : An interconnected network for electricity delivery from producers to consumers. Electrical grids consist of power stations (often located near source of energy and away from heavily populated areas), electrical substations to step voltage up or down, electric power transmission to carry power long distances, and lastly electric power distribution to individual customers, where voltage is stepped down to the required service voltage(s)

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**1. CORPORATE DIRECTORY****BOARD OF DIRECTORS**

<b>Name</b>	<b>Designation</b>	<b>Residential address</b>	<b>Nationality/ Profession</b>	<b>Gender</b>
Amirul Azhar Bin Baharom	Independent Non-Executive Chairman	No. 41A Elitis Mentari Valencia 47000 Sungai Buloh Selangor	Malaysian / Director	Male
Lew Shoong Kai	Managing Director	No. 21 Jalan Daun Inai 2 Sunway SPK Damansara 52200 Kuala Lumpur	Malaysian / Director	Male
Chew Win Hoe	Executive Director	No. 13A-06 Residensi Mont 16 Jalan Kiara 5, Mont Kiara 50480 Kuala Lumpur	Malaysian / Director	Male
Tan Ai Ning	Independent Non-Executive Director	No. 7-8-1 Menara Hartamas Jalan Sri Hartamas 3 50480 Kuala Lumpur	Malaysian / Director	Female
Teh Muy Ch'ng	Independent Non-Executive Director	No. 6, Jalan Datuk Sulaiman 6 Taman Tun Dr Ismail 60000 Kuala Lumpur	Malaysian / Director	Female
Roselinda Binti Mohammad Hashim	Independent Non-Executive Director	No. 7, Serene Kiara Jalan Serene Kiara 2 Desa Sri Hartamas 50480 Kuala Lumpur	Malaysian / Director	Female

**AUDIT AND RISK MANAGEMENT COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Teh Muy Ch'ng	Chairperson	Independent Non-Executive Director
Roselinda Binti Mohammad Hashim	Member	Independent Non-Executive Director
Tan Ai Ning	Member	Independent Non-Executive Director

**NOMINATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Tan Ai Ning	Chairperson	Independent Non-Executive Director
Teh Muy Ch'ng	Member	Independent Non-Executive Director
Roselinda Binti Mohammad Hashim	Member	Independent Non-Executive Director

**REMUNERATION COMMITTEE**

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Roselinda Binti Mohammad Hashim	Chairperson	Independent Non-Executive Director
Teh Muy Ch'ng	Member	Independent Non-Executive Director
Tan Ai Ning	Member	Independent Non-Executive Director

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**1. CORPORATE DIRECTORY (Cont'd)**

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- COMPANY SECRETARY** : **Siew Suet Wei (MAICSA 7011254)**  
SSM Practicing Certificate No.: 202008001690  
*(Chartered Secretary and Fellow of the Malaysian Institute of Chartered Secretaries and Administrators)*
- Unit 7-01, Level 7, Menara Lagenda  
No. 3, Jalan SS20/27  
47400 Petaling Jaya  
Selangor
- Telephone: +603-7727 0033
- REGISTERED OFFICE** : Unit 7-01, Level 7, Menara Lagenda  
No. 3, Jalan SS20/27  
47400 Petaling Jaya  
Selangor
- Telephone: +603-7727 0033
- HEAD OFFICE** : Units 8-01 and 8-02, Level 8, Menara Lagenda  
No. 3, Jalan SS20/27  
47400 Petaling Jaya  
Selangor
- Telephone: +603-7839 8319
- EMAIL ADDRESS AND WEBSITE** : Website: [www.northernsolar.com.my](http://www.northernsolar.com.my)  
Email address: [info@northernsolar.com.my](mailto:info@northernsolar.com.my)
- AUDITORS AND REPORTING ACCOUNTANTS FOR OUR LISTING** : **BDO PLT**  
(Registration No. 201906000013 (LLP0018825-LCA) & AF 0206)
- Level 8, BDO @ Menara CenTARa  
360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur  
Malaysia
- Partner-in-charge : Pang Zhi Hao  
Approval number : 03450/09/2025 J  
Professional : Chartered Accountant of the Malaysian qualification Institute of Accountants
- Telephone: +603-2616 2888
- ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT** : **M & A Securities Sdn Bhd**  
(Registration No. 197301001503 (15017-H))
- 45 & 47, Levels 3 and 7  
The Boulevard  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur
- Telephone: +603-2284 2911

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**1. CORPORATE DIRECTORY (Cont'd)**

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- SOLICITORS FOR OUR LISTING** : **Ilham Lee**  
C3-5-2, Solaris Dutamas  
1, Jalan Dutamas 1  
50480 Kuala Lumpur  
  
Telephone: +603-6211 3221
- ISSUING HOUSE AND SHARE REGISTRAR** : **Tricor Investor & Issuing House Services Sdn Bhd**  
(Registration No. 197101000970 (11324-H))  
  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
  
Telephone: +603-2783 9299
- INDEPENDENT MARKET RESEARCHER** : **Providence Strategic Partners Sdn Bhd**  
(Registration No. 201701024744 (1238910-A))  
  
67-1, Block D, Jaya One  
Jalan Prof Diraja Ungku Aziz  
46200 Petaling Jaya  
Selangor  
  
Person-in-charge : Elizabeth Dhoss  
Professional : Bachelor of Business Administration  
qualification : from the University of Malaya  
  
Telephone: +603-7625 1769
- LISTING SOUGHT** : ACE Market of Bursa Securities
- SHARIAH STATUS** : Approved by Shariah Advisory Council of SC

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**2. PROSPECTUS SUMMARY**


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

**2.1 PRINCIPAL DETAILS OF OUR IPO**

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

**No. of Shares to be issued under Public Issue**

- For application by the Malaysian Public	19,780,000
- For Pink Form Allocations	7,912,000
- For private placement to Bumiputera investors approved by MITI	39,560,000

**No. of Shares to be offered under Offer for Sale**

- For private placement to Bumiputera investors approved by MITI	9,890,000
- For private placement to selected investors	25,714,000

Enlarged no. of Shares upon Listing	395,600,000
IPO Price per Share (RM)	0.63
Market capitalisation (RM) (calculated based on our IPO Price and enlarged no. of Shares upon Listing)	249,228,000

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

Our Specified Shareholders' entire shareholdings after IPO will be held under moratorium for 6 months from the date of our admission to the Official List. Thereafter, our Specified Shareholders' shareholdings amounting to 45% of our share capital will remain under moratorium for another 6 months. Thereafter, our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of their shares under moratorium upon expiry of the second 6-month moratorium period.

In addition to the moratorium imposed on the Shares held by the Specified Shareholders, our key senior management, i.e. Lew Fui Shi, our Chief Financial Officer, and Hing Kee Vui, our Project Director, have both voluntarily provided their respective written undertaking not to sell, transfer or assign their entire shareholdings in our Company of 1,666,000 Shares and 1,000,000 Shares, respectively (being their individual allocation under the Pink Form Allocations), in a similar manner as our Specified Shareholders above.

Further, in accordance with Rule 3.19A of the Listing Requirements, Lagenda Properties, our substantial shareholder, shall place its entire shareholdings under moratorium. It has provided the written undertaking to Bursa Securities that it will not sell, transfer or assign its shareholdings under moratorium during the period of 6 months from our date of admission to the Official List.

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

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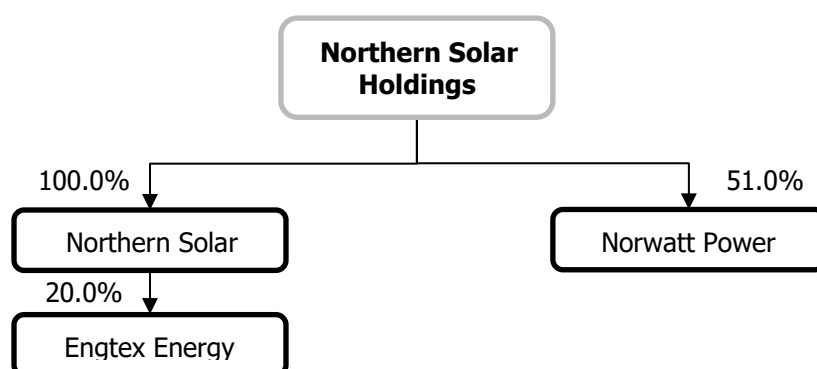
## 2. PROSPECTUS SUMMARY (Cont'd)

### 2.2 GROUP STRUCTURE, BUSINESS MODEL AND OPERATIONAL HIGHLIGHTS

Our Company was incorporated in Malaysia under the Act on 9 January 2024 as a private limited company under the name of Northern Solar Holdings Sdn Bhd. On 20 March 2024, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the EPCC of solar PV systems, generation of renewable energy as well as O&M of solar PV equipment and systems. Our Group principally operates in the solar PV industry in Malaysia.

There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Our Group structure as at LPD is as follows:



<b>Company</b>	<b>Principal activities</b>
Northern Solar Holdings	Investment holding
<b>Subsidiaries</b>	
	<b>Principal activities</b>
Northern Solar	Provision of EPCC services for solar PV systems, O&M of solar PV equipment and systems, as well as generation of electricity
Norwatt Power	Dormant. Intended activity is solar PV systems developer for public sector <sup>(1)</sup>
<b>Associated company of Northern Solar</b>	
	<b>Principal activities</b>
Engtex Energy	Specialist in solar PV industry, develop solar energy system and other renewable energy <sup>(2)</sup>

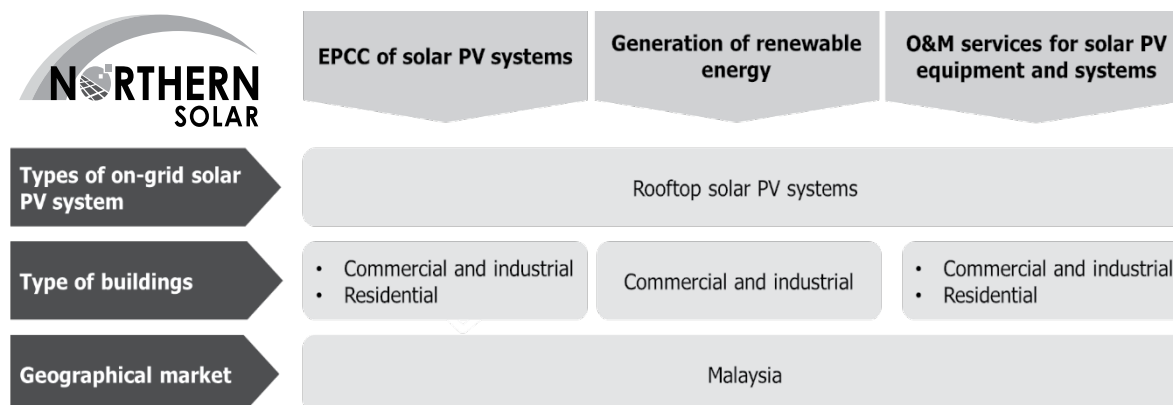
#### Notes:

- (1) As at LPD, Norwatt Power has not initiated any discussions or planning for tendering public sector projects. However, Norwatt Power intends to pursue such opportunities in the future.
- (2) Engtex Energy commenced operations in 2023 as a solar PV asset developer under a joint venture between Engtex Group Berhad as asset owner and Northern Solar as EPCC contractor. As at LPD, the company is developing solar PV assets in Kuala Lumpur and Johor Bahru, which are also owned by the company.



## 2. PROSPECTUS SUMMARY (Cont'd)

Our business model is depicted in the following diagram:



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

### 2.3 IMPACT OF COVID-19 AND MCO

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. The Government implemented several measures to reduce and control the spread of COVID-19 in the country, commencing on 18 March 2020. As a result of the implementation of MCO by the Government, we faced some disruptions in our subsidiaries' operations due to a temporary halt. Besides this, there was no material adverse impact on our business.

Further details of the impact of COVID-19 and MCO on our Group are set out in Section 7.11.

### 2.4 COMPETITIVE STRENGTHS

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

- (a) We have expertise and capability in providing customised solar PV solutions. We assign our technical personnel to design and execute projects that are customised around our customers' needs and that can maximise value by optimising the levelised cost of energy. Further, we also take into consideration other factors such as scale of generating system, permit requirements, specifications of solar equipment and components as well as O&M procedures when developing a detailed engineering design. Our familiarity with local regulations and authorities in the solar PV industry enables us to advise our customers on the different types of solar programmes.
- (b) We have a proven track record. Our subsidiary, Northern Solar is registered as Grade 7 contractor under CIDB, the highest accorded grade issued by CIDB which allows us to undertake projects of any size and unlimited value in Malaysia. As at LPD, we have installed a total capacity of 71.9 MWp across residential, commercial and industrial buildings. We have completed projects under the NEM and SELCO programmes. Each programme requires different aspects of technical-know how relating to design, development, installation, construction and post completion O&M services, which in turn provides us with the capacity to foster and nurture practical knowledge with day-to-day hands-on training experiences. Our project portfolio provides us with the platform to grow and sustain our business as a market player in the solar PV industry, while at the same time, serves as an important reference for new and potential customers.

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## **2. PROSPECTUS SUMMARY (Cont'd)**

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- (c) We are committed to maintaining good quality across all our projects. Through systematic and effective control of our operations and our monitoring procedures over our workers and subcontractors, we strive to ensure compliance with quality requirements and ensure specifications and standards of projects are met. We believe that our customers place strong emphasis on quality, including workmanship, material quality, and thus, continuously delivering quality services and complying with customers' requirements will enhance our credibility and customers' confidence in us.
- (d) We have experienced Executive Directors and key senior management. Collectively, our Executive Directors and key senior management personnel have exposure across a broad spectrum of business activities, including engineering, operations, sales and marketing and finance. Some of them are technically experienced as they are qualified and professionally-trained engineers, and have knowledge in the solar PV industry. Our Executive Directors are supported by a strong key senior management team and the commitment and teamwork between them have provided impetus for the continuous growth of our Group.
- (e) We have collaborations with business partners. On 15 December 2023, in conjunction with their entry as shareholder of Northern Solar, Lagenda Properties granted a Right of First Refusal and Right to Match to Northern Solar in relation to the installation of any solar PV panels in premises fully owned or developed by Lagenda Properties group, or for any residential or commercial development projects which Lagenda Properties group is fully or substantially in control of, for which Northern Solar has a one-off right of first refusal to undertake such installation works based on competitive terms and fair market prices, and a further right to match third party offers whereby if there is an offer by a third party to undertake such installations on competitive terms, we have a further right to match the said third party offer. This right to match the said third party offer is in addition to the one-off right of first refusal to undertake the installation works. Separately, we collaborate with Engtex Group Berhad via Engtex Energy as a solar PV asset developer where Northern Solar may have more opportunities to undertake EPCC of solar PV projects secured by Engtex Energy.

Further details of our competitive strengths are set out in Section 7.17.

### **2.5 BUSINESS STRATEGIES AND PROSPECTS**

Our business objectives are to maintain sustainable growth and create long-term shareholder value. To achieve our business objectives, we will implement the following business strategies over the period of 24 months from the date of our Listing:

- (a) In conjunction with our plan to scale up our operations to cater for increasing demand for our EPCC and O&M services and due to the fact that many of our customers are located in the central region such as Kuala Lumpur and Selangor, we moved into a new corporate office in the second half of November 2024 to better serve our customers in the central region of Malaysia. Our previous head office space was inadequate for our plans to expand and scale up operations, as it was fully utilised and did not have sufficient space for us to increase our headcount. The rental of our new corporate office is governed by a tenancy agreement with Lagenda Harta Sdn Bhd (formerly known as Lagenda Property 1 Sdn Bhd), a subsidiary of Lagenda Properties, for the rental of the 2 office units measuring 8,620 sq ft, housing our new corporate office. Our corporate office also houses an engineering knowledge centre of approximately 1,000 sq ft that will comprise an enhanced command centre and engineering laboratory. The setting up of the new corporate office will enable our Group to centralise business operations and enhance our corporate image amongst customers, suppliers, employees and other stakeholders.

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## **2. PROSPECTUS SUMMARY (Cont'd)**

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- (b) We intend to expand our workforce to capture more business opportunities for EPCC and O&M of solar PV systems in Johor and strengthen our market presence in the southern region of Peninsular Malaysia. This expansion will also allow us to target potential customers for our EPCC and O&M of solar PV systems in Melaka where there is also growth potential for solar PV systems. Further, we aspire to further expand geographically to the northern region of Peninsular Malaysia, primarily in the states of Pulau Pinang, Perak, Kedah and Perlis, to tap into its potential for EPCC and O&M of solar PV systems, through establishing a regional sales office.
- (c) We intend to expand our solar PV systems business to generate recurring revenue. As at LPD, we own, operate and maintain 17 solar PV systems under our Group and 4 solar PV systems under Engtex Energy which have enabled us to venture into the generation of renewable energy. This experience will provide us with a platform to further grow our generation of renewable energy business. Moving forward, we intend to pursue a model of developing, owning, and managing a portfolio of solar PV assets that sell the electricity generated to NEM and SELCO consumers, which will enable us to generate a stable inflow of revenue and diversify our sources of revenue.
- (d) We intend to increase our market share within the solar PV industry in Malaysia. We have therefore allocated RM29.2 million of the proceeds from the Public Issue for our working capital purposes, being the recruitment of engineering and business development employees and purchase of projects materials. By applying a portion of the proceeds from the Public Issue to satisfy the various working capital requirements associated with undertaking contract works, our Group will be in a better position to tender for and expand our portfolio in the EPCC of solar PV systems segment.

Further details of our business strategies and prospects are set out in Section 7.18.

### **2.6 RISK FACTORS**

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

- (a) Our revenue is project-based and our historical financial performance may not be indicative of our future financial performance. Our EPCC projects are non-recurring in nature and are secured on a project-by-project basis. Our Group's ability to compete for and secure sizeable contracts is one of the main contributors to our success as well as ongoing growth and future profitability. It is critical for our Group to secure new contracts which are similar or larger in value or number of projects on a continual basis to maintain competitiveness in the solar PV industry. In the event that we are unable to secure new contracts or obtain contract value or number comparable to existing ones, our financial performance and results of operations will be materially impacted.
- (b) Our business and financial performance may be affected in the event of delay or inability to complete projects on a timely basis. In the event of any delays in the timeline of a project, such delays would usually result in project cost overruns, which attract negative publicity and legal uncertainties such as potential LAD claims from our customers. Any adverse developments in respect of these factors can lead to interruptions or delays in completing a project, which may result in our customers imposing LAD claims on us as stipulated in our contracts and our reputation, financial performance and operational cash flows would be materially affected.

## 2. PROSPECTUS SUMMARY (Cont'd)

- (c) The nature of our business is subject to risks of defects liability claims by our customers due to defective workmanship for the EPCC of solar PV systems. In the event that there are any significant claims raised by our customers against us for defects liability or any default or failure in relation to our works, we may incur significant costs in rectifying such defects and in such event our reputation, financial position and profitability may be materially affected.
- (d) Our EPCC projects depend on the timely supply of solar equipment and components at acceptable prices and quality. For projects which require large quantities of solar equipment and components, we will enter into purchase and supply agreements with the specified manufacturers/suppliers for selected solar equipment and components, such as solar PV modules and inverters. In the case of solar PV modules, the price shall be maintained throughout the duration of the agreement if there is no change in the module pricing according to the published weekly overseas module spot price. In the event the price fluctuation is significant, we will pass the increased cost to our customers by applying for a variation order.
- (e) As a solar PV service provider, we are required to obtain and hold valid approvals, permits and licences such as the Registration of Solar Photovoltaic Service Provider and the Registration of Photovoltaic Investor issued by SEDA and other approvals, permits and licences as set out in Section 6.7. In the event we fail to comply with the applicable requirements or any required conditions, our registration, approvals, licenses and permits may be cancelled or suspended.
- (f) Our Group's continued success, future business growth and expansion will depend to a significant extent upon the abilities and continued efforts of our Managing Director, Executive Director, key senior management and employees. The loss of any of our Managing Director, Executive Director and key senior management simultaneously or within a short period of time may potentially create an unfavourable impact on our Group's business operations, if there is a lack of succession planning, timely replacement or inability to retain qualified personnel.

### 2.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and key senior management are as follows:

<b>Name</b>	<b>Designation</b>
<b>Directors</b>	
Amirul Azhar Bin Baharom	Independent Non-Executive Chairman
Lew Shoong Kai	Managing Director
Chew Win Hoe	Executive Director
Tan Ai Ning	Independent Non-Executive Director
Teh Muy Ch'ng	Independent Non-Executive Director
Roselinda Binti Mohammad Hashim	Independent Non-Executive Director
<b>Key senior management</b>	
Lew Shoong Kai	Managing Director
Chew Win Hoe	Executive Director
Lew Fui Shi	Chief Financial Officer
Hing Kee Vui	Project Director

Further details of our Directors and key senior management are set out in Section 5.

## 2. PROSPECTUS SUMMARY (Cont'd)

### 2.8 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

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

Name	Place of incorporation / Nationality	<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and Substantial shareholders</b>									
Lew Shoong Kai	Malaysian	139,547,900	42.5	-	-	121,745,900	30.8	-	-
Chew Win Hoe	Malaysian	139,547,900	42.5	-	-	121,745,900	30.8	-	-
<b>Substantial shareholder</b>									
Lagenda Properties	Malaysia	49,252,200	15.0	-	-	49,252,200	12.5	-	-

**Notes:**

- (1) Based on our share capital of 328,348,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 395,600,000 Shares after our IPO.

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

### 2.9 UTILISATION OF PROCEEDS

The estimated gross proceeds from our Public Issue of RM42.4 million will accrue entirely to us and are planned to be utilised in the following manner:

Utilisation of proceeds	Notes	RM'000	%	<sup>(1)</sup> Estimated timeframe for utilisation
Working capital	(a)	29,166	68.8	Within 24 months
Repayment of bank borrowings	(b)	5,500	13.0	Within 12 months
Business expansion	(c)	3,150	7.4	Within 24 months
Estimated listing expenses	(d)	4,553	10.8	Within 1 month
<b>Total</b>		<b>42,369</b>	<b>100.0</b>	

**Note:**

- (1) From the date of our Listing

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

A summary of our intended utilisation of proceeds is set out below:

- (a) We intend to utilise RM29.2 million towards bolstering our Group's working capital, which would aid in the expansion of our solar PV systems business to generate higher revenue for our Group's EPCC of solar PV systems business segment and increase our market share within the solar PV industry in Malaysia.

**2. PROSPECTUS SUMMARY (Cont'd)**

- (b) We intend to utilise RM5.5 million to repay our Group's outstanding borrowings, which includes hire purchases and a term loan which were used by the Group to fund, amongst others, the costs of on-going projects and the working capital of the Group.
- (c) Approximately RM3.2 million will be used for our business expansion, to strengthen our market presence regionally in Peninsular Malaysia. In particular, the funds are allocated to the establishment of a corporate office and engineering knowledge centre, the establishment of a new office in Pulau Pinang, and the expansion of our existing office in Johor.
- (d) Listing expenses relate to inter-alia, professional fees payable to, amongst others, the Adviser and Sponsor, Solicitors, Reporting Accountants, Independent Market Researcher and Issuing House for our Listing as well as underwriting and placement commission payable.

Any variations of the allocation in proceeds set out above shall be adjusted towards or against the proceeds allocated towards our working capital as set out in item (a), and any further shortfall is to be funded from our internally-generated funds and/or bank borrowings.

There is no minimum subscription to be raised from our IPO.

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

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

The following table sets out the financial highlights based on our combined statements of comprehensive income for FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025:

	<b>Audited</b>			<b>Unaudited</b>	<b>Audited</b>
	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2024</b>	<b>FPE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	22,232	44,672	77,974	38,243	40,156
GP	5,054	11,305	21,586	8,713	15,989
PBT	3,333	7,158	12,715	5,206	9,840
Total comprehensive income for the financial year	3,106	6,115	10,089	4,303	7,430
PAT attributable to owners of the Company	3,106	6,115	10,089	4,303	7,430
GP margin (%) <sup>(1)</sup>	22.7	25.3	27.7	22.8	39.8
PAT margin (%) <sup>(2)</sup>	14.0	13.7	12.9	11.3	18.5
EPS (sen) <sup>(3)</sup>	0.8	1.5	2.6	1.1	1.9

**Notes:**

- (1) Calculated based on GP over revenue.
- (2) Calculated based on PAT attributable to owners of the Company over revenue.
- (3) Calculated based on PAT attributable to owners of the Company over our enlarged share capital of 395,600,000 Shares after IPO.

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

**2. PROSPECTUS SUMMARY (Cont'd)****2.10.2 Pro forma statements of financial position**

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

	<b>I</b>	<b>II</b>
<b>As at 30 September 2024</b>	<b>After Acquisitions</b>	<b>After I, Public Issue and utilisation of proceeds</b>
<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
Total non-current assets	-	13,183
Total current assets	1,720	50,369
<b>TOTAL ASSETS</b>	<b>1,720</b>	<b>63,552</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	(1) 14,874	55,408
Merger reserve	-	(13,874)
(Accumulated loss)/ Retained earnings	(16) 22,084	19,366
Non-controlling interests	-	475
<b>TOTAL EQUITY</b>	<b>(16)</b>	<b>61,375</b>
Total non-current liabilities	-	13,185
Total current liabilities	1,736	26,808
<b>TOTAL LIABILITIES</b>	<b>1,736</b>	<b>39,993</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,720</b>	<b>95,868</b>
No. of Shares in issue ('000)	(2) 328,348	395,600
NA per Share (RM)	(3)n/a 0.07	0.15
Borrowings	-	19,884
Gearing (times)	-	0.8

**Notes:**

- (1) Representing RM1.
- (2) Representing 1 share.
- (3) Not applicable as the Company was in a net liability position as at 30 September 2024.

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**2. PROSPECTUS SUMMARY (Cont'd)**

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**2.11 DIVIDEND POLICY**

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

Dividends declared and paid by our subsidiary, namely Northern Solar during FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD were as follows:

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>	<b>1 October 2024 up to LPD</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Dividends declared and paid	-	-	-	(1)5,000	-

**Note:**

(1) The final dividend of RM5.0 million in respect of FYE 2024 was declared on 6 May 2024 and paid on 31 May 2024.

Save for the above, there were no further dividends declared and/or paid up to LPD. In addition, we do not intend to declare or pay any dividends from LPD up to our Listing.

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

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

Bursa Securities had, vide its letter dated 17 September 2024, approved our admission to the Official List of the ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market. The approval from Bursa Securities is subject to the following conditions:

<b>No.</b>	<b>Details of conditions imposed</b>	<b>Status of compliance</b>
(a)	Submit the following information with respect to the moratorium on the shareholdings of the Specified Shareholders to Bursa Malaysia Depository Sdn Bhd: <ul style="list-style-type: none"> <li>(i) Name of shareholders;</li> <li>(ii) Number of Shares; and</li> <li>(iii) Date of expiry of the moratorium for each block of Shares.</li> </ul>	Complied
(b)	Confirm that approvals from other relevant authorities have been obtained for implementation of the Listing;	Complied
(c)	The Bumiputera equity requirements for public listed companies as approved / exempted by the SC including any conditions imposed thereon;	Complied
(d)	Make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Guidance Note 15 of the Listing Requirements;	To be complied
(e)	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of Northern Solar Holdings on the first day of Listing;	To be complied
(f)	In relation to the Public Issue to be undertaken by Northern Solar Holdings, to announce at least 2 market days prior to the Listing date, the result of the offering including the following: <ul style="list-style-type: none"> <li>(i) Level of subscription of public balloting and placement;</li> <li>(ii) Basis of allotment / allocation;</li> <li>(iii) A table showing the distribution for placement tranche; and</li> <li>(iv) Disclosure of placees who become substantial shareholders of Northern Solar Holdings arising from the public offering, if any.</li> </ul>	To be complied

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

<b>No.</b>	<b>Details of conditions imposed</b>	<b>Status of compliance</b>
(g)	Northern Solar Holdings / M&A Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of Northern Solar Holdings to the Official List of the ACE Market.	To be complied

**3.1.2 SC approval**

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

The SC had, vide its letter dated 23 September 2024, approved our resultant equity structure pursuant to our Listing under the Bumiputera equity requirement for public listed companies.

The approval from the SC is subject to the following conditions:

<b>No.</b>	<b>Details of conditions imposed</b>	<b>Status of compliance</b>
(a)	Northern Solar Holdings to allocate 12.5% of its enlarged number of issued shares at the point of Listing to Bumiputera investors to be approved by MITI.	To be complied
(b)	Northern Solar Holdings to make available at least 50.0% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing.	To be complied

The effect of our IPO on our equity structure is as follows:

<b>Category of shareholders</b>	<b>As at LPD</b>		<b>After our Listing</b>	
	<b>No. of Shares</b>	<b>%</b>	<b>No. of Shares</b>	<b>%</b>
Bumiputera	-	-	<sup>(1)</sup> 59,340,000	15.0
Non-Bumiputera	3	100.0	336,260,000	85.0
<b>Malaysian</b>	<b>3</b>	<b>100.0</b>	<b>395,600,000</b>	<b>100.0</b>
Foreigners	-	-	-	-
	<b>3</b>	<b>100.0</b>	<b>395,600,000</b>	<b>100.0</b>

**Note:**

(1) Based on the assumption that the Shares allocated to the Bumiputera public investors via balloting and Bumiputera investors approved by MITI by way of private placement are subscribed as follows:

<b>Category</b>	<b>No. of Shares</b>	<b>%</b>
Bumiputera public investor via balloting	9,890,000	2.5
Private placement to identified Bumiputera investors approved by MITI	49,450,000	12.5
	<b>59,340,000</b>	<b>15.0</b>

In addition, the Shariah Advisory Council of SC had on 6 August 2024, classified our Shares as Shariah-compliant.

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

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**3.1.3 MITI approval**

The MITI had, vide its letter dated 23 October 2024, taken note and has no objection to our IPO.

**3.2 MORATORIUM ON OUR SHARES**

**3.2.1 Moratorium on shareholdings of Specified Shareholders and key senior management**

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

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

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

In addition to the moratorium imposed on the Shares held by the Specified Shareholders, our key senior management, i.e. Lew Fui Shi, our Chief Financial Officer, and Hing Kee Vui, our Project Director, have both voluntarily provided their respective written undertaking not to sell, transfer or assign their entire shareholdings in our Company of 1,666,000 Shares and 1,000,000 Shares, respectively (being their individual allocation under the Pink Form Allocations), in a similar manner as our Specified Shareholders. Details of our Specified Shareholders and key senior management, and their Shares which will be subject to the abovementioned moratorium, are set out below:

Shareholders	Year 1				Year 2		Year 3	
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium		Moratorium shares		Moratorium shares	
	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%	(1)No. of Shares	(2)%
<b>Specified Shareholders</b>								
Lew Shoong Kai	121,745,900	30.8	89,010,000	22.5	59,340,000	15.0	29,670,000	7.5
Chew Win Hoe	121,745,900	30.8	89,010,000	22.5	59,340,000	15.0	29,670,000	7.5
	<b>243,491,800</b>	<b>61.6</b>	<b>178,020,000</b>	<b>45.0</b>	<b>118,680,000</b>	<b>30.0</b>	<b>59,340,000</b>	<b>15.0</b>
<b>Key senior management</b>								
Lew Fui Shi	1,666,000	0.4	<sup>(3)</sup> 749,700	0.2	499,800	0.1	249,900	0.1
Hing Kee Vui	1,000,000	0.3	<sup>(3)</sup> 450,000	0.1	300,000	0.1	150,000	<0.1
	<b>2,666,000</b>	<b>0.7</b>	<b>1,199,700</b>	<b>0.3</b>	<b>799,800</b>	<b>0.2</b>	<b>399,900</b>	<b>0.1</b>

**Notes:**

- (1) After Offer for Sale.
- (2) Based on the enlarged share capital of 395,600,000 Shares after our IPO.
- (3) Lew Fui Shi and Hing Kee Vui have both voluntarily agreed for the moratorium to be imposed on 45.0% of their 1,666,000 Shares and 1,000,000 Shares, respectively for the Second 6-Month Moratorium.

The moratorium has been fully accepted by our Specified Shareholders and key senior management, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period. The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the abovementioned Specified Shareholders and key senior management to ensure that our Share Registrar does not register any transfer that contravenes with such restrictions.

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

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**3.2.2 Moratorium on shareholdings of Lagenda Properties**

In accordance with Rule 3.19A of the Listing Requirements, Lagenda Properties, our substantial shareholder, shall place its entire shareholding under moratorium. It has provided the written undertaking to Bursa Securities that it will not sell, transfer or assign its shareholdings under moratorium during the period of 6 months from our date of admission to the Official List.

Details of Lagenda Properties and its Shares which will be subject to the moratorium are set out below:

<u>Substantial shareholder</u>	<u>No. of Shares</u>	<u>(1)%</u>
Lagenda Properties	49,252,000	12.5

**Note:**

(1) Based on the enlarged share capital of 395,600,000 Shares.

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## 4. DETAILS OF OUR IPO

### 4.1 OPENING AND CLOSING OF APPLICATION PERIOD

The Application period will open at 10.00 a.m. on 18 December 2024 and will remain open until 5.00 p.m. on 20 January 2025. **LATE APPLICATIONS WILL NOT BE ACCEPTED.**

### 4.2 INDICATIVE TIMETABLE

<b>Events</b>	<b>Indicative date</b>
Issuance of this Prospectus / Opening of Application	18 December 2024
Closing of Application	20 January 2025
Balloting of Application	22 January 2025
Allotment / Transfer of our IPO Shares to successful applicants	3 February 2025
Date of Listing	6 February 2025

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

### 4.3 DETAILS OF OUR IPO

#### 4.3.1 Listing scheme

##### (a) Public Issue

A total of 67,252,000 Issue Shares, representing approximately 17.0% of our enlarged share capital are offered at our IPO Price. The Issue Shares shall be allocated in the following manner:

##### (i) Malaysian Public

19,780,000 Issue Shares, representing approximately 5.0% of our enlarged share capital, are reserved for application by the Malaysian Public, to be allocated via balloting process as follows:

- (a) 9,890,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to public investors; and
- (b) 9,890,000 Issue Shares, representing 2.5% of our enlarged share capital, made available to Bumiputera public investors.

##### (ii) Eligible Directors, employees and persons who have contributed to the success of our Group

7,912,000 Issue Shares, representing approximately 2.0% of our enlarged share capital, are reserved for our eligible Directors, employees and persons who have contributed to the success of our Group under the Pink Form Allocations. Further details of our Pink Form Allocations are set out in Section 4.3.2.

##### (iii) Private placement to Bumiputera investors approved by MITI

39,560,000 Issue Shares, representing approximately 10.0% of our enlarged share capital, are reserved for private placement to Bumiputera investors approved by MITI.

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

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

Upon completion of our Public Issue, our share capital will increase from RM14,874,165 comprising 328,348,000 Shares to RM57,242,925 comprising 395,600,000 Shares. There is no over-allotment or 'greenshoe' option that will increase the number of our IPO Shares.

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

##### (b) Offer for Sale

A total of 35,604,000 Offer Shares, representing 9.0% of our enlarged share capital, are offered by our Selling Shareholders at our IPO Price in the following manner:

- (i) 9,890,000 Offer Shares, representing approximately 2.5% of the enlarged share capital, to Bumiputera investors approved by MITI by way of private placement; and
- (ii) 25,714,000 Offer Shares, representing approximately 6.5% of the enlarged share capital, to selected investors by way of private placement.

Our Offer for Sale is subject to the terms and conditions of this Prospectus. The details of our Selling Shareholders and their relationship with our Group are as follows:

Name/ Residential address	Material relationship with our Group	<sup>(1)</sup> As at LPD / Before IPO		Offer Shares offered			After IPO	
		No. of Shares	<sup>(2)</sup> %	No. of Shares	<sup>(2)</sup> %	<sup>(3)</sup> %	No. of Shares	<sup>(3)</sup> %
Lew Shoong Kai / No. 21 Jalan Daun Inai 2 Sunway SPK Damansara 52200 Kuala Lumpur	Managing Director	139,547,900	42.5	17,802,000	5.4	4.5	121,745,900	30.8
Chew Win Hoe / No. 13A-06 Residensi Mont 16 Jalan Kiara 5 Mont Kiara 50480 Kuala Lumpur	Executive Director	139,547,900	42.5	17,802,000	5.4	4.5	121,745,900	30.8

##### Notes:

- (1) After completion of the Acquisitions and includes 1 subscriber share issued upon the incorporation of the Company but before our IPO.
- (2) Based on our share capital of 328,348,000 Shares before our IPO.
- (3) Based on our enlarged share capital of 395,600,000 Shares after our IPO.

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

Upon completion of our IPO, our Company's entire enlarged share capital of RM57,242,925 comprising 395,600,000 Shares shall be listed on the ACE Market.

**4.3.2 Pink Form Allocations**

We have allocated 7,912,000 Issue Shares under the Pink Form Allocations to our eligible Directors, employees and persons who have contributed to the success of our Group as follows:

<b>Category</b>	<b>No. of eligible persons</b>	<b>Aggregate no. of Issue Shares allocated</b>
Eligible Directors	4	1,175,100
Eligible employees	46	4,202,500
Persons who have contributed to the success of our Group	10	2,534,400
	<b>60</b>	<b>7,912,000</b>

Pink Form Allocations which are not accepted by certain eligible Directors, employees and persons who have contributed to the success of our Group will be re-allocated among the other eligible Directors mentioned in the table above and other eligible employees and persons who have contributed to the success of our Group at the discretion of our Board.

**(a) Allocation to eligible Directors**

The criteria for allocation to our eligible Directors are based on amongst others their anticipated contribution to our Group. Lew Shoong Kai (our Managing Director) and Chew Win Hoe (our Executive Director) have opted not to participate in the Pink Form Allocations as they already undertaking the Offer for Sale.

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

<b>Name</b>	<b>Designation</b>	<b>No. of Issue Shares allocated</b>
Amirul Azhar bin Baharom	Independent Non-Executive Chairman	571,400
Tan Ai Ning	Independent Non-Executive Director	158,000
Teh Muy Ch'ng	Independent Non-Executive Director	160,000
Roselinda Binti Mohammad Hashim	Independent Non-Executive Director	285,700
		<b>1,175,100</b>

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**4. DETAILS OF OUR IPO (Cont'd)****(b) Allocation to our eligible employees**

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

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

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

<u>Name</u>	<u>Designation</u>	<u>No. of Issue Shares allocated</u>
Lew Fui Shi	Chief Financial Officer	1,666,000
Hing Kee Vui	Project Director	1,000,000
		<b>2,666,000</b>

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

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

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

**4.3.3 Placement and underwriting arrangement**

Our Underwriter will underwrite 27,692,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. The balance 39,560,000 Issue Shares available for application by Bumiputera investors approved by MITI and 35,604,000 Offer Shares available for application by Bumiputera investors approved by MITI and selected investors will not be underwritten and will be placed out by our Placement Agent.

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

- (a) Any IPO Shares not subscribed for under the Pink Form Allocations (if any), will be made available for application by the Malaysian Public; and
- (b) Any remaining IPO Shares including those from (a) which are not subscribed by the Malaysian Public will then be made available to selected investors via private placement.

Thereafter, any remaining Issue Shares that are not subscribed for will be subscribed by our Underwriter based on the terms of the Underwriting Agreement. In the event of under-subscription of the IPO Shares made available to selected investors via private placement and subject to the corresponding over-subscription by the Malaysian Public, the remaining portion will be clawed-back and placed to the Malaysian Public.

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

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

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

**4.3.4 Minimum requirements and over-subscription**

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

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

Under the Listing Requirements, at least 25.0% of our enlarged share capital for which listing is sought must be in the hands of a minimum of 200 public shareholders, each holding not less than 100 Shares upon our admission to the ACE Market. We expect to meet the public shareholding requirement at the point of our Listing. If we fail to meet the said requirement, we may not be allowed to proceed with our Listing on the ACE Market.

In such an event, we will return in full, without interest, all monies paid in respect of all applications. If any such monies are not repaid within 14 days after we become liable to do so, the provision of sub-section 243(2) of the CMSA shall apply accordingly.

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

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

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

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

<b>Details</b>	<b>No. of Shares</b>	<b>RM</b>
<b>Share capital</b>		
As at date of incorporation	1	1
Issued pursuant to the Acquisitions	328,347,999	14,874,164
<b>As at date of this Prospectus</b>	<b>328,348,000</b>	<b>14,874,165</b>
To be issued under our Public Issue	67,252,000	<sup>(1)</sup> 42,368,760
<b>Enlarged share capital upon our Listing</b>	<b>395,600,000</b>	<b>57,242,925</b>

**Note:**

- (1) Calculated based on the IPO Price and before adjusting against our share capital, the estimated listing expenses assumed to be directly attributable to the Public Issue.

Our Offer for Sale will not have any effect on our share capital.

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

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

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

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

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

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

##### 4.5 PURPOSES OF OUR IPO

The purposes of our IPO are as follows:

- (a) To enable our Group to raise funds for the purposes specified in Section 4.9;
- (b) To gain recognition through our listing status to enhance our reputation and to retain and attract new and skilled employees from the solar PV industry;
- (c) To provide an opportunity for the Malaysian Public, including our eligible Directors, employees and persons who have contributed to the success of our Group to participate in our equity; and
- (d) To enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

##### 4.6 BASIS OF ARRIVING AT OUR IPO PRICE

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

- (a) Our pro forma NA per Share of RM0.15, calculated based on our pro forma NA after IPO and utilisation of proceeds as at 30 September 2024 of approximately RM60.9 million (after the Acquisitions, Public Issue and utilisation of IPO proceeds) and our enlarged share capital of 395,600,000 Shares upon Listing;
- (b) The PE Multiple of our IPO Price of approximately 24.7 times based on our EPS of approximately 2.6 sen for FYE 2024, calculated based on our PAT attributable to owners of the Company of RM10.1 million and enlarged share capital of 395,600,000 Shares upon Listing;
- (c) The PE Multiple of our IPO Price of approximately 16.8 times based on our annualised EPS of approximately 3.8 sen for FPE 2025, calculated based on our PAT attributable to owners of the Company of RM14.9 million (extrapolated to 12 months based on the PAT attributable to owners of the Company for FPE 2025) and enlarged share capital of 395,600,000 Shares upon Listing;
- (d) Our historical financial track record for FYE 2022 to FYE 2024 as well as FPE 2024 and FPE 2025, summarised as follows:

	<b>Audited</b>			<b>Unaudited</b>	<b>Audited</b>
	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2024</b>	<b>FPE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	22,232	44,672	77,974	38,243	40,156
GP	5,054	11,305	21,586	8,713	15,989
PAT attributable to:					
- Owners of the Company	3,106	6,115	10,089	4,303	7,430
- Non-controlling interests	-	-	*	*	-
EPS (sen) <sup>(1)</sup>	0.8	1.5	2.6	1.1	1.9

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

- \* Represents less than RM500.
- (1) Calculated based on our PAT attributable to owners of the Company and enlarged share capital of 395,600,000 Shares before our IPO.
- (e) Our competitive strengths as set out in Section 7.17; and
- (f) Our business strategies and prospects as set out in Section 7.18.

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

**4.7 TOTAL MARKET CAPITALISATION UPON LISTING**

Based on our IPO Price and enlarged share capital of 395,600,000 Shares upon Listing, our total market capitalisation upon Listing will be RM249.2 million.

**4.8 DILUTION**

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

	<b>RM</b>
IPO Price	0.63
Pro forma NA per Share as at 30 September 2024 after the Acquisitions but before IPO and utilisation of proceeds	0.07
Pro forma NA per Share as at 30 September 2024 after the Acquisitions, IPO and utilisation of proceeds	0.15
Increase in pro forma NA per Share attributable to existing shareholders	0.08
Dilution in pro forma NA per Share to our new public investors pursuant to our IPO	(0.48)
Dilution in pro forma NA per Share as a percentage of our IPO Price	76.2%

Further details of our pro forma NA per Share as at 30 September 2024 is set out in Section 14.

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

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

<b>Shareholders</b>	<b>(1)No. of Shares</b>	<b>(2)Total</b>	<b>Average</b>
		<b>consideration</b>	<b>effective cost</b>
		<b>RM</b>	<b>per Share</b>
		<b>RM</b>	<b>RM</b>
Lew Shoong Kai	139,547,900	6,321,520	0.0453
Chew Win Hoe	139,547,900	6,321,520	0.0453
Lagenda Properties	49,252,200	2,231,125	0.0453
<b>Total</b>	<b>328,348,000</b>	<b>14,874,165</b>	

**Notes:**

(1) Issued pursuant to the Acquisition of Northern Solar and including 1 subscriber share issued upon the incorporation of our Company, registered in the name of Lew Shoong Kai.

(2) Being the consideration for the Acquisition of Northern Solar.

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

**4.9 UTILISATION OF PROCEEDS****4.9.1 Public Issue**

The estimated gross proceeds from our Public Issue of RM42.4 million will accrue entirely to us and are planned to be utilised in the following manner:

<b>Utilisation of proceeds</b>	<b>Notes</b>	<b>RM'000</b>	<b>%</b>	<b>(1)Estimated timeframe for utilisation</b>
Working capital	(a)	29,166	68.8	Within 24 months
Repayment of bank borrowings	(b)	5,500	13.0	Within 12 months
Business expansion	(c)	3,150	7.4	Within 24 months
Estimated listing expenses	(d)	4,553	10.8	Within 1 month
<b>Total</b>		<b>42,369</b>	<b>100.0</b>	

**Note:**

(1) From the date of our Listing.

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

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

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**(a) Working capital**

We intend to utilise RM29.2 million towards bolstering our Group's working capital, which would aid in the expansion of our solar PV systems business to generate higher revenue for our Group's EPCC of solar PV systems business segment and increase our market share within the solar PV industry in Malaysia.

As part of our future plans, we intend to increase our market share by tendering for more projects. As at LPD, we have also submitted 387 tenders with a total tender sum of RM1.8 billion, which are still pending decision from clients. These tendered projects, if awarded to us, will further increase our order book. For the avoidance of doubt, our Group does not intend to tender for LSS projects at this juncture.

The proposed breakdown of the RM29.2 million utilised for this purpose, is as follows:

- (i) RM1.8 million is allocated for the expected 24 months salaries for the recruitment of additional 20 engineering and business development employees comprising project engineers, O&M engineers and technicians as well as business development executives, in line with our geographical expansion plans as set out at note (c) below; and
- (ii) the remaining RM27.4 million is allocated for the purchase of project materials, which are mainly solar PV panels and inverters, being the key components required for our projects. This will allow us to be better positioned to undertake more projects in terms of scale and volume as our business continues to grow.

By applying a portion of the proceeds from the Public Issue to satisfy the various working capital requirements associated with undertaking contract works, our Group will be in a better position to tender and expand our portfolio in the EPCC of solar PV systems segment. Moving forward, we will continue to replenish and grow our order book from the EPCC of solar PV systems segment which will further enhance our revenue and increase our market share in the industry.

Further details of our business expansion are set out at Section 7.18.3.

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

We intend to utilise RM5.5 million to repay our Group's outstanding borrowings, which includes hire purchases and term loans which were used by the Group to fund, amongst others, the costs of on-going projects and our working capital. The details of the bank borrowings are as follows:

<b>Financial institution/ Type of facility</b>	<b>Purpose</b>	<b>Interest rate (%)</b>	<b>Maturity date</b>	<b>Balance as at LPD RM'000</b>	<b>Amount to be repaid from gross proceeds RM'000</b>
Pac Lease Berhad / Hire purchase	Fund solar PV project development costs	3.7	March 2029	1,299	1,200
Pac Lease Berhad / Hire purchase	Fund solar PV project development costs	3.4	November 2029	1,269	1,200
Malayan Banking Berhad / Hire purchase	Fund solar PV project development costs	3.0	February 2028	181	170
Malayan Banking Berhad / Hire purchase	Fund solar PV project development costs	3.3	June 2027	573	500
Malayan Banking Berhad / Hire purchase	Fund solar PV project development costs	3.3	June 2027	215	200
Alliance Bank Malaysia Berhad / Term loan	Fund working capital of the Group	BLR + 1%	October 2027	645	600
CIMB Islamic Bank Berhad / Term loan	Fund working capital of the Group	4.0	December 2028	1,694	1,630
<b>Total</b>				<b>5,876</b>	<b>5,500</b>

In determining the type of bank borrowings to be repaid and the quantum of repayment, our Group considered, among others, the impending maturity and the potential interest savings.

The repayments will renew our Group's borrowing capabilities which will allow for better financing strength in submitting tender proposals for projects. If the balance of the abovementioned borrowings as at the time of repayment is less than the amount allocated, the excess amount allocated will be utilised for our working capital requirements.

As at LPD, our outstanding bank borrowings amounts to RM13.6 million. The expected interest savings from the repayment of RM3.3 million hire purchase facilities will depend on the negotiations with each respective financier for early settlement. For reference, we have negotiated an early settlement of RM3.5 million for the hire purchase facilities under Pac Lease Berhad and Malayan Banking Berhad, which will accord them a rebate of RM0.4 million (inclusive of principal and interest saved on the outstanding instalments to be paid).

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

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Separately, for illustrative purposes, based on the effective interest rates of the term loans for FPE 2025, the annual interest savings from the repayment of RM2.2 million will amount to RM0.1 million. However, the actual interest savings may vary depending on the then applicable interest rates. Our pro forma gearing ratio is expected to decrease from 0.9 times (before the Public Issue) to 0.2 times (after the Public Issue and the utilisation of proceeds). Nonetheless, we expect to drawdown further trade facilities to support our working capital requirements as our business continues to grow.

As at LPD, the early full repayment of the term loan for CIMB Islamic Bank Berhad will incur a one-off early settlement fee of approximately RM0.03 million. There are no other early settlement fees applicable to our repayment of bank borrowings as set out above. Our Group intends to repay the said term loan approximately 12 months from the Listing. Our Group will reassess the early settlement fee payable at the material time, subject to further negotiation with the bank. Save for the early repayment of the term loan for CIMB Islamic Bank Berhad, our Group is not subject to any early settlement fee from the repayment of bank borrowings.

Further to the above, our Group had on 20 May 2024 drawdown a term loan amounted to RM8.0 million for our working capital requirements to concurrently undertake more EPCC of solar PV system projects. In relation thereto, the abovementioned proposed allocation of IPO proceeds of RM29.2 million towards the Group's working capital will further enable the Group to undertake additional EPCC of solar PV system projects simultaneously, as our Group's business is expected to grow further.

If the balance of the borrowings as at the time of repayment is less than the amount allocated, the excess amount allocated will be utilised for our working capital requirements.

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

Approximately RM3.2 million will be used for our business expansion, to strengthen our market presence regionally in Peninsular Malaysia, as follows:

**(i) Establishment of corporate office and command centre**

RM2.0 million is allocated to establish a new corporate office with an estimated built-up area of up to approximately 8,620 sq ft. On 15 March 2024, we have entered into a tenancy agreement with Lagenda Harta Sdn Bhd, a subsidiary of Lagenda Properties, for the rental of an office unit measuring 8,620 sq ft, which houses our new corporate office, engineering command centre and laboratory.

We commenced renovation of our new corporate office with the engineering knowledge centre and laboratory in mid-August 2024, which was completed in mid-November 2024. We moved into the new corporate office in the second half of November 2024. The said allocated RM2.0 million from the proceeds of our Public Issue for renovation and interior fit-out works will be used to replenish the internally generated funds which was used to pay the following, pending the receipt of proceeds from our Public Issue:

<b>Description</b>	<b>Estimated expenditure RM'000</b>
Preliminaries	100
Interior design fitting-out	1,075
Mechanical, electrical and plumbing works	797
Submission to authorities	28
<b>Total</b>	<b>2,000</b>

Our corporate office houses an engineering knowledge centre of approximately 1,000 sq ft that will comprise a command centre and engineering laboratory. This command centre functions as a remote monitoring centre for our employees to monitor the status of the solar PV system performance for all our completed projects that are still within the defects liability period as well as solar PV systems that are under our O&M services. We leverage on solar PV manufacturers' systems to collect and process parameters of the installed solar PV systems. Thus, approximately RM0.6 million is being used to equip our engineering knowledge centre and support the further development of our EPCC and O&M businesses. As at LPD, approximately RM0.1 million of the RM0.6 million has been utilised, funded from our internally generated funds. These funds will be replenished pending the receipt of proceeds from our Public Issue.

Such equipment comprises, amongst others, a complete solar PV system comprising solar PV panels, inverters, mounting structures, switchboards, engineering hardware and testing tools. Our engineering knowledge centre will also function as a showroom for potential customers.

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

The breakdown of allocation of funds for the abovementioned RM0.6 million is as follows:

<b>Description</b>	<b>Estimated expenditure RM'000</b>
Engineering command centre equipment (monitors, computers, adapter and cables, server and professional services)	50
Complete solar PV system comprising solar PV panels, inverter, mounting structure and switchboard	150
O&M tools comprising (drone, air fans, tool kits, wrenches, allen keys, work lights, water pumps, air blower, voltage detectors, clamp earth testers and insulation testers)	150
Software licenses comprising:	70
a) 4 units of AutoCAD	
b) 4 units of PVsyst	
c) 1 unit of Helioscope	
Workflow digitisation and customisation for sales order application	130
<b>Total</b>	<b>550</b>

The setting up of the new corporate office enables our Group to centralise business operations and enhance our corporate image amongst customers, suppliers, employees and other stakeholders. In second half of November 2024, we have relocated to the new corporate office, and our existing tenancy agreement for the previous head office lapsed on 30 November 2024.

Pending the receipt of proceeds from our Public Issue, we have funded part of the abovementioned items with our internally generally funds and may be required to fund the remaining abovementioned items with internally generated funds and/or bank borrowings. In such case, the proceeds from our Public Issue, upon receipt, shall be used to replenish the said funds used.

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

RM0.60 million of the proceeds from our Public Issue will be used to fund the establishment of an expanded office in Johor and an additional office in Pulau Pinang within the next 24 months upon Listing, details of which are as follows:

<u>Description</u>	<u>Estimated expenditure RM'000</u>
Expanded Johor regional office (including office and showroom):	
- Renovation expenses	300
New Pulau Pinang regional office (including office and showroom):	
- Renovation expenses	300
	<u>600</u>

As at LPD, we are in the midst of identifying suitable premises with built-up area of 2,000 – 4,000 sq ft in Johor and Pulau Pinang. We intend to enter into a tenancy agreement within 24 months from our Group's IPO.

Further details of our business expansion are set out at Sections 7.18.1 and 7.18.2.

**(d) Estimated listing expenses**

An amount of RM4.6 million is allocated to meet the estimated cost of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

<u>Description</u>	<u>Estimated cost (RM'000)</u>
Professional fees <sup>(1)</sup>	2,786
Underwriting, placement and brokerage fees	1,373
Printing, advertising fees and contingencies <sup>(2)</sup>	283
Fees payable to the authorities	111
	<u>4,553</u>

**Notes:**

(1) Includes advisory fees for, amongst others, our Principal Adviser, solicitors, reporting accountants, IMR, independent internal control review consultant and Issuing House.

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

Any variations of the allocation in proceeds set out above shall be adjusted towards or against the proceeds allocated towards our working capital as set out in item (a), and any further shortfall is to be funded from our internally-generated funds and/or bank borrowings. Where applicable and required under Rule 8.24 of the Listing Requirements, we will seek shareholders' approval for any material variation to the intended utilisation of proceeds.

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

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##### **4.9.2 Offer for Sale**

The Offer for Sale is expected to raise gross proceeds of approximately RM22.4 million which will accrue entirely to the Selling Shareholders and we will not receive any of the proceeds.

The Selling Shareholders shall bear all of the expenses relating to the Offer Shares, the aggregate of which is estimated to be approximately RM0.6 million.

##### **4.10 BROKERAGE FEES, PLACEMENT FEES AND UNDERWRITING COMMISSION**

###### **4.10.1 Brokerage fees**

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

###### **4.10.2 Placement fees**

Our Placement Agent will place out a total of 39,560,000 Issue Shares to Bumiputera investors approved by MITI and 35,604,000 Offer Shares to Bumiputera investors approved by MITI and selected investors.

We will pay our Placement Agent a placement fee of 2.5% of our IPO Price multiplied by the number of Issue Shares placed out by our Placement Agent.

The placement fee of 2.5% of the value of those Offer Shares placed out by our Placement Agent will be paid by the Selling Shareholders.

###### **4.10.3 Underwriting commission**

Our Underwriter has agreed to underwrite 27,692,000 Issue Shares made available for application by the Malaysian Public and Pink Form Allocations. We will pay our Underwriter an underwriting commission of 3.0% of our IPO Price multiplied by the number of Shares underwritten.

##### **4.11 SALIENT TERMS OF THE UNDERWRITING AGREEMENT**

We have entered into the Underwriting Agreement with M&A Securities, to underwrite 27,692,000 Issue Shares ("**Underwritten Shares**") in the manner as set out in Section 4.3.3.

The salient terms in the Underwriting Agreement are as follows:

###### **4.11.1** The obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon:

- (a) the Underwriter being provided with such reports or confirmation and being satisfied on the Closing Date that:
  - (i) no material adverse change, or any development likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of our Group from the date of the Underwriting Agreement; or

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

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- (ii) there has not occurred any event or the discovery of any facts of circumstances which would render any representations, warranties or undertakings by our Company contained in the Underwriting Agreement materially untrue or inaccurate or result in a material breach of the Underwriting Agreement by our Company;
- (b) the Underwriter receiving a certificate dated the Closing Date signed by the duly authorised officers of our Company stating inter alia that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in the Underwriting Agreement;
- (c) the Underwriter receiving copies certified by a director or the company secretary of our Company to be a true and accurate copy and in full force and effect of a resolution of the directors and the shareholders in general meeting: -
  - (i) approving the issue of the Issue Shares;
  - (ii) approving the Prospectus and the application forms, the Listing, the Public Issue, Offer for Sale, the Underwriting Agreement and the transactions contemplated by it; and
  - (iii) authorising a person(s) to sign and deliver the Underwriting Agreement on behalf of our Company and the issuance of the Prospectus;
- (d) the issue, offer and subscription of the Issue Shares is not being prohibited or impeded by any statute, order, rule, directive, guideline (whether or not having the force of law) or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Issue Shares and Offer Shares and all consents, approvals, authorisations or other orders required by our Company under such laws for or in connection with the Public Issue, Offer for Sale and Listing have been obtained, complied with and are in force on the Closing Date or the Underwriter being reasonably satisfied that the same will be in force on the Closing Date;
- (e) the offering of, listing of and quotation for the Issue Shares / issued and paid-up share capital of our Company on the ACE Market of Bursa Securities having been approved by Bursa Securities and any other relevant authority or authorities and remaining in full force and effect and that all conditions to the approvals (except for any which can only be complied with after the Retail Offering has been completed) have been complied with or subject only to conditions which are acceptable to the Underwriter and such approval is not withdrawn;
- (f) the launching of Prospectus taking place within three (3) months from the date of the Underwriting Agreement or such other later date as the Underwriter and our Company may from time to time agree in writing;
- (g) the Prospectus having been lodged with the CCM and registered with the Bursa Securities together with all the required documents in accordance with the Companies Act and Listing Requirements and the relevant laws and regulations;
- (h) the Underwriter having been satisfied that arrangements have been made by our Company to ensure payment of the expenses referred to in the Underwriting Agreement;

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

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- (i) the Underwriting Agreement and the required agreements/letters of undertaking in relation to the Offer for Sale in the form acceptable to the Underwriter have been duly executed by all relevant parties and are in full force and effect, valid and enforceable (and not amended or supplemented, save as agreed in writing by the Underwriter), there shall not have occurred any breach or non-compliance by any of the parties thereto of their obligations and agreements under such documents and each of the conditions precedent (save for this condition precedent) in each of these agreement and the other documents shall have been satisfied or waived (in accordance with the provisions in the Underwriting Agreement or thereto);
- (j) the Listing occurs within one (1) month from the Closing Date or any later date as may be approved by the authorities and agreed in writing by the Underwriter; and
- (k) upon the Underwriter's (in this regard, in its capacity as the placement agent for the Placement Shares) receipt of the full subscription monies for the Placement Shares on or before the last date for payment of the Placement Shares.

**4.11.2** If after the Conditions Precedent have been complied with and our Company decides not to proceed with the IPO, the Underwriter may treat itself as so released or discharged from its obligations and the Underwriting Agreement shall terminate and be of no further force or effect provided that our Company shall remain liable, subject always to the Underwriting Agreement for the payment of the sum stated therein and of all other costs and expenses including but not limited to those referred to in the Underwriting Agreement.

**4.11.3** In the event any of the conditions set out in the Underwriting Agreement are not satisfied on or before the Closing Date, the Underwriter shall be entitled to terminate the Underwriting Agreement by notice given to our Company not later than the Closing Date and upon such termination, our Company and the Underwriter shall be released and discharged from their respective obligations under the Underwriting Agreement provided that our Company shall remain liable, subject always to the Underwriting Agreement for the payment of the sum stated therein and of all other costs and expenses including but not limited to those referred to in the Underwriting Agreement. The Underwriter reserves the right to waive or modify all or any of the conditions aforesaid (except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with the Underwriting Agreement) and such waiver or modification shall not prejudice the Underwriter's rights under the Underwriting Agreement.

**4.11.4** Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may at any time on or before the Closing Date, terminate its obligations under the Underwriting Agreement if: -

- (a) any of the Conditions Precedent as contained in the Underwriting Agreement is not duly satisfied by the Closing Date;
- (b) there is any material breach by our Company of any of the representations, warranties or undertakings contained in the Underwriting Agreement, which is not capable of remedy or, if capable of remedy, is not remedied to the reasonable satisfaction of the Underwriter within ten (10) Market Days from the date our Company is notified by the Underwriter of such breach;
- (c) there is withholding of material information by our Company which, in the reasonable opinion of the Underwriter, would have or can reasonably be expected to have a material adverse effect on the business or operations of our Group, the success of the IPO, or the distribution or sale of the Issue Shares;

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

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- (d) the approval of Bursa Securities in respect of the Listing or the approval-in-principle of Bursa Securities for the listing and quotation of the entire issued and paid-up share capital of our Company on the ACE Market of Bursa Securities is withdrawn;
- (e) there shall have occurred, or happened any material and adverse change in the business or financial condition of our Company or our Group;
- (f) our Company or any of its subsidiaries becomes insolvent or is unable to pay its debts or admits in writing its inability to pay its debts as they fall due or enters into any composition or arrangement with its creditors or makes a general assignment for the benefit of its creditors;
- (g) there shall have occurred, or happened any of the following force majeure events, if the success of the Public Issue and Offer for Sale is, in the opinion of the Underwriter, seriously jeopardised by:
  - (i) any government requisition or other occurrence of any nature whatsoever which in the opinion of the Underwriter seriously affects or will seriously affect the business and/or financial position of our Group;
  - (ii) any material change or any development involving a prospective change, in national or international monetary, financial, economic or political conditions or exchange control or currency exchange rates (including but not limited to conditions on the stock market in Malaysia or outside of Malaysia, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or the occurrence of any combination of any of the foregoing which would have, or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of our Company or our Group as a whole, the success of the IPO, or the distribution or sale of the Issue Shares, or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms;
  - (iii) any new law or regulation or any change in existing laws or regulations, directive, policy or ruling in any jurisdiction or any change in the interpretation or application thereof by any court or other competent authority, which in the opinion of the Underwriter has or is likely to have a material adverse effect on the condition (financial or otherwise) or the earnings, business affairs or business prospects (whether or not arising in the ordinary course of business) of our Group;
  - (iv) the imposition of any moratorium, suspension or material restriction on trading in securities generally on ACE Market due to exceptional financial circumstances or otherwise;
  - (v) there having been on or prior to the Closing Date and in the reasonable opinion of the Underwriter, any adverse and material change or development reasonably likely to involve a prospective adverse and material change in the financial or business condition of our Group from that set out in the Prospectus which is material in the context of the offering of the Issue Shares and/or Offer Shares thereunder or any occurrence of any event rendering untrue or incorrect or misleading or not complied with to an extent which is material as aforesaid, any of the warranties and representations in the Underwriting Agreement as though given or made on such date;



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

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- (vi) any event or series of events beyond the reasonable control of the Underwriter (including without limitation, acts of government, national disorder, declaration of a state of national emergency, pandemics, acts of terrorism, strikes, lockouts, fire, explosion, earthquake, flooding, civil commotion, acts of war, sabotage, acts of God or accidents) which would have, or can reasonably be expected to have, in the reasonable opinion of the Underwriter, a material adverse effect on, and/or materially prejudice the business or the operations of our Company or our Group as a whole, the success of the IPO, or the distribution or sale of the Issue Shares, or which has or is reasonably likely to have the effect of making any material part of the Underwriting Agreement incapable of performance in accordance with its terms; or
- (vii) if the FTSE Bursa Malaysia Kuala Lumpur Composite Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day on or after the date of the Underwriting Agreement and prior to the allotment of the Issue Shares, lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) Market Days;
- (h) there is any failure on the part of our Company to perform any of its material obligations under the Underwriting Agreement.

**4.11.5** In the event that the Underwriting Agreement is terminated pursuant to the terms and conditions of the Underwriting Agreement, the Underwriter and our Company may confer with a view to deferring the Public Issue by amending its terms or the terms of the Underwriting Agreement and may enter into a new underwriting agreement accordingly, but neither the Underwriter nor our Company shall be under any obligation to enter into a fresh agreement.

**4.11.6** If the Underwriter terminates its obligation pursuant to Section 4.11.4 above, the parties shall be released and discharged from their respective obligations hereunder save for the Underwriter's rights to the following:

- (a) the payment of underwriting commission in accordance with terms of the Underwriting Agreement;
- (b) costs and expenses incurred by the Underwriter in connection with the underwriting of the Underwritten Shares (including late interest payment, if applicable); and
- (c) right to be indemnified by our Company.

#### **4.12 TRADING AND SETTLEMENT IN SECONDARY MARKET**

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

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

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

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

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

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

### 5.1 PROMOTERS AND/OR SUBSTANTIAL SHAREHOLDERS

#### 5.1.1 Promoters' and/or substantial shareholders' shareholdings

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

Name	Place of Incorporation / Nationality	<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and substantial shareholders</b>									
Lew Shoong Kai	Malaysian	139,547,900	42.5	-	-	121,745,900	30.8	-	-
Chew Win Hoe	Malaysian	139,547,900	42.5	-	-	121,745,900	30.8	-	-
<b>Substantial shareholders</b>									
Lagenda Properties	Malaysia	49,252,200	15.0	-	-	49,252,200	12.5	-	-
Lagenda Land Sdn Bhd <sup>(3)</sup>	Malaysia	-	-	49,252,200	15.0	-	-	49,252,200	12.5
Dato' Doh Jee Ming <sup>(4)</sup>	Malaysian	-	-	49,252,200	15.0	-	-	49,252,200	12.5
Dato' Doh Tee Leong <sup>(4)</sup>	Malaysian	-	-	49,252,200	15.0	-	-	49,252,200	12.5
Dato' Doh Jee Chai <sup>(4)</sup>	Malaysian	-	-	49,252,200	15.0	-	-	49,252,200	12.5

#### Notes:

- (1) Based on our share capital of 328,348,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 395,600,000 Shares after our IPO.
- (3) Deemed interested pursuant to Section 8(4) of the Act by virtue of its direct shareholdings in Lagenda Properties.
- (4) Deemed interested pursuant to Section 8(4) of the Act by virtue of their shareholdings in Lagenda Land Sdn Bhd and Setia Awan Plantation Sdn Bhd, which in turn holds 100% equity interest in Doh Capital Sdn Bhd, collectively owning 57.8% interest in Lagenda Properties.

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

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

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**5.1.2 Profiles of Promoters and/or substantial shareholders**

The profile of our other Promoters and/or substantial shareholders are set out below.

**(a) Lew Shoong Kai**

Lew Shoong Kai, a Malaysian male aged 36, is our co-founder and Managing Director. He was appointed to our Board on 9 January 2024. As our Managing Director, he is primarily responsible for crafting our Group's business model, strategic planning of our corporate direction as well as developing growth strategies.

He graduated with a Bachelor of Engineering in Electrical and Electronic Engineering from Sheffield Hallam University, United Kingdom in 2010.

Upon graduation, he began his career in 2011 with Dpstar Thermo Electric Sdn Bhd, an electronics parts supplier, as a Project Engineer. During his tenure in the company, he assisted with project management aspects such as project planning, design, programming and commissioning as well as resource allocation. This position enabled him to gain exposure and develop experience in project planning and site management from participating in electrical engineering projects as well as factory automation projects undertaken by the company.

In 2012, he resigned from Dpstar Thermo Electric Sdn Bhd to join ABB Malaysia Sdn Bhd, an engineering consultancy firm, as Business Development Engineer where his role was focused on identifying potential customers to promote low voltage electrical components produced by the company and secure sales.

In 2014, he left ABB Malaysia Sdn Bhd and co-founded KSI Automation Sdn Bhd with his sister, Lew Fui Shi, where he also assumed the role of director. In 2016, while he was managing KSI Automation Sdn Bhd, he co-founded KSI Electcon Sdn Bhd with his friend, Chew Shean Eng and was also concurrently appointed as its director. KSI Automation Sdn Bhd was principally involved in undertaking automation and controls system projects and trading of electrical components, while KSI Electcon Sdn Bhd was principally involved in undertaking electrical engineering contracts and electrical systems integration projects. He was responsible for managing the daily operations of KSI Automation Sdn Bhd and KSI Electcon Sdn Bhd, including leading business development and forging business relationships with customers and suppliers.

In 2019, he co-founded Northern Solar together with his friends, Chew Win Hoe, Chew Ann Bee, and Chew Shean Eng and was concurrently appointed as a director, after which he gradually ceased the abovementioned business activities of KSI Automation Sdn Bhd in August 2021 and subsequently KSI Electcon Sdn Bhd in August 2023 to focus on the business of Northern Solar. As at LPD, KSI Automation Sdn Bhd is dormant, whereas KSI Electcon Sdn Bhd is only involved in investment of property.

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

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

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**(b) Chew Win Hoe**

Chew Win Hoe, a Malaysian male aged 36, is our co-founder and Executive Director. He was appointed to our Board on 21 February 2024. As our Executive Director, he is responsible for implementing business strategies and spearheading our business development activities, cultivating and maintaining business relationships with customers and suppliers. He also oversees the daily operations of our Group, with a focus on our operational and financial sustainability.

He graduated with a Bachelor of Science in Electronic Engineering from Sheffield Hallam University, United Kingdom in 2010.

Upon graduation, he began his career in 2011 with PAC & Rakan-Rakan Sdn Bhd, an M&E engineering consulting firm, as a Junior Engineer. During his tenure in the company, he was involved in M&E engineering and building automation projects for commercial and residential properties in Klang Valley. His role included managing project schedules by monitoring project progress, coordinating activities of subcontractors at project sites, resolving issues onsite, resource allocation, quality control, M&E system testing and commissioning. His tenure at PAC & Rakan-Rakan Sdn Bhd provided him with a foundation in engineering project management and monitoring.

In 2012, he resigned from PAC & Rakan-Rakan Sdn Bhd and joined Malaysian Solar Resources Sdn Bhd, a company involved in solar PV asset ownership and development, EPCC as well as O&M, as an Assistant Technical Engineer. His role as Assistant Technical Engineer included identifying the technical requirements of solar PV plants in EPCC projects, supervising and monitoring construction site activities in relation to equipment and system installation, testing, commissioning, documentation of system operating procedures, conducting root-cause analysis for system interruption and establishing preventive measures.

In 2015, he resigned from Malaysian Solar Resources Sdn Bhd. He then became a shareholder and was concurrently appointed as a director of MST Multi Construction Sdn Bhd, which was involved in general construction activities. His role was to oversee the day-to-day operations of the company. He ceased managing the company in 2018 and resigned as a director of MST Multi Construction Sdn Bhd in 2019.

In 2018, he incorporated Flow Dimensions Sdn Bhd (formerly known as EZ Con & Engineering Sdn Bhd), which was intending to venture into civil and structural construction subcontracting projects. He was responsible for setting up the business and supervising projects undertaken by the company.

In 2019, he co-founded Northern Solar together with his sibling, Chew Ann Bee and friends, namely Lew Shoong Kai and Chew Shean Eng. He was concurrently appointed as a director of the company. In 2020, he decided to focus on managing Flow Dimensions Sdn Bhd. Upon his resignation as a director of Northern Solar on 11 June 2020 and disposal of his entire equity stake in Northern Solar to his sister, Chew Ann Bee in July 2020, he remained as an employee of the company and continued to assist in project design and business development activities.

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

On 10 November 2022, he resigned as a director of Flow Dimensions Sdn Bhd, as his involvement was no longer required in the company. At the same time, he transferred his entire equity stake to his sister, Chew Ann Bee. Thereafter, he redirected his focus and commitment towards Northern Solar and became actively engaged in developing the company's business strategies and overseeing key projects. Subsequently, on 1 December 2023, Chew Ann Bee transferred her entire stake in Northern Solar to him and he was re-appointed as a director of Northern Solar on 15 December 2023.

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

### (c) Lagenda Properties

Lagenda Properties was incorporated as a private limited company under the Act on 2 January 2001 under the name D.B.E. Gurney Resources Sdn Bhd and was subsequently converted into a public limited company on 6 February 2003. Subsequently, Lagenda Properties adopted its present name on 16 July 2020. Lagenda Properties was listed on the Second Board of Malaysia Securities Exchange Berhad (now known as the Main Market of Bursa Securities) on 11 February 2004.

Lagenda Properties is principally an investment holding company and also undertakes the provision of management consultancy services. The core business of its subsidiaries is in property development, with a focus on affordable housing townships for the lower and middle income homebuyers. For reference, as reported in their annual report 2023, Lagenda Properties launched approximately 3,500 units of homes with a total gross development value of RM722.0 million. As at LPD, Lagenda Properties has a share capital of RM636,005,550 comprising 837,327,181 ordinary shares.

As at LPD, the directors in Lagenda Properties are as follows:

<b>Name</b>	<b>Designation</b>	
Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Bin Hj. Ahmad Badaruddin	Independent Chairman	Non-Executive
Dato' Doh Jee Ming	Managing Director	
Dr. Lim Pang Kiam	Independent Director	Non-Executive
Looi Sze Shing	Independent Director	Non-Executive
Myrzela Binti Sabtu	Independent Director	Non-Executive
Dato' Mohamed Sharil Bin Mohamed Tarmizi	Independent Director	Non-Executive

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

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

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

Name	As at incorporation				<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Promoters and Substantial shareholders</b>												
Lew Shoong Kai	1	100.0	-	-	139,547,900	42.5	-	-	121,745,900	30.8	-	-
Chew Win Hoe	-	-	-	-	139,547,900	42.5	-	-	121,745,900	30.8	-	-
<b>Substantial shareholders</b>												
Lagenda Properties	-	-	-	-	49,252,200	15.0	-	-	49,252,200	12.5	-	-
Lagenda Land Sdn Bhd <sup>(3)</sup>	-	-	-	-	-	-	49,252,200	15.0	-	-	49,252,200	12.5
Dato' Doh Jee Ming <sup>(4)</sup>	-	-	-	-	-	-	49,252,200	15.0	-	-	49,252,200	12.5
Dato' Doh Tee Leong <sup>(4)</sup>	-	-	-	-	-	-	49,252,200	15.0	-	-	49,252,200	12.5
Dato' Doh Jee Chai <sup>(4)</sup>	-	-	-	-	-	-	49,252,200	15.0	-	-	49,252,200	12.5

#### Notes:

- (1) Based on our share capital of 328,348,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 395,600,000 Shares after our IPO.
- (3) Deemed interested pursuant to Section 8(4) of the Act by virtue of its direct shareholdings in Lagenda Properties.
- (4) Deemed interested pursuant to Section 8(4) of the Act by virtue of their shareholdings in Lagenda Land Sdn Bhd and Setia Awan Plantation Sdn Bhd which in turn holds 100% equity interest in Doh Capital Sdn Bhd, collectively owning 57.8% interest in Lagenda Properties.

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

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**5.1.4 Persons exercising control over the corporation**

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

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

Save for the issuance of our Shares as consideration for the Acquisition of Northern Solar, the dividends as set out in Section 12.16 and aggregate remuneration and benefits paid or proposed to be paid for services rendered to our Group in all capacities as disclosed in Section 5.2.4, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

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

### 5.2 DIRECTORS

#### 5.2.1 Directors' shareholdings

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

Name	Designation/ Nationality	<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Amirul Azhar Bin Baharom	Independent Non-Executive Chairman / Malaysian	-	-	-	-	571,400	0.14	-	-
Lew Shoong Kai	Managing Director / Malaysian	139,547,900	42.5	-	-	121,745,900	30.8	-	-
Chew Win Hoe	Executive Director / Malaysian	139,547,900	42.5	-	-	121,745,900	30.8	-	-
Tan Ai Ning	Independent Non-Executive Director / Malaysian	-	-	-	-	158,000	0.04	-	-
Teh Muy Ch'ng	Independent Non-Executive Director / Malaysian	-	-	-	-	160,000	0.04	-	-
Roselinda Binti Mohammad Hashim	Independent Non-Executive Director / Malaysian	-	-	-	-	285,700	0.07	-	-

#### Notes:

- (1) Based on our share capital of 328,348,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 395,600,000 Shares after our IPO.

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

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### 5.2.2 Profiles of Directors

The profiles of Lew Shoong Kai and Chew Win Hoe are set out in Section 5.1.2. The profiles of our other Directors are as follows:

#### (a) Amirul Azhar Bin Baharom

Amirul Azhar Bin Baharom, a Malaysian, aged 51, is our Independent Non-Executive Chairman. He was appointed to our Board on 21 February 2024.

He graduated with a Bachelor of Laws from Staffordshire University, United Kingdom in 1996.

Upon graduation, he began his career in 1997 as a Research Analyst at Cazenove & Co (Malaysia) Sdn Bhd where he was tasked to analyse economic and market trends as well as the financial performance of companies in his research portfolio. He resigned from the company in 1998.

In 1999, he joined the SC as Executive in the Licensing Department and was tasked to provide legal support for licensing matters. In 2003, he resigned from the SC.

Upon resigning from the SC, he joined BDO Capital Consultants Sdn Bhd in the same year as a Manager. In 2004, he was promoted to the position of Executive Director, a position he held until his resignation in 2006. During his tenure at the company, he was responsible for leading corporate advisory engagements in the areas of restructuring, fund raising, valuation and due diligence.

In 2006, he became the Managing Director of Solution Entity Sdn Bhd, a business consultancy services firm that he co-founded in 2005 and was appointed as a director. He was responsible for managing the daily operations of the company, providing business consultancy services to clients of the firm and sourcing for new clients. He ceased to be a Managing Director of the company in 2009.

He then joined KAF Fund Management Sdn Bhd in 2009 in an advisory capacity for the setting up of a private equity fund and subsequently, sourcing for potential deals for the private equity fund to invest in. Between January to May 2010, he was seconded by KAF Fund Management Sdn Bhd to Vastalux Energy Berhad (previously listed on the Main Market of Bursa Securities), being the former's investee company, where he held the position of Group Managing Director and Chief Executive Officer. After the end of his secondment in May 2010, his position at Vastalux Energy Berhad was redesignated to Non-Independent Non-Executive Director, and he remained in that capacity until February 2011.

Upon resigning from KAF Fund Management Sdn Bhd in June 2011, he returned to Solution Entity Sdn Bhd in July 2011 as Managing Director and reprised his previous responsibilities in the company. He resigned as Managing Director of the company in 2015.

In 2015, he was appointed as an Independent Non-Executive Director of Avillion Berhad (then known as Reliance Pacific Berhad before adopting its present name in 2017) which is listed on the Main Market of Bursa Securities. In 2016, he resigned as an Independent Non-Executive Director and was re-designated to the position of Deputy Chief Executive. In 2017, he was appointed as the Acting Group Chief Executive Officer. During his tenure in the company, he was responsible for setting and executing the company's strategic direction and growth plans. He resigned from the company in 2018.

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

Upon resigning from Avillion Berhad, he took a career break where he was only involved in providing business consulting services on an ad-hoc basis.

In 2020, he was appointed as an Executive Director and Chief Executive Officer of Scomi Energy Services Bhd where he was responsible for managing the company's business with a focus on restructuring its financial position and developing growth strategies. He resigned as Chief Executive Officer in February 2024 but remains as an Executive Director of the company to carry out the implementation of its regularisation plan up to date.

In March 2024, he was appointed as a Group Chief Executive Officer of Rohas Technic Berhad. As Group Chief Executive Officer, he is responsible for and manages the overall operations of the business, coordinating the development and implementation of policies and business strategies.

Kindly refer to Section 5.2.3 for his involvement in business activities outside our Group.

**(b) Tan Ai Ning**

Tan Ai Ning, a Malaysian, aged 53, is our Independent Non-Executive Director. She was appointed to our Board on 21 February 2024.

She obtained her qualification with the Institute of Chartered Secretaries and Administrators in 1994, upon which she became an Associate member in 1997 and Fellow member in 2018. In 2002, she graduated with a Bachelor of Laws from the University of London, United Kingdom.

Upon obtaining her qualification with the Institute of Chartered Secretaries and Administrators, she began her career in 1994 as an Assistant at M & C Services Sdn Bhd (now known as Boardroom Corporate Services Sdn Bhd) where she was involved in the provision of corporate secretarial support services to clients of the firm. She resigned from the company in January 1996.

Upon resigning from M & C Services Sdn Bhd, she joined The Pacific Bank Berhad (now part of Malayan Banking Berhad) in the same month as an Executive where she continued to be involved in the provision of corporate secretarial support services to the management of the company. She resigned from the bank in 1999.

In 2000, she joined Signet & Co. Sdn Bhd (now known as Symphony Incorporations Sdn Bhd) as a Manager and oversaw the delivery of corporate secretarial support services to a portfolio of clients assigned to her by the firm.

She resigned from Signet & Co. Sdn Bhd in January 2003 and joined Securities Services (Holdings) Sdn Bhd in May 2003 as a Manager where she continued to manage the delivery of corporate secretarial support services to a portfolio of clients assigned to her by the firm. She resigned from the company in March 2010.

In April 2010, she then joined Boardroom Corporate Services Sdn Bhd as Associate Director. She was promoted to the post of Director in 2013 and continues to hold this position until today. As Director, she leads and manages a team of company secretaries that deliver corporate secretarial support services to a portfolio of clients.

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

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

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**(c) Teh Muy Ch'ng**

Teh Muy Ch'ng, a Malaysian, aged 53, is our Independent Non-Executive Director. She was appointed to our Board on 21 February 2024.

She graduated with a Bachelor of Commerce in Accounting from Curtin University of Technology, Australia in 1994. She has been a Certified Practising Accountant with CPA Australia since 1997 and Chartered Accountant with the Malaysian Institute of Accountants since 1999.

Upon graduation, she began her career in 1994 with KPMG Peat Marwick (now known as KPMG PLT) as an Audit Assistant in the Audit division where she participated in audit engagements on clients of the firm. She was promoted to the position of Audit Semi-Senior in 1997 and subsequently to the position of Audit Senior in 1999, where she supported her manager in leading and managing the audit team on audit assignments. She was then transferred to KPMG Corporate Services Sdn Bhd (now known as KPMG Deal Advisory Sdn Bhd) in 2000 as Senior Consultant and subsequently promoted to Managing Consultant in 2003 and as Associate Director in 2005, where she led and managed matters relating to corporate finance, corporate advisory, cross border transactions as well as mergers and acquisitions.

She resigned from KPMG Corporate Services Sdn Bhd in October 2005 and joined Horwath (now known as Crowe Malaysia PLT) in November 2005 as a Corporate Advisory Services Consultant, where her services were engaged on a consultancy basis. In this role, she continued to specialise in corporate finance, corporate advisory, cross border transactions as well as mergers and acquisitions.

She resigned from Horwath in June 2007 and set up MCT Management Associates in July 2007, an accounting firm where she was the sole proprietor practising as a Chartered Accountant. She left practice and joined KPMG Corporate Services Sdn Bhd (now known as KPMG Deal Advisory Sdn Bhd) in 2010 as a Director before being transferred to KPMG Corporate Advisory Sdn Bhd in 2012 in the same capacity, where she continued to advise clients of the company on corporate advisory matters.

She resigned from KPMG Corporate Advisory Sdn Bhd in March 2022 and joined Midascom Network Sdn Bhd as Executive Director in the same month, where she was responsible for overseeing the accounting and finance, as well as the daily operations of the company. She resigned from the company in 2023.

She was appointed as an Independent Non-Executive Director of Unisem (M) Berhad in 2022 and is a member of the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee and Sustainability Committee.

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

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

**(d) Roselinda Binti Mohammad Hashim**

Roselinda Binti Mohammad Hashim, a Malaysian, aged 53, is our Independent Non-Executive Director. She was appointed to our Board on 21 February 2024.

She graduated from the School of Oriental & African Studies, University of London, United Kingdom with a Bachelor of Laws (Honours) and Masters in Law in 1992 and 1994 respectively. She was called to the Bar of England and Wales, United Kingdom in 1994 and was admitted as an Advocate and Solicitor to the Malaysian Bar in 1996. She subsequently received her licence to act as a Company Secretary from the Companies Commission of Malaysia in 2005.

Upon graduation, she began her career in 1995 with Shearn Delamore & Co as a Legal Assistant, where she supported senior lawyers in providing legal advice on various laws. She resigned from Shearn Delamore & Co in 1998.

Upon leaving Shearn Delamore & Co, she co-founded Hong, Roselinda Hashim & Co, a legal firm where she was appointed as Partner in 1998. As Partner, she was responsible for providing legal advisory services to clients of the firm, business development as well as overseeing the daily operations of the legal firm. She left the firm in 1999 and joined Raslan Loong (now known as Raslan Loong, Shen & Eow) as a Legal Assistant where she was part of the legal team that provided legal advice to clients in the areas of initial public offerings, reverse takeovers, mergers and acquisitions as well as capital market matters. She was promoted to Partner in 2002 and led a mergers and acquisitions team in the firm. She resigned from the firm in 2005.

Upon her resignation from Raslan Loong in 2005, she joined Media Prima Berhad in the same year as Group General Manager of Legal & Secretarial Department. Her role in the company involved providing legal and company secretarial support to the Media Prima Berhad group of companies, ensuring compliance with the Main Market Listing Requirements and coordinating the meetings of the board of directors as well as various committee meetings. She resigned from the company in September 2009.

She then joined Ekuiti Nasional Berhad in October 2009 as Chief Legal Counsel where she was responsible for advising the company on legal matters arising from their investments in investee companies, leading feasibility studies and identifying risks of potential investments, as well as divestments of investments in investee companies. She was promoted to the position of Director of Legal & Corporate Affairs in 2015 and subsequently Senior Director of Legal & Corporate Affairs in 2016. As Senior Director of Legal & Corporate Affairs, she is responsible for strategising and leading the company's legal team on legal compliance matters, overseeing legal governance and compliance among investee companies, company secretarial as well as heading the corporate communications department encompassing the issuance of press releases, managing media, organising press conferences and issuance of annual reports.

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

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

**5.2.3 Principal business performed outside our Group**

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

**(a) Amirul Azhar Bin Baharom**

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
Avid Success Sdn Bhd <sup>(2)</sup>	Investment holding company relating to investment in shares of Vietnamese company	Executive Director	21 June 2023	-	-	-
Galvanising Engineering and Services Sdn Bhd <sup>(6)</sup>	Operation of a hot-dip galvanising plant	Executive Director	15 March 2024	-	-	-
Global Tower Corporation Pty Ltd <sup>(6)</sup>	Provision of telecommunication system and infra network installation service	Executive Director	31 March 2024	-	-	-
HG Transmission Limited <sup>(6)</sup>	Contractor for installing electrical transmission lines and provision of other related services	Executive Director	31 March 2024	-	-	-
HG Transmission Sdn Bhd <sup>(6)</sup>	Contractor for installing electrical transmission lines	Executive Director	15 March 2024	-	-	-
Hydro Haven Sdn Bhd <sup>(6)</sup>	Investment holding company relating to investment in shares of an Indonesian subsidiary	Executive Director	15 March 2024	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Ophir Production Sdn Bhd <sup>(3)</sup>	Dormant. Previously engaged in independent upstream oil and gas exploration and production <sup>(5)</sup>	Executive Director	5 June 2020	-	-	-
PT REI Abadi Indonesia <sup>(6)</sup>	Investment holding of shares in an Indonesian subsidiary and provision of management services	Executive Director	27 May 2024	-	-	-
RBC Water Sdn Bhd <sup>(6)</sup>	Contractor in the implementation of potable and water treatment project	Executive Director	15 March 2024	-	-	-
REI International Holdings Company Limited <sup>(6)</sup>	Investment holding of shares in an Indonesian subsidiary	Executive Director	27 March 2024	-	-	-
REI OOE Consortium Sdn Bhd <sup>(6)</sup>	Purification and distribution of water for water supply purposes; sewerage and similar activities; water main and line construction	Executive Director	16 October 2024	-	-	-
Richfield Construction (M) Sdn Bhd <sup>(2)</sup>	Construction and development properties	Executive Director	10 January 2024	-	-	-
RT Telecom Sdn Bhd <sup>(6)</sup>	Engage in general contractor, network & information technology service activities, and telecommunication service activities	Executive Director	15 March 2024	-	-	-
Scomi Energy Services Bhd (listed on the Main Market of Bursa Securities)	Investment holdings and provision of management services to its subsidiaries	Executive Director <sup>(1)</sup>	18 May 2020	-	-	-

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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Southern Petroleum Transportation Joint Stock Company <sup>(3)</sup>	Engages in the transport of petroleum, gas, and other petrochemical products through its fleet of crude oil and product tankers and offshore support vessels	Executive Director	16 February 2022	-	-	-
<b>Past involvement</b>						
Gemini Sprint Sdn Bhd <sup>(2)</sup>	Dissolved on 22 April 2024.	Executive Director	5 June 2020	22 April 2024	-	-
IAC Electricals (M) Sdn Bhd <sup>(7)</sup>	Transmission Tower	Executive Director	1 April 2024	13 August 2024	-	-
KMCOB Berhad <sup>(2)</sup>	Capital Undertake the issuance of private debt securities in such classes, series, form or denomination and to secure the redemption thereof and the utilisation of proceeds from such issuance and to undertake any refinancing exercise in respect of such private debt securities	Executive Director	5 June 2020	14 October 2022	-	-
Melrose Ventures Sdn Bhd	Global General trading	Non-Executive Director	18 July 2019	31 July 2023	-	-
PT Rig Tenders Indonesia Tbk (company incorporated in Indonesia) <sup>(2)</sup>	Engaged in activities that involve chartering of vessels and accommodation of work barges to offshore oil & gas companies and coal transportation services	Commissioner	19 August 2020	16 November 2021	-	-



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

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
Rohas Tecnic Berhad	Investment holding company, involved in utility infrastructure markets primarily in power and energy, telecommunication and water and sewage.	Independent Non-Executive Director & Non-Independent Executive Director <sup>(4)</sup>	15 March 2013	31 December 2022	-	-
Scomi D & P Sdn Bhd <sup>(2)</sup>	Investment holding company in the business to undertake turnkey services for projects within the marine, oil and gas industries	Executive Director	5 June 2020	7 August 2023	-	-
Scomi Group Bhd	Investment holding and provision of management services relating to hotels, resorts and property management, property and resort development, marina, spa, travel and tour operations, advertising and media services	Independent Non-Executive Director	4 September 2019	31 July 2020	-	-
Scomi Sosma Sdn Bhd <sup>(2)</sup>	Wholesale distribution of chemicals and allied products	Executive Director	5 June 2020	7 August 2023	-	-
UMS-Neiken Group Berhad	Investment holding company with its subsidiaries engaging in the manufacturing, marketing and trading of electrical wiring accessories, power cord sets, cable reels, as well as electrical products, accessories and appliances.	Independent Non-Executive Chairman	13 April 2015	30 April 2024	-	-
Zazh Unggul Sdn Bhd	Dissolved on 13 November 2020	Executive Director	29 June 2012	13 November 2020	10.0%	-

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

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**Notes:**

- (1) He was appointed as an Executive Director on 18 May 2020. Effective 1 July 2020, he served as the Chief Executive Officer until his resignation on 29 February 2024. Notwithstanding his resignation as Chief Executive Officer, he remains as an Executive Director of the company.
- (2) Subsidiaries of Scomi Energy Services Bhd.
- (3) Associate company of Scomi Energy Services Bhd.
- (4) He was appointed as an Independent Non-Executive Director on 15 March 2013. His position was re-designated from Independent Non-Executive Director to Non-Independent Executive Director with effect from 14 April 2022 and he served in that capacity until his resignation on 31 December 2022. Presently, he is the Group Chief Executive Officer effective 1 March 2024.
- (5) In the midst of dissolving.
- (6) Subsidiaries of Rohas Technic Berhad.
- (7) Was a subsidiary of Rohas Technic Berhad during the period he was a director.

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

**(b) Low Shoong Kai**

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
KSI Automation Sdn Bhd	Currently inactive. Previously involved in dealing in automation and control system	Executive Director / Shareholder	5 November 2014	-	99.99	-
KSI Electcon Sdn Bhd	Investment of property	Executive Director / Shareholder	5 January 2016	-	100.0	-
<b><u>Past involvement</u></b>						
Implemente Sdn Bhd	Engineering services; wholesale of electrical component and wiring accessories; other architectural and engineering activities and related technical consultancy	Non-Executive Director	10 September 2020	19 March 2021	-	-
Teluk Intan Solar Bhd	Dissolved on 18 April 2024	Executive Director	17 February 2023	18 April 2024	-	-
Temerloh Solar Bhd	Previously intended for CGPP tender	Executive Director	9 February 2023	15 December 2023	-	-

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

**(c) Chew Win Hoe**

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
MST Multi Construction Sdn Bhd	Building construction works	Shareholder	26 June 2015	26 September 2019 <sup>(1)</sup>	50.0	-
<b><u>Past involvement</u></b>						
D & R Solar Sdn Bhd	Dissolved on 14 March 2022	Non-Executive Director	3 February 2020	12 October 2020	-	-
ED Dimension Engineering	Trading of solar PV components	Sole Proprietor	1 April 2019	7 April 2020	-	-
Flow Dimensions Sdn Bhd	Export and import of construction materials, and construction of buildings <sup>(2)</sup>	Executive Director	13 April 2018	10 November 2022	-	-
NS Powercare	Currently inactive. Previously involved in the provision of O&M services for solar PV equipment	Non-Executive Director	30 May 2019	17 February 2021	-	-
PVI Tech Sdn Bhd	Wholesale of electrical and electronic goods	Non-Executive Director	31 December 2019	8 December 2020	-	-
Teluk Intan Solar Sdn Bhd	Dissolved on 18 April 2024	Executive Director	17 February 2023	18 April 2024	-	-
Temerloh Solar Sdn Bhd	Previously intended for CGPP tender	Executive Director	9 February 2023	15 December 2023	-	-
Virent Energy Sdn Bhd	Business of solar renewables and provision of energy solutions	Non-Executive Director	28 January 2019	6 December 2019	-	-

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

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**Notes:**

- (1) Upon his resignation as an Executive Director in MST Multi Construction Sdn Bhd, Chew Win Hoe is only a shareholder of MST Multi Construction Sdn Bhd as at LPD.
- (2) In the midst of dissolving.

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

**(d) Tan Ai Ning**

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
Boardroom Business Solutions Sdn Bhd	Providing corporate secretarial, accounting and payroll services	Non-Executive Director	28 August 2018	-	-	-
Boardroom Corporate Services Sdn Bhd	Principally provide company secretarial corporate governance, due diligence, training, consultancy services	Executive Director	3 September 2018	-	-	-
Boardroom Corporate Services (Johor) Sdn Bhd	Management consultancy	Non-Executive Director	4 July 2022	-	-	-
Sky Corporate Services Sdn Bhd	Management consultancy	Non-Executive Director	28 August 2018	-	-	-
<b><u>Past involvement</u></b>						
Computime (Malaysia) Sdn Bhd	Research and development on engineering and technology; manufacture of other components for electronic applications; activities of holding companies	Non-Executive Director	14 August 2019	29 January 2020	-	-
VM Andaman Sdn Bhd	Development, holding, and leasing logistics and warehouse properties for long term investment	Non-Executive Director	23 July 2015	31 July 2021	-	-

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

**(e) Teh Muy Ch'ng**

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<b><u>Present involvement</u></b>						
New Ban Loong Holdings Sdn Bhd	Investment holding in unquoted shares	Indirect Shareholder	-	-	-	49.99 <sup>(1)</sup>
Teh Siew Hooi & Sons Sdn Bhd	Investment holding in property development and provision of transport service	Executive Director	12 January 2007	-	-	-
Unisem (M) Berhad (listed on Main Market of Bursa Securities)	Manufacturing of semiconductor devices	Independent Non-Executive Director	9 December 2022	-	-	-
Vacuum Pack Industries Trading Sdn Bhd	Rental of its factory building	Executive Director / Shareholder	12 January 1995	-	23.46	-
<b><u>Past involvement</u></b>						
Teh Muy Ch'ng	Consultancy, management, business support and other related services	Sole Proprietor	16 October 2023	15 October 2024	-	-

**Note:**

- (1) Deemed interested pursuant to Section 8 of the Act by virtue of her interest in Vacuum Pack Industries Trading Sdn Bhd, which in turn holds 49.99% direct interest in New Ban Loong Holdings Sdn Bhd.

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

**(f) Roselinda Binti Mohammad Hashim**

Company	Principal activities	Position held	Date of appointment	Date of resignation/cessation	% of shareholdings held	
					Direct	Indirect
<b>Present involvement</b>						
E-Cap (External) One Sdn Bhd <sup>(1)</sup>	Private equity investments	Non-Executive Director	18 January 2019	-	-	-
E-Cap (External) Two Sdn Bhd <sup>(1)</sup>	Private equity investments	Non-Executive Director	18 January 2019	-	-	-
E-Cap (Internal) Two Sdn Bhd <sup>(1)</sup>	Private equity investments	Non-Executive Director	18 January 2019	-	-	-
E-Cap (Internal) Three Sdn Bhd <sup>(1)</sup>	Private equity investments	Non-Executive Director	18 January 2019	-	-	-
Ekuias Capital Sdn Bhd	Private equity investments	Non-Executive Director	9 September 2024	-	-	-
Sempena Fokus Bhd <sup>(1)</sup>	Investment holding in shares	Non-Executive Director	2 March 2016	-	-	-

**Note:**

(1) Being wholly owned subsidiaries of Ekuias Capital Sdn Bhd, a related company of Ekuiti Nasional Berhad.

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

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As at LPD, the directorships of our Directors in other companies are in compliance with Rule 15.06 of the Listing Requirements as they do not hold more than 5 directorships in public listed companies on Bursa Securities. The involvement of our Directors in those business activities outside our Group and their respective directorships (whichever applicable) outside our Group do not give rise to any conflict of interest situation with our business and do not affect their abilities and commitments to carry out their respective roles in our Group, as:

- (i) Our Independent Non-Executive Directors are not involved in the day-to-day operations of our Group. Their respective involvements in other business activities outside our Group will not affect their contributions to our Group as the activities of those companies are not similar to our Group's business; and
- (ii) Our Managing Director and Executive Director are not involved in the management and day-to-day operations of other businesses outside our Group. Their involvements, if any, will not affect their abilities to perform their roles and responsibilities as well as their contributions to our Group.

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

### 5.2.4 Directors' remuneration and benefits

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

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Group for FYE 2024 and FYE 2025 are as follows:

	<u>Directors' fees</u>	<u>Salaries</u>	<u>Bonuses</u>	<u>Other emoluments<sup>(1)</sup></u>	<u>Benefits-in-kind</u>	<u>Total</u>
	<u>RM'000</u>					
<b>FYE 2024 (Paid)</b>						
Amirul Azhar Bin Baharom	-	-	-	-	-	-
Lew Shoong Kai	-	216	26	105	-	347
Chew Win Hoe	-	216	26	75	-	317
Tan Ai Ning	-	-	-	-	-	-
Teh Muy Ch'ng	-	-	-	-	-	-
Roselinda Binti Mohammad Hashim	-	-	-	-	-	-
<b>FYE 2025 (Proposed)</b>						
Amirul Azhar Bin Baharom	42	-	-	-	-	42
Lew Shoong Kai	-	300	54	-	-	354
Chew Win Hoe	-	300	54	-	-	354
Tan Ai Ning	28	-	-	-	-	28
Teh Muy Ch'ng	28	-	-	-	-	28
Roselinda Binti Mohammad Hashim	28	-	-	-	-	28

**Note:**

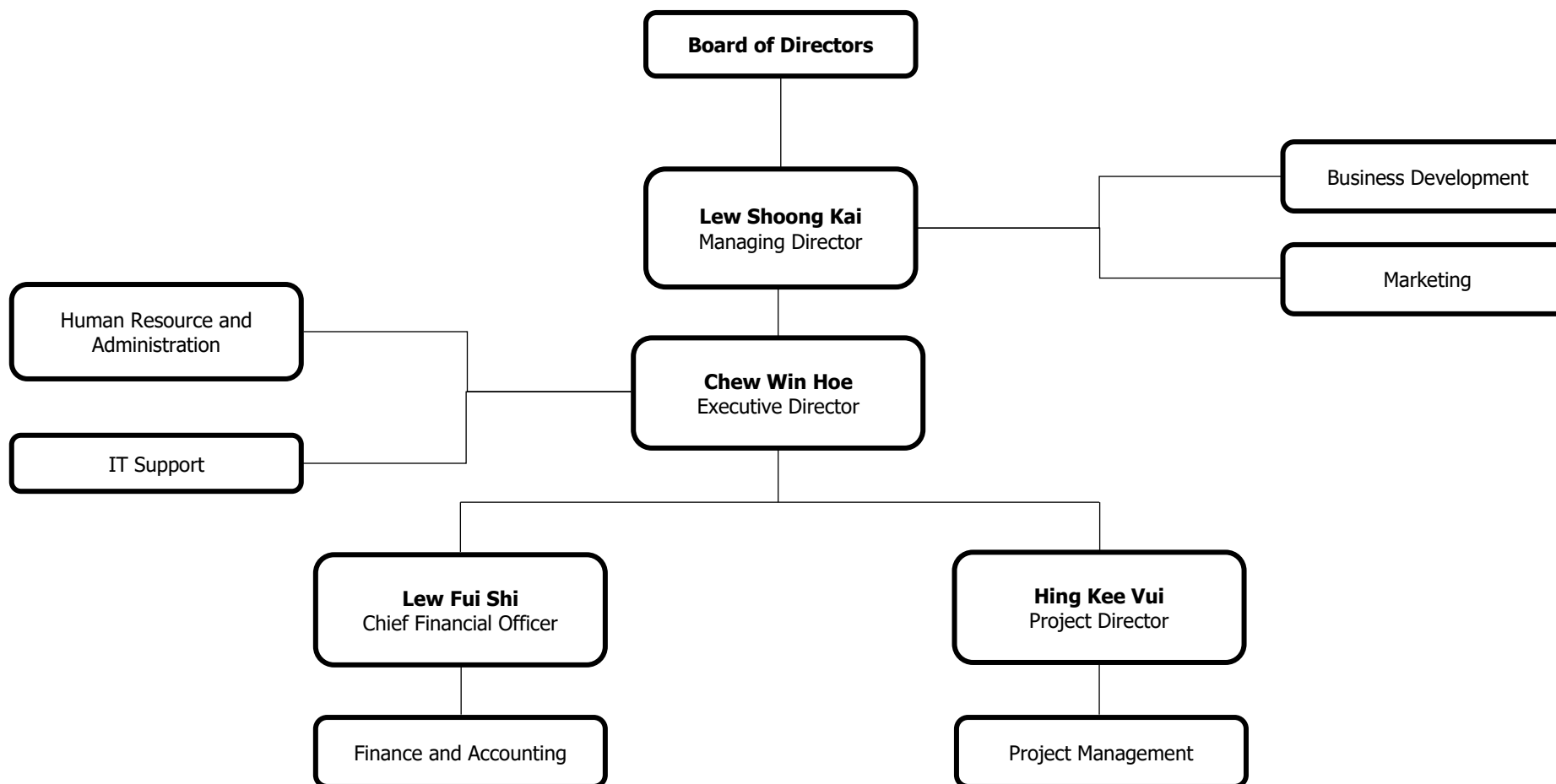
- (1) Includes commission paid by our Group. As at LPD, our Group continues to implement the commission scheme payable to our Directors. The commission rate payable to our Directors varies based on the sales they secure, ranging from 0.2% to 2.0% of the sales value. For avoidance of doubt, this commission scheme is separate from the referral fee programme of the Group which rewards existing customers, other employees, and third parties, as disclosed in Section 12.2.2 (a).

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

**5.3 KEY SENIOR MANAGEMENT**

**5.3.1 Management structure**

The management reporting structure of our Group is as follows:



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

**5.3.2 Key senior management shareholdings**

The shareholdings of our key senior management in our Company before and after our IPO, save for Lew Shoong Kai and Chew Win Hoe, which are disclosed in Sections 5.1.1 and 5.2.1, assuming that they will fully subscribe for their respective entitlements under the Pink Form Allocations are set out below:

Name	Designation/ Nationality	<sup>(1)</sup> Before IPO				<sup>(2)</sup> After IPO			
		Direct		Indirect		Direct		Indirect	
		No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Lew Fui Shi	Chief Financial Officer / Malaysian	-	-	-	-	1,666,000	0.4	-	-
Hing Kee Vui	Project Director / Malaysian	-	-	-	-	1,000,000	0.3	-	-

**Notes:**

- (1) Based on our share capital of 328,348,000 Shares before our IPO.
- (2) Based on our enlarged share capital of 395,600,000 Shares after our IPO.

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

### **5.3.3 Profiles of key senior management**

Save for the profiles of Lew Shoong Kai and Chew Win Hoe, which are set out in Section 5.2.2, the profiles of the other key senior management of our Group are as follows:

#### **(a) Lew Fui Shi**

Lew Fui Shi, a Malaysian female aged 38, is our Chief Financial Officer. She is responsible for our Group's overall accounting and financial matters including financial reporting and planning, corporate finance, taxation, treasury management and internal audit.

She graduated with a Bachelor of Accounting in Information System from Universiti Utara Malaysia in 2009. She was admitted as a Chartered Accountant of the Malaysian Institute of Accountants in 2012.

She began her career in 2009 with J K Huan & Co as an Audit Assistant and was later promoted to Audit Semi-Senior in 2010. During her tenure in the firm, her responsibilities included assisting in planning and organising audit work, as well as undertaking audit procedures for clients in a wide range of industries, such as manufacturing, trading and construction.

In 2011, she resigned from J K Huan & Co and joined Taiko Marketing Sdn Bhd (now known as TMK Chemical Bhd) as a Corporate Service Executive where she was responsible for performing foreign exchange hedging, unit trust, money market deposits, fixed deposits, monitoring group financial cash flow and audit compliance.

Following her resignation from Taiko Marketing Sdn Bhd in March 2013, she joined Ann Joo Management Services Centre Sdn Bhd, a subsidiary of Ann Joo Berhad which is listed on the Main Market of Bursa Securities, as a Senior Treasury where she was similarly tasked to perform foreign exchange hedging, unit trust, money market deposits, fixed deposits, monitoring group cash flow and audit compliance.

She resigned from Ann Joo Management Services Centre Sdn Bhd in September 2013 to join Maxter Glove Manufacturing Sdn Bhd, a subsidiary of Supermax Corporation Berhad, which is listed on the Main Market of Bursa Securities, as an Accounts Executive where she was responsible for preparing monthly management accounts, bank reconciliations, cash positioning reporting, processing payments and reconciliation of monthly closing stocks position. She resigned in 2016.

Subsequent to her resignation from Maxter Glove Manufacturing Sdn Bhd, she began offering her accounting services on a freelance basis and was engaged by several private companies to prepare and manage their full set of accounts. She gradually ceased her freelance services in 2019 before joining Northern Solar.

In 2019, she joined Northern Solar as Finance and Accounts Manager where she was responsible for preparing monthly management accounts, cash flow planning, financial analysis, managing bank borrowings, monitoring project costing, as well as coordinating with auditors, tax agents and financial institutions. While she was attached to Northern Solar, in 2021, she became a shareholder and director of NS Powercare, a company that provided O&M services to Northern Solar. As at LPD, NS Powercare is inactive.

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

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In 2024, she was promoted to the position of Chief Financial Officer of our Group. As at LPD, she remains a director of KSI Automation Sdn Bhd, which she helped set up with Lew Shoong Kai in 2014. She was not involved in the operations of KSI Automation Sdn Bhd.

Kindly refer to Section 5.3.4 for her involvement in other business activities outside our Group.

**(b) Hing Kee Vui**

Hing Kee Vui, a Malaysian male aged 37, is our Project Director. He is responsible for project planning and management, O&M service management, solar PV system design development, procurement and resource allocation, monitoring site construction activities, contracts management and liaising with the relevant authorities for approvals and permits.

He graduated with a Bachelor of Engineering in Electrical and Electronic Engineering from Sheffield Hallam University, United Kingdom in 2010.

Upon graduation, he began his career in 2010 as a Process Engineer for Toshiba Electronics Sdn Bhd where he was responsible for monitoring the semiconductor process line to ensure that the semiconductors produced met the adopted quality control criteria.

In 2011, he resigned from Toshiba Electronics Sdn Bhd and co-founded Fancy Bugs Sdn Bhd, where he was concurrently appointed as a director. He was responsible for promoting the decorative wall paper and sticker products distributed by the company, product development and branding activities.

Following his resignation from Fancy Bugs Sdn Bhd, in 2013, he joined Icon Energy Solutions Sdn Bhd, a solar PV EPCC firm, as a Project Engineer. He was subsequently promoted to the position of Project Manager in 2016. During his tenure at the company, he was involved in solar PV installation projects and was responsible for project management, site surveys to assess its feasibility and suitability for solar PV system installation, ensuring compliance with local authority requirements and industry standards, solar PV system design development, as well as coordinating with the relevant authorities for approvals and permits. He resigned from the firm in 2017.

Subsequently in 2017, he joined Atlantic Blue Sdn Bhd, a subsidiary of Solarvest Holdings Berhad which is listed on the Main Market of Bursa Securities, as Senior Project Development Manager responsible to handle LSS projects. Subsequently he assumed the role of Senior Development Manager to oversee the establishment of the project development department. The department was tasked with managing solar project tenders in the commercial and industrial sector, as well as handling LSS projects in Malaysia and overseas. In his capacity as Senior Project Development Manager, he was responsible for managing project tenders, project budgets and timelines, risk management as well as coordinating between subcontractors, main contractors, consultants, clients and the relevant authorities on project-related matters.

In 2022, he resigned from Atlantic Blue Sdn Bhd to join Northern Solar as Project Director, a position that he continues to hold to date.

As at LPD, he has no involvements in other business activities outside our Group.

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

**5.3.4 Principal business performed outside our Group**

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

The involvement of our key senior management in those business activities outside our Group does not give rise to any conflict of interest situation with our business. Their involvement in those business activities does not require a significant amount of time, and hence does not affect their ability to perform their executive roles and responsibilities to our Group.

**(a) Low Fui Shi**

<u>Company</u>	<u>Principal activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation / cessation</u>	<u>% of shareholding held</u>	
					<u>Direct</u>	<u>Indirect</u>
<b><u>Present involvement</u></b>						
KSI Automation Sdn Bhd	Currently inactive. Previously involved in dealing in automation and control system	Non-Executive Director / Shareholder	5 November 2014	-	0.01	-
NS Powercare	Currently inactive. Previously involved in provision of O&M services for solar PV equipment	Executive Director / Shareholder	17 February 2021	-	50.00	-

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

### 5.3.5 Key senior management remuneration and benefits

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

The aggregate remuneration and material benefits-in-kind (in bands of RM50,000) paid and proposed to be paid to our key senior management (save for our Directors which are disclosed in Section 5.2.4) for services rendered in all capacities to our Group for FYE 2024 to 2025, are as follows:

	Remuneration band <sup>(1)</sup>	
	FYE 2024 (Paid)	FYE 2025 (Proposed) <sup>(2)</sup>
	RM'000	
Lew Fui Shi	150 - 200	300 - 350
Hing Kee Vui	200 - 250	200 - 250

#### Notes:

- (1) The remuneration for key senior management includes salaries, bonuses, allowances and other emoluments.
- (2) The proposed remuneration of our key senior management for FYE 2025 was determined based on, amongst others, their length of service and past performance/contributions to our Group. Any revision to our key senior management's remuneration in the future will be subject to recommendation of our Remuneration Committee and approval by our Board.

## 5.4 BOARD PRACTICE

### 5.4.1 Board

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

- (a) setting the corporate values and promoting together with the senior management, good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour and ensure that its obligations to shareholders and other stakeholders are met.
- (b) reviewing and adopting strategic plan for our Group:
  - (i) review, challenge and decide on management's proposal on a strategic plan for our Group by bringing objectivity and breadth of judgment to the strategic planning process;
  - (ii) review and oversee the implementation of the strategic business plan for our Group to ensure that it supports long-term value creation and includes strategies on economic, environmental, safety & health, social and governance considerations underpinning sustainability;
  - (iii) together with management, take responsibility for the governance of sustainability in our Group including setting our Group's sustainability strategies, priorities and targets; and
  - (iv) monitor the implementation of the strategic plan by the management.



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

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- (c) overseeing the conduct of our Group's business:
  - (i) oversee the conduct of our Group's business, including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management;
  - (ii) approve and monitor progress of major capital expenditure, fund-raising, acquisitions and divestitures;
  - (iii) supervise and assess the performance of the management to determine whether the business is being properly managed and ensure that appropriate measures are in place against which the management's performance can be assessed;
  - (iv) review, challenge and decide on the management's proposals for our Group and monitor its implementation by the management; and
  - (v) monitor compliance with established policies and procedures.
- (d) identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures:
  - (i) understand the principal risks of our Group's businesses and recognise that business decisions involve the taking of appropriate risks;
  - (ii) fulfil statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of our Group and ensuring that internal control procedures are in place;
  - (iii) set the risk appetite within which our Board expects the management to operate and ensure that there is a sound risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks; and
  - (iv) comply with environment, safety and health legislation by understanding the operations being carried out by employees and the hazards and risks associated with such operations.
- (e) succession planning:
  - (i) ensure the senior management has the necessary skills and experience; and
  - (ii) ensure measures are in place to provide for orderly succession planning of our Board and senior management, including appointing, training, fixing the compensation of and, where appropriate, replacing the senior management.
- (f) overseeing the development and implementation of a stakeholder communications policy for our Group:
  - (i) ensure that our Group has in place a policy to enable effective communication with its stakeholders. This policy should include how feedback received from its stakeholders is considered by our Group when making business and other decisions; and

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

- (ii) ensure that our Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.
- (g) reviewing the adequacy and the integrity of the management information and internal control systems of our Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines:
  - (i) ensure that there is a sound framework of reporting on internal controls and regulatory compliance;
  - (ii) review the efficiency and quality of our Group's financial reporting process and systems of accounting and internal controls; and
  - (iii) ensure the integrity of our Group's financial and non-financial reporting and ensure that all our Directors are able to understand financial statements and form a view on the information presented.

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

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

<b>Name</b>	<b>Date of appointment</b>	<b>Date of expiration of the current term in office</b>	<b>Approximate no. of months in office as at LPD</b>
Amirul Azhar Bin Baharom	21 February 2024	At our second AGM to be held in 2025	9
Lew Shoong Kai	9 January 2024	At our second AGM to be held in 2025	11
Chew Win Hoe	21 February 2024	At our third AGM to be held in 2026	9
Tan Ai Ning	21 February 2024	At our third AGM to be held in 2026	9
Teh Muy Ch'ng	21 February 2024	At our fourth AGM to be held in 2027	9
Roselinda Binti Mohammad Hashim	21 February 2024	At our fourth AGM to be held in 2027	9

The members of our Board are set out in Section 5.2.

Our Board acknowledges and takes cognisance of the Malaysian Code on Corporate Governance ("**MCCG**") which contains best practices and guidance for listed companies to improve upon or to enhance their corporate governance as it forms an integral part of their business operations and culture.

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

Our Board believes that our current Board composition provides an appropriate balance in terms of skills, knowledge and experience to promote the interest of all shareholders and to govern our Group effectively. Our Company has adopted the recommendations under the MCGG that at least half of the Board comprises Independent Non-Executive Directors, that our chairman of the Board should not be a member of our Audit and Risk Management Committee, Nomination Committee or Remuneration Committee, and to have at least 30% women directors on our Board.

### 5.4.2 Audit and Risk Management Committee

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

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Teh Muy Ch'ng	Chairperson	Independent Non-Executive Director
Roselinda Binti Mohammad Hashim	Member	Independent Non-Executive Director
Tan Ai Ning	Member	Independent Non-Executive Director

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

The key duties and responsibilities of our Audit and Risk Management Committee include, amongst others, the following:

- (a) to review the following and report the same to our Board with the external auditors:
  - (i) the audit plan and audit report and the extend of assistance rendered by the employees of our Company;
  - (ii) their evaluation of the system of internal controls;
  - (iii) the audit fee and on matter regarding their suitability for nomination, appointment and re-appointment and any issue regarding resignation or dismissal;
  - (iv) issues and matters arising from the audit;
  - (v) the management letter and the management's response; and
  - (vi) to perform annual assessment on their competencies, objectivity and independence.
- (b) to review the following and report the same to our Board with the internal auditors:
  - (i) to review the adequacy of the scope, the function, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
  - (ii) the internal audit plan, processes, the results of the internal audit assessment including the recommendations and appropriateness of the actions taken;
  - (iii) the extend of assistance rendered by the employees of our Company; and
  - (iv) to review any appraisal or assessment of the performance of members of the internal audit function.

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

- (c) to review and approve our quarterly results and annual financial statements for recommendation to our Board, focusing in particular on:
  - (i) any changes in or implementation of major accounting policies;
  - (ii) significant and unusual events or transactions, significant adjustments arising from the audit and how these matters are addressed;
  - (iii) going concern assumption; and
  - (iv) compliance with accounting standards and other regulatory or legal requirements.
- (d) the related party transaction and conflict of interest situation that arose, persist or may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity and the measures taken to resolve, eliminate, or mitigate such conflicts.
- (e) to oversee and recommend the risk management policies and procedures of our Group.
- (f) to review the principal risks of our Group and recommend and ensure the implementation of an appropriate risk management framework and policies for our Group to mitigate / manage such risks.
- (g) to assess the quality, effectiveness and efficiency of our internal controls and advise our Board on setting appropriate policies on internal control.
- (h) to review and deliberate on reports on significant risk findings and recommendations.
- (i) to determine the level of risk tolerance and actively identify, assess and monitor key business risks to safeguard the shareholders' investments and our Company's assets.
- (j) to ensure that our Board conducts an annual review and periodic testing of our internal control and risk management.
- (k) to review the Audit and Risk Management Committee's reporting and the statement with regard to the state of internal controls and risk management of our Group for inclusion in the annual report for the relevant financial year and report the same to our Board.
- (l) to discuss problems and reservations arising from the interim and final audits, and any matter that the external auditor may wish to raise (in the absence of management, where necessary).
- (m) to review and recommend for our Board's approval, the provision of non-audit services by the external auditors and to ensure that adequate safeguard in place so that the provision for non-audit services does not create conflicts of interest with the independent judgement of the external auditors.

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

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

### 5.4.3 Nomination Committee

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

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Tan Ai Ning	Chairperson	Independent Non-Executive Director
Teh Muy Ch'ng	Member	Independent Non-Executive Director
Roselinda Binti Mohammad Hashim	Member	Independent Non-Executive Director

Our Nomination Committee undertakes, among others, the following functions:

- (a) Assessment of board composition
  - (i) establish a policy formalising our Group's approach to boardroom diversity (including diversity in gender, nationality, age, culture and socio-economic backgrounds);
  - (ii) annually review and recommend to our Board the appropriate size, structure, balance and composition of our Board, required mix of skills, experience and other qualities, including core competencies which Non-Executive Directors shall bring to our Board to ensure that they are in line with our Company and our Group's requirements and is in compliance with the Listing Requirements;
  - (iii) consider and recommend any policy regarding the period of service of Non-Executive Directors, and the term of office of Board Committee members, including Chairmen of Board Committees; and
  - (iv) ensure periodic reviews of the term of office, and terms of reference of all Board Committees assisted by our Company Secretary.
- (b) Appointments
  - (i) consider and recommend to our Board the selection criteria for new appointment as Directors of our Company which may include:
    - required skills, knowledge, expertise and experience;
    - time commitment, character, professionalism and integrity (probity, financial integrity and personal integrity);
    - ability to work cohesively with other members of our Board;
    - specialist knowledge or technical skills in line with our Group's strategy;
    - diversity in age, gender, skills, experience, cultural background and other factor(s) that will best qualify a nominee to serve on our Board;
    - number of directorships in companies outside our Group; and
    - ability to discharge such responsibilities/functions as expected, particularly for independent non-executive Directors.
  - (ii) consider and recommend to our Board the composition of our Board which must comprise at least 2 Directors or one-third (1/3) of our Board, whichever is higher, are Independent Directors;
  - (iii) consider and recommend suitable persons to be appointed as Directors of our Company and members of our Board Committees; and

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

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- (iv) appointment of key management positions:
  - review and if deemed appropriate, endorse for our Board's approval on the appointment, evaluation, promotion, resignation, disciplinary actions and termination of the key positions of our Company.
  
- (c) Retirement and re-election
  - (i) ensure that every Director, including the Executive Directors, shall be subject to retirement at least once every 3 years. A retiring Director shall be eligible for re-election; and
  - (ii) recommend to our Board, re-election of Directors by shareholders. In instances where an Independent Non-Executive Directors is to be retained beyond 9 years, our Nomination Committee shall conduct an assessment of our Independent Non-Executive Director(s) and recommend to our Board whether they shall remain Independent or be re-designated as a Non-Independent Non- Executive Director.
  
- (d) Succession planning
  - (i) our Chairman shall assist our Nomination Committee in ensuring that an appropriate succession planning framework, talent management and human capital development programme is in place for the position of the Chairman and key positions, and be appraised of the progress of the programme on a regular basis, and at least once a year; and
  - (ii) oversee succession planning for our Chairman and Directors.
  
- (e) Annual performance assessment
  - (i) assist our Board in establishing procedures and processes towards an annual assessment of the effectiveness of our Board as a whole and each Board Committee (including its size and composition), as well as the contribution of each individual Director. Results of evaluation shall be properly documented and disclosed in the annual report;
  - (ii) consider and recommend to our Board an annual assessment of the Independent Directors of our Company;
  - (iii) develop, maintain and review the criteria for evaluating Board and Board Committees' and each individual Director's performance; and
  - (iv) ensure that appropriate actions are taken based on the results of the annual assessments, to continuously enhance our Board's overall performance and identify opportunities for improvement.
  
- (f) Training and development
  - (i) recommend suitable orientation and training programmes to continuously train and equip existing Directors, where necessary;
  - (ii) arrange, with management, induction programmes for newly appointed Directors to familiarise themselves with the operations, products and services of our Group through briefings by the relevant management teams; and

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

- (iii) ensure a statement is made by our Board in our Company's annual report, containing a brief description on the type of training attended by Directors during the financial year.

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

### 5.4.4 Remuneration Committee

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

<b>Name</b>	<b>Designation</b>	<b>Directorship</b>
Roselinda Binti Mohammad Hashim	Chairperson	Independent Non-Executive Director
Teh Muy Ch'ng	Member	Independent Non-Executive Director
Tan Ai Ning	Member	Independent Non-Executive Director

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits. The Remuneration Committee's duties and responsibilities as stated in its terms of reference include, amongst others, the following:

- (a) to assist our Board in determining the remuneration of our Executive Directors and key senior management. In fulfilling this responsibility, our Remuneration Committee is to ensure that our Executive Directors and our key senior management:
- (i) are fairly rewarded for their individual contributions to overall performance;
  - (ii) that the compensation is reasonable in light of our business strategy and long-term objectives; and
  - (iii) that the compensation is similar to other companies of similar size in the same industry.
- (b) to review and recommend on an annual basis, the performance of our Directors and our senior management, and recommend to our Board specific adjustments in remuneration and/or reward payments to be passed at a general meeting.
- (c) to establish our Executive Director's goals, objectives and key performance indicators.
- (d) to review our Executive Director's performance against the goals, objectives and key performance indicators set.
- (e) to ensure that the remuneration packages and benefits for Independent Non-Executive Directors do not conflict with their obligations to bring objective and independent judgement to our Board. Independent Non-Executive Directors should not be over-compensated to the extent that their independence may be compromised.
- (f) to assist our Board in discharging their responsibilities to, amongst others, compensation strategy, management development and other compensation arrangements.

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

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

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**5.5 RELATIONSHIPS AND/OR ASSOCIATIONS**

Save for Lew Shoong Kai and Lew Fui Shi who are brother and sister, there are no other family relationships and/or association between or amongst our Promoters, substantial shareholders, Directors and key senior management as at LPD.

**5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS**

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

**5.7 DECLARATIONS FROM PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT**

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

- (a) in the last 10 years, a petition under any bankruptcy or insolvency law filed (and not struck out) against him or any partnership in which he was a partner or any corporation of which he was a Director or a member of key senior management;
- (b) disqualified from acting as a Director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (c) in the last 10 years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;
- (d) in the last 10 years, any judgment that was entered against him, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his part, involving a breach of any law or regulatory requirement that relates to the capital market;
- (e) in the last 10 years, was the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his part that relates to the capital market;
- (f) being the subject of any order, judgment or ruling of any court, government, or regulatory authority or body temporarily enjoining him from engaging in any type of business practice or activity;
- (g) in the last 10 years, has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and
- (h) has any unsatisfied judgment against him.

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## 6. INFORMATION ON OUR GROUP

### 6.1 INFORMATION ON OUR GROUP

Our Company was incorporated in Malaysia under the Act on 9 January 2024 as a private limited company under the name of Northern Solar Holdings Sdn Bhd. On 20 March 2024, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiaries, we are principally involved in the EPCC of solar PV systems, generation of renewable energy as well as O&M of solar PV equipment and systems. Please refer to Section 7.1 for detailed information of our Group's history.

As at LPD, our share capital is RM14,874,165 comprising 328,348,000 Shares, which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

<b>Date of allotment</b>	<b>No. of Shares allotted</b>	<b>Consideration/ Types of issue</b>	<b>Cumulative share capital RM</b>
9 January 2024	1	RM1 / Subscriber's share in cash	1
11 October 2024	328,347,999	RM14,874,164 / Consideration for the Acquisition of Northern Solar	14,874,165

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

Upon completion of our IPO, our enlarged share capital will increase to RM57,242,925 comprising 395,600,000 Shares.

#### Submission of previous material corporate proposal

In March 2024, we submitted an application to Bursa Securities on the admission to the Official List of ACE Market and the listing of and quotation for our entire enlarged issued share capital on the ACE Market ("**Previous Submission**"). However, in April 2024, Bursa Securities had returned the Previous Submission in view of, among others, the Company and the Sponsor had yet to obtain the requisite approval from other sectoral regulator, namely ST, in relation to the changes in shareholdings arising from the Acquisition of Northern Solar.

## 6.2 DETAILS OF THE PRE-IPO INVESTMENT AND ACQUISITIONS

### 6.2.1 Pre-IPO changes in the shareholdings of Northern Solar

Prior to 1 December 2023, the shareholders of Northern Solar were Lew Shoong Kai and Chew Ann Bee (each holding 500,000 Northern Solar shares or 50.0% equity interest).

On 1 December 2023, Chew Ann Bee transferred 425,000 Northern Solar shares to Chew Win Hoe and retained the remaining 75,000 Northern Solar shares. On 1 December 2023, Lew Shoong Kai and Chew Ann Bee also entered into a share sale agreement to dispose a total of 150,000 Northern Solar shares (each disposing 75,000 Northern Solar shares), representing an aggregate of 15.0% equity interest in Northern Solar to Lagenda Properties for a total disposal consideration of RM15.1 million, which was completed on 15 December 2023.

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

The resulting shareholdings in Northern Solar are as follows:

<b>Shareholders</b>	<b>No. of Northern Solar shares</b>	<b>%</b>
Lew Shoong Kai	425,000	42.5
Chew Win Hoe	425,000	42.5
Lagenda Properties	150,000	15.0
	<b>1,000,000</b>	<b>100.0</b>

**6.2.2 Details of the Acquisitions**

In preparation for our Listing, we have undertaken the Acquisitions as follows:

**(a) Acquisition of Northern Solar**

On 18 March 2024, we entered into a conditional share sale agreement with Lew Shoong Kai, Chew Win Hoe and Lagenda Properties to acquire the entire equity interest in Northern Solar comprising 1,000,000 ordinary shares for a purchase consideration of RM14.9 million which was satisfied by the issuance of 328,347,999 new Shares to Lew Shoong Kai, Chew Win Hoe and Lagenda Properties at an issue price of approximately RM0.0453 each.

<b>Vendors</b>	<b>Shareholdings in Northern Solar</b>		<b>Purchase consideration RM</b>	<b>No. of Shares issued</b>
	<b>No. of shares acquired</b>	<b>% of share capital</b>		
Lew Shoong Kai	425,000	42.5	6,321,520	139,547,899
Chew Win Hoe	425,000	42.5	6,321,520	139,547,900
Lagenda Properties	150,000	15.0	2,231,124	49,252,200
	<b>1,000,000</b>	<b>100.0</b>	<b>14,874,164</b>	<b>328,347,999</b>

The purchase consideration of RM14.9 million for the Acquisition of Northern Solar was arrived at on a willing-buyer willing-seller basis after taking into consideration the audited NA of Northern Solar of RM14.9 million as at 30 September 2023.

**(b) Acquisition of Norwatt Power**

On 18 March 2024, we entered into a conditional share sale agreement with NS Powercare to acquire 51.0% equity interest in Norwatt Power comprising 510,000 ordinary shares for a cash consideration of RM510,000. The purchase consideration for the Acquisition of Norwatt Power was arrived at on a willing-buyer willing-seller basis after taking into consideration the audited net liabilities of Norwatt Power of RM17,551 as at 31 March 2023 and the subsequent issuance of share capital amounting to RM1.0 million.

The Acquisitions are subject to the following conditions precedent, as stipulated under the respective conditional share sale agreements:

- Bursa Securities' approval for the Listing being obtained;
- approval/ confirmation of no objection from ST in respect of the change in shareholdings of Northern Solar and the Listing; and
- other approvals required in relation to the Acquisitions being obtained, if any.

ST had, vide its letter dated 30 May 2024, approved the change in shareholdings of Northern Solar pursuant to the Listing.

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

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The Acquisitions were completed on 11 October 2024. Thereafter, Northern Solar became our wholly-owned subsidiary and Norwatt Power became our 51.0%-owned subsidiary. Accordingly, Engtex Energy became our 20.0%-owned associate company through Northern Solar.

The new Shares issued pursuant to the Acquisition of Northern Solar shall rank equally in all respects with our existing Shares including voting rights and are entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of allotment of the new Shares.

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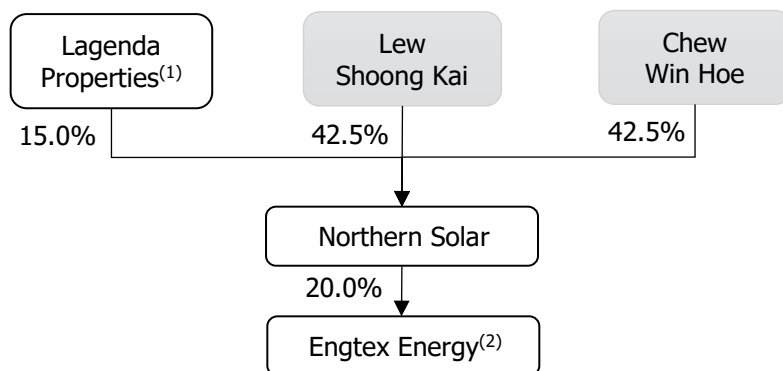
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## 6. INFORMATION ON OUR GROUP (Cont'd)

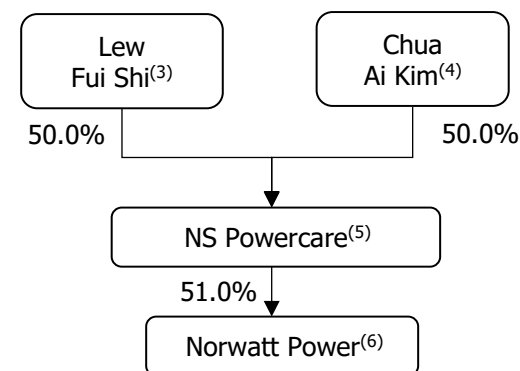
### 6.3 GROUP STRUCTURE

#### Before the Acquisitions

#### (a) Northern Solar Group Structure



#### (b) Norwatt Power Group Structure



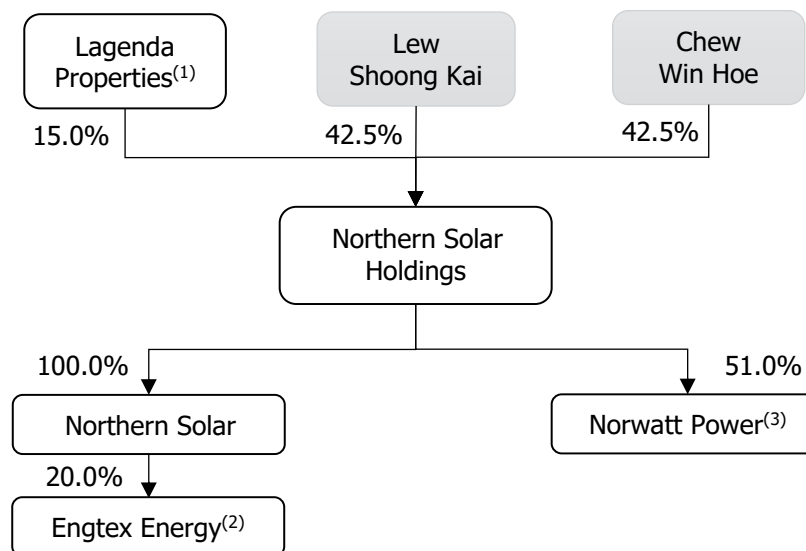
#### Notes:

Promoters.

- (1) The substantial shareholders of Lagenda Properties as at LPD are Lagenda Land Sdn Bhd, Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai.
- (2) The remaining 80.0% shareholdings in Engtex Energy are held by Engtex Group Berhad, a company listed on the Main Market of Bursa Securities. The substantial shareholders of Engtex Group Berhad as at LPD are NH Holdings Sdn Bhd, NKG Resources Sdn Bhd, Tan Sri Dato' Ng Hook, Puan Sri Datin Yap Seng Kuan and Dato' Lim Kiam Lam.
- (3) Being the sister of Lew Shoong Kai.
- (4) Being the mother of Chew Win Hoe.
- (5) Inactive.
- (6) The remaining 49.0% shareholdings in Norwatt Power are held by Tew Liang Tze (24.0%) and Hawthorne Solar Sdn Bhd (formerly known as Rocky Builders Construction Sdn Bhd) (25.0%). As at LPD, the sole shareholder and sole director of Hawthorne Solar Sdn Bhd is Hawthorne Capital Sdn Bhd and Y.A.M. Tengku Fahad Mua'Adzam Shah Ibni Sultan Haji Ahmad Shah respectively. As at LPD, the sole shareholder of Hawthorne Capital Sdn Bhd is Y.A.M. Tengku Fahad Mua'Adzam Shah Ibni Sultan Haji Ahmad Shah and the directors of Hawthorne Capital Sdn Bhd are Y.A.M. Tengku Fahad Mua'Adzam Shah Ibni Sultan Haji Ahmad Shah and Tengku Aidy Ahmad Shah Bin Tengku Kamil Ismail.

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

**After the Acquisitions but before our IPO**



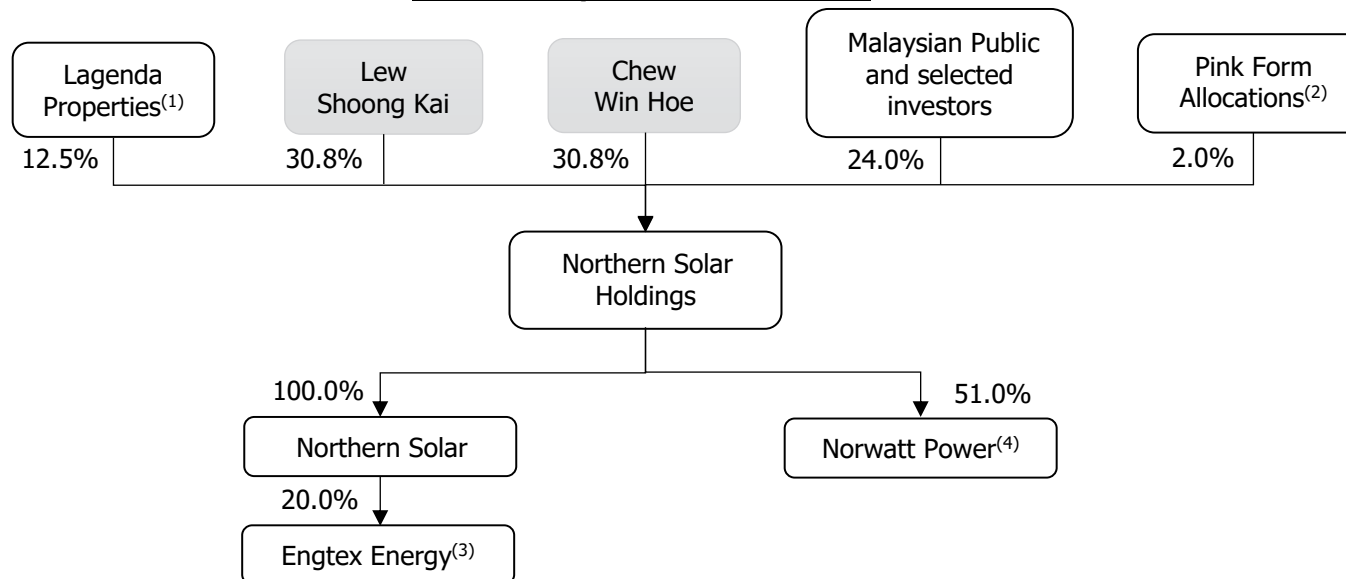
**Notes:**

Promoters.

- (1) The substantial shareholders of Lagenda Properties as at LPD are Lagenda Land Sdn Bhd, Dato’ Doh Jee Ming, Dato’ Doh Tee Leong and Dato’ Doh Jee Chai.
- (2) The remaining 80.0% shareholdings in Engtex Energy are held by Engtex Group Berhad, a company listed on the Main Market of Bursa Securities. The substantial shareholders of Engtex Group Berhad as at LPD are NH Holdings Sdn Bhd, NKG Resources Sdn Bhd, Tan Sri Dato’ Ng Hook, Puan Sri Datin Yap Seng Kuan and Dato’ Lim Kiam Lam.
- (3) The remaining 49.0% shareholdings in Norwatt Power are held by Tew Liang Tze (24.0%) and Hawthorne Solar Sdn Bhd (formerly known as Rocky Builders Construction Sdn Bhd) (25.0%). As at LPD, the sole shareholder and sole director of Hawthorne Solar Sdn Bhd is Hawthorne Capital Sdn Bhd and Y.A.M. Tengku Fahad Mua’Adzam Shah Ibni Sultan Haji Ahmad Shah respectively. As at LPD, the sole shareholder of Hawthorne Capital Sdn Bhd is Y.A.M. Tengku Fahad Mua’Adzam Shah Ibni Sultan Haji Ahmad Shah and the directors of Hawthorne Capital Sdn Bhd are Y.A.M. Tengku Fahad Mua’Adzam Shah Ibni Sultan Haji Ahmad Shah and Tengku Aidy Ahmad Shah Bin Tengku Kamil Ismail.

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

**After the Acquisitions and our IPO**



**Notes:**

Promoters.

- (1) The substantial shareholders of Lagenda Properties as at LPD are Lagenda Land Sdn Bhd, Dato' Doh Jee Ming, Dato' Doh Tee Leong and Dato' Doh Jee Chai.
- (2) Assuming that all eligible Directors, employees and persons who have contributed to the success of our Group will subscribe for the Pink Form Allocations.
- (3) The remaining 80.0% shareholdings in Engtex Energy are held by Engtex Group Berhad, a company listed on the Main Market of Bursa Securities. The substantial shareholders of Engtex Group Berhad as at LPD are NH Holdings Sdn Bhd, NKG Resources Sdn Bhd, Tan Sri Dato' Ng Hook, Puan Sri Datin Yap Seng Kuan and Dato' Lim Kiam Lam.
- (4) The remaining 49.0% shareholdings in Norwatt Power are held by Tew Liang Tze (24.0%) and Hawthorne Solar Sdn Bhd (formerly known as Rocky Builders Construction Sdn Bhd) (25.0%). As at LPD, the sole shareholder and sole director of Hawthorne Solar Sdn Bhd is Hawthorne Capital Sdn Bhd and Y.A.M. Tengku Fahad Mua'Adzam Shah Ibni Sultan Haji Ahmad Shah respectively. As at LPD, the sole shareholder of Hawthorne Capital Sdn Bhd is Y.A.M. Tengku Fahad Mua'Adzam Shah Ibni Sultan Haji Ahmad Shah and the directors of Hawthorne Capital Sdn Bhd are Y.A.M. Tengku Fahad Mua'Adzam Shah Ibni Sultan Haji Ahmad Shah and Tengku Aidy Ahmad Shah Bin Tengku Kamil Ismail.

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

Details of our subsidiaries and associated company as at LPD are set out below:

**6.4.1 Subsidiaries**

<b>Company/ Registration No.</b>	<b>Date/ Place of incorporation</b>	<b>Principal place of business</b>	<b>Issued share capital</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
			<b>RM</b>	<b>%</b>	
Northern Solar/ 201901040021 (1349351-T)	5 November 2019/ Malaysia	Malaysia	1,000,000	100.0	Provision of EPCC services for solar PV systems, O&M of solar PV equipment and systems, as well as generation of electricity
Norwatt Power/ 202101015779 (1416079-K)	27 April 2021/ Malaysia	Malaysia	1,000,000	51.0	Dormant. Intended activity is solar PV systems developer for public sector <sup>(1)</sup>

**6.4.2 Associated company**

<b>Company/ Registration No.</b>	<b>Date/ Place of incorporation</b>	<b>Principal place of business</b>	<b>Issued share capital</b>	<b>Effective equity interest</b>	<b>Principal activities</b>
			<b>RM</b>	<b>%</b>	
<b>Associated company of Northern Solar</b>					
Engtex Energy/ 200201017260 (584923-X)	2 July 2002/ Malaysia	Malaysia	1,000,000	20.0	Specialist in solar PV industry, develop solar energy system and other renewable energy <sup>(2)</sup>

**Notes:**

- (1) As at LPD, Norwatt Power has not initiated any discussions or planning for tendering public sector projects. However, Norwatt Power intends to pursue such opportunities in the future.
- (2) Engtex Energy commenced operations in 2023 as a solar PV asset developer under a joint venture between Engtex Group Berhad as asset owner and Northern Solar as the EPCC contractor. As at LPD, the company is developing solar PV assets in Kuala Lumpur and Johor Bahru, which are also owned by the company.

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

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

### 6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to the date of this Prospectus:

- (a) Shareholders' Agreement dated 10 July 2023 between Engtex Group Berhad, Northern Solar and Engtex Energy ("**SHA**") entered into by the parties to record the arrangements agreed to between them in relation to their participation in the business affairs of Engtex Energy. The parties have subsequently entered into the first supplemental agreement dated 9 November 2023 and the second supplemental agreement dated 14 November 2023 to vary and amend certain terms of the SHA;
- (b) Share sale and purchase agreement dated 15 December 2023 between Northern Solar (as vendor) and Praise Acres Sdn Bhd ("**Praise Acres**") (as purchaser) in relation to the disposal of 50 ordinary shares in Temerloh Solar Sdn Bhd ("**Temerloh Solar**"), representing 50% equity interest in Temerloh Solar Sdn Bhd for the sale consideration of RM50. The agreement was completed on 15 December 2023.

Praise Acres was incorporated in Malaysia under the Companies Act 1965 on 13 December 2011 and deemed registered under the Act. Praise Acres is principally involved in dealing in logging and timber trading based in Pahang. Further, Praise Acres is not a related party to our Group.

Temerloh Solar was incorporated in Malaysia under the Act on 9 February 2023 as a special purpose vehicle company between Northern Solar and Praise Acres with the intention to undertake CGPP projects. Subsequently, Northern Solar decided to dispose its entire equity interest in Temerloh Solar as there was no progress in obtaining any CGPP projects by Temerloh Solar;

- (c) Letter dated 15 December 2023 from Lagenda Properties to Northern Solar granting Northern Solar a right of first refusal to undertake installation services of solar panels in premises fully owned or developed by Lagenda Properties group of companies or for any residential or commercial development projects which Lagenda Properties group of companies is fully or substantially in control, based on competitive terms and fair market price and further right to match if Lagenda Properties receives from third party a better offer. The offer is valid for 5 years from 15 December 2023, or when Lagenda Properties is no longer a shareholder of Northern Solar or the Company, whichever is later;
- (d) Conditional share sale agreement dated 18 March 2024 entered into between our Company, Lew Shoong Kai, Chew Win Hoe and Lagenda Properties in relation to the Acquisition of Northern Solar, which was completed on 11 October 2024;
- (e) Conditional share sale agreement dated 18 March 2024 entered into between our Company and NS Powercare in relation to the Acquisition of Norwatt Power, which was completed on 11 October 2024;
- (f) Shareholders' Agreement dated 11 October 2024 entered into between our Company, Tew Liang Tze and Hawthorne Solar Sdn Bhd to regulate our relationship as shareholders of Norwatt Power; and
- (g) Underwriting agreement dated 21 November 2024 between our Company and M&A Securities for the underwriting of 27,692,000 Issue Shares for an underwriting commission of 3.0% of the IPO Price multiplied by the number of Issue Shares underwritten.



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

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**6.6 PUBLIC TAKE-OVERS**

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

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

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

### 6.7 MAJOR APPROVALS AND LICENCES

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

No.	Licensee	Issuing authority/ Country	Date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(a)	Northern Solar	Majlis Bandaraya Petaling Jaya	27 December 2023 / 31 December 2024 <sup>(1)</sup>	Trade, business and industries licence for management office at B-1-01, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor	N/A	N/A
		Licence Account No: L2540000671521				
(b)	Northern Solar	Majlis Bandaraya Petaling Jaya	10 January 2024 / 31 December 2024 <sup>(1)</sup>	Trade, business and industries licence for management office at B-1-03, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor	N/A	N/A
		Licence Account No: L2540000671970				
(c)	Northern Solar	Majlis Bandaraya Petaling Jaya	13 May 2024 / 31 December 2024 <sup>(1)</sup>	Trade, business and industries licence for management office at B-1-09, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor	N/A	N/A
		Licence Account No: L2540000675911				
(d)	Northern Solar	Majlis Bandaraya Petaling Jaya	7 November 2024 / 31 December 2025	Trade, business and industries licence for management office at Units 8-01 and 8-02, Level 8, Menara Lagenda, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor	N/A	N/A
		Licence Account No: L2540000680465				

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
(e)	Northern Solar	Majlis Bandaraya Johor Bahru  Licence Account No: L2023LI04721	11 June 2024 / 11 July 2025	Business and advertisement licence for management office at Unit #13-04, 13 <sup>th</sup> Floor, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor	N/A	N/A
(f)	Northern Solar	CIDB  Registration No.: 0120200119- SL040799	7 September 2022 / 5 September 2025	Certificate of Registration issued to Northern Solar as contractor pursuant to Part VI of CIDB Act in respect of: <ul style="list-style-type: none"> <li>• Grade 7, Category B, Specialisation B04,</li> <li>• Grade 7, Category CE, Specialisation CE21</li> <li>• Grade 7, Category ME, Specialisation E34, E35, M15</li> </ul>	<p>1. General conditions</p> <p>(a) This certificate is non-transferable.</p> <p>(b) CIDB reserves the right to review the registration grade of the registered contractor from time to time.</p> <p>2. Responsibility and Obligations of the Contractor</p> <p>(a) The contractor shall comply with the provisions of the CIDB Act, the regulations made thereunder and any term, condition or restriction imposed by CIDB from time to time.</p> <p>(b) The contractor shall not participate in any tender or execute any construction works after the expiration of this certificate unless it is renewed.</p>	<p>Noted</p> <p>Noted</p> <p>Complied</p> <p>Noted</p>

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					(c) The contractor shall not undertake any construction projects which exceeds the value of construction works specified under the registration grade and shall not execute any type of construction work outside of its registered category(ies).	Complied
					(d) The contractor shall submit information regarding any new construction works or contract(s) within 14 days of the award or prior to commencement of works, whichever the earlier.	Complied
					(e) The contractor shall submit any information required by CIDB from time to time.	Noted
					(f) The contractor shall display the certificate of registration issued by CIDB or a certified true copy of the same by CIDB at the place of business.	Complied
					(g) The contractor shall display its registration number on the signboard at each construction site.	Complied
					(h) The contractor shall apply for a renewal of registration within 60 days before the expiry date specified in this certificate.	Noted

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					(i) The contractor shall comply with all requirements in the contractor's Code of Ethics.	Complied
					(j) The contractor shall employ skilled construction workers and site supervisors who are accredited and certified by CIDB.	Complied
					(k) All employees at the site must have valid construction personnel identification.	Complied
					3. Disciplinary Actions	
					The contractor's registration shall be cancelled, suspended or revoked if:	
					(a) The contractor fails to comply with the requirement of any other written law.	Noted
					(b) The contractor has been adjudicated bankrupt.	Noted
					(c) A winding-up petition in relation to the contractor has been presented.	Noted
					(d) The contractor contravenes or fails to comply with any provision of the CIDB Act.	Noted

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					(e) The contractor has obtained the certificate by making or causing to be made any false or fraudulent declaration, certification or representation either in writing or otherwise.	Noted
					(f) The contractor has abandoned any construction works undertaken without good reason.	Noted
					(g) The contractor is found negligent by the court of any board of enquiry established under any written law in connection with any construction works undertaken.	Noted
					(h) The contractor contravenes or fails to fulfil any of the contractor's responsibilities and obligations as specified in item 2 above.	Noted
					4. Pursuant to Regulation 13 of the Registration of Contractors (Construction Industry) Regulations 1995, a registered contractor shall notify CIDB of any change in its capital, ownership or its board of directors or management within 30 days of the change.	Complied

Registration No.: 202401001236 (1547087-X)

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

No.	Licensee	Issuing authority/ Country	Date of issue/ Date of expiry	Nature of approval/licences	Equity and/or major conditions imposed	Status of compliance
(g)	Northern Solar	CIDB  Registration No.: 0120200119- SL040799	3 November 2023 / 5 September 2025	<p>Certificate of Government Work Procurement (<i>Sijil Perolehan Kerja Kerajaan</i>) ("SPKK")</p> <p>Certificate of Registration issued to Northern Solar as Government contractor in respect of:</p> <ul style="list-style-type: none"> <li>Grade 7, Category B (building construction)</li> <li>Grade 7, Category CE (civil engineering construction)</li> <li>Grade 7, Category ME (mechanical and electrical)</li> </ul>	<p>1. General Conditions</p> <p>(a) This certificate is issued based on the information provided by the applicant/company.</p> <p>(b) This certificate shall not be used as acknowledgement for initiating or undertaking to execute construction work. This certificate shall be used to participate in government procurement or any work with government agencies only.</p> <p>(c) This certificate will be revoked automatically if the certificate of registration as contractor has expired or is cancelled/revoked/suspended in accordance with Regulation 15 of the Registration of Contractors (Construction Industry) 1995.</p> <p>(d) This certificate must be submitted together with the certificate of registration as contractor during the tender for government procurement work or any work with government agencies.</p> <p>(e) This acknowledgement of registration certificate shall be renewed together with the certificate of registration as contractor issued by CIDB.</p>	<p>Noted</p> <p>Complied</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					2. Responsibilities of the company/holder of the certificate:	
					(a) The company/holder of the certificate shall not lend, lease, transfer, permit or cause the certificate to be used by someone who has not been named to use this certificate for the purpose of procuring government work.	Complied
					(b) The contractor shall not participate in any tender or execute any works after the expiry of this certificate until it has been renewed.	Noted
					(c) Only officers of the company who are named in this certificate are authorised to sign the company contract documents and take tender document as well as attending to work site for voting, price calling and tender. The company shall not authorise any other officer for the aforesaid.	Complied
					(d) The company/holder of the certificate shall ensure all terms and conditions to obtain this certificate are complied with at all times during the period validity of this certificate.	Complied



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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					(e) The company/holder of the certificate shall inform CIDB of any change of information within 30 days from the date of occurrence of the said change.	Complied
					(f) The company/holder of the certificate shall comply with all instructions and resolutions of the government via treasury instructions, CIDB circular from time to time.	Complied
					3. Disciplinary Actions	
					(a) The company/holder of the certificate shall be subject to such disciplinary actions set out in Regulation 15 of the Registration of Contractors (Construction Industry) Regulations 1995 in the event of failure to comply with item 2 above.	Noted
					(b) CIDB has the right to take disciplinary action and impose any punishment on the registered contractor.	Noted
					(c) The company/holder of the certificate who has been suspended or where this certificate has been revoked due to disciplinary proceedings shall not participate in any tender or government procurement work during the suspension period.	Noted

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					(d) The company/holder of the certificate whose certificate has been revoked/withdrawn will be removed from the register of CIDB. Such company who wishes to obtain a SPKK shall comply with the terms and conditions for the issuance of SPKK for new applications. A blacklisted key management personnel is prohibited from obtaining SPKK for a period of 3 years.	Noted
					(e) The company/holder of the certificate who has been blacklisted and suspended through disciplinary proceedings will be removed from the register of CIDB. The said company/holder of the certificate will be allowed to participate in the tender or government procurement work only after the expiry of the blacklisting or suspension period.	Noted
					4. Financial Limits	
					(a) SPKK registered contractor shall only participate in tender allowed under the registration grade it is registered under.	Complied

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
(h)	Northern Solar	Ministry of Finance, Malaysia ("MOF")  Registration No.: 357-0002343270  Licence No.: K10104417653118748	6 January 2022 / 5 January 2025 <sup>(2)</sup>	Certificate of Registration of Northern Solar as a supplier/service provider in the sector, field and sub-field under the following sector codes:  140101, 140202, 140302, 140502, 222801  The authority is given to the following persons for managing the government procurement works:  Lew Shoong Kai Yee Soon Quan	1. General conditions  (a) The approval is granted based on the information provided by the company.  (b) Any change to the details of the company shall be updated online at <a href="http://www.eperolehan.gov.my">www.eperolehan.gov.my</a> within 21 days from the effective date of change, failing which the company shall be penalised as per item (e) below.  (c) The company shall submit any information required by MOF within the prescribed period, failing which the company shall be penalised as per item (e) below.  (d) The company must ensure that the registered sector in the certificate shall not overlap with the sectors approved for other companies which has the same shareholders, members of board of directors, management and staff or companies that are operating from the same premise.	Noted  Complied  Noted  Complied

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					(e) MOF has the right to conduct an inspection or audit at any time without prior notification. Failure to comply with the conditions of registration and/or sector code may result in the registration of the company being suspended/cancelled and the company, its shareholders and directors may be subject to disciplinary proceedings or blacklisted without any notice being given if it is determined that the information provided is false.	Noted
					(f) A company that is newly registered is not allowed to make any changes to its shareholders or directors within a period of 6 months from the date of registration.	Complied
					(g) Failure of the company to renew its registration after 1 year from the expiry of its registration may result in the company's registration with the MOF being cancelled and automatically removed from the <i>ePerolehan System</i> . In such circumstances, the company is required to make a new application.	Noted

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					2. Suspension or Cancellation of Registration	
					The registration shall be suspended/cancelled in the event the company commits the following offences:	
					(a) The company/ shareholders/ partners/ directors/ other management personnel has committed a crime and is found guilty in a court of law in Malaysia or outside Malaysia or is subject to any civil liability.	Noted
					(b) The company withdraws an offer before the tender is being considered or rejects an offer that has been made.	Noted
					(c) The company fails to perform its contractual obligations entered into with the Government.	Noted
					(d) The company is found to have amended the certificate with the intention to deceive or for whatsoever reasons.	Noted
					(e) The company allows the certificate to be misused by any individual / companies.	Noted





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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					<p>2. The licensee undertakes to the Government that the present shareholders and shareholding structure shall remain the same throughout the licence period. Any changes to the shareholders and the shareholding structure shall be subject to the prior written approvals of ST.</p> <p>3. Notwithstanding the above and subject to the prior written approval of ST and all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Securities.</p> <p>4. The creation of any charge, mortgage, pledge, lien or other security over the land used for the solar PV system and any associated facilities are prohibited unless with the prior written consent of ST.</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p>
(I)	Northern Solar	ST  Licence No: LA 12/1/14/390 NOVA (SARE)	24 August 2022 / 23 August 2032	Licence for public installation (of the solar PV system which we own and operate) within the boundary of part of No. Lot PTD 20372, Mukim Ulu Benut, Daerah Kluang, 86200 Negeri Johor	<p>1. The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the licensee upon submission of licence application.</p> <p>2. The licensee undertakes to the Government that the present shareholders and shareholding structure shall remain the same throughout the licence period. Any changes to the shareholders and the shareholding structure shall be subject to the prior written approvals of ST.</p>	<p>Complied</p> <p>Complied</p>



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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					3. Notwithstanding the above and subject to the prior written approval of ST and all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Securities.	Noted
					4. The creation of any charge, mortgage, pledge, lien or other security over the land used for the solar PV system and any associated facilities are prohibited unless with the prior written consent of ST.	Noted
(m)	Northern Solar	ST  Licence No: LA 12/1/14/189 (PV-NOVA)	16 March 2022 / 15 March 2032	Licence for public installation (of the solar PV system which we own and operate) at Lot 9784, Mukim Bukit Baru, Daerah Melaka Tengah, Negeri Melaka	1. The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under this licence including its conditions except with the prior written consent of ST.  2. The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of ST.  3. The creation of any charge, mortgage, pledge, lien or other security over the land used for the solar PV system and any associated facilities are prohibited unless with the prior written consent of ST.	Complied  Noted  Noted

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					2. The licensee undertakes to the Government that the present shareholders and shareholding structure shall remain the same throughout the licence period. Any changes to the shareholders and the shareholding structure shall be subject to the prior written approvals of ST.	Complied
					3. Notwithstanding the above and subject to the prior written approval of ST and all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Securities.	Noted
					4. The creation of any charge, mortgage, pledge, lien or other security over the land used for the solar PV system and any associated facilities are prohibited unless with the prior written consent of ST.	Noted
(r)	Northern Solar	ST  Licence No: LA 12/1/14/1733 NOVA (SARE)	20 September 2024 / 19 September 2034	Licence for public installation (of the solar PV system which we own and operate) within the boundary of Lot 8265, Mukim Tanjong Sembrong, Daerah Batu Pahat, 86609, Johor	1. The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the licensee upon submission of licence application.  2. The licensee undertakes to the Government that the present shareholders and shareholding structure shall remain the same throughout the licence period. Any changes to the shareholders and the shareholding structure shall be subject to the prior written approvals of ST.	Complied  Complied

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					3. Notwithstanding the above and subject to the prior written approval of ST and all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Securities.	Noted
					4. The creation of any charge, mortgage, pledge, lien or other security over the land used for the solar PV system and any associated facilities are prohibited unless with the prior written consent of ST.	Noted
(s)	Northern Solar	SEDA  Registration No.: SEDA-RPVSP-2024/093	10 January 2024 / 31 December 2024 <sup>(3)</sup>	Northern Solar is registered with SEDA as a Registered Photovoltaic Service Provider <sup>(4)</sup> that is qualified to participate in FIT programme, NEM programme or any programme administered by SEDA under the Renewable Energy Act 2011.	1. The registration must be renewed at least 30 days before the expiry date.  2. The company must appoint a person who has passed the 'Grid-Connected PV (GCPV) Systems Design' course conducted by SEDA as a full time employee.  3. The company must appoint any person who has obtained a Certificate of Electrical Wireman (at least PW2) and has passed the 'Grid-Connected PV (GCPV) Systems Wireman or Chargeman' course conducted by SEDA to be involved in PV installation project under any renewable energy mechanism and programme.  4. The company must comply with the provisions of Renewable Energy Act 2011 and all subsidiary legislations, guidelines and related laws made thereunder.	Noted  Complied  Complied

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

<b>No.</b>	<b>Licensee</b>	<b>Issuing authority/ Country</b>	<b>Date of issue/ Date of expiry</b>	<b>Nature of approval/licences</b>	<b>Equity and/or major conditions imposed</b>	<b>Status of compliance</b>
					5. The company must meet the achievement targets set by SEDA, if any, and contribute towards the NEM programme development or any other related renewable energy programme under SEDA.	Complied
(t)	Northern Solar	SEDA  Registration No.: SEDA-RPVI- 2024/082	10 January 2024 / 31 December 2024	Northern Solar is registered with SEDA as a Registered Photovoltaic Investor <sup>(1)</sup> under the NEM programme.	1. The registration must be renewed at least 30 days before the expiry date.	Noted
(u)	Norwatt Power	SEDA  Registration No.: SEDA-RPVI- 2024/070	15 January 2024 / 31 December 2024	Norwatt Power is registered with SEDA as a Registered Photovoltaic Investor under the NEM programme with SEDA.	1. The registration must be renewed at least 30 days before the expiry date.	Noted

**Notes:**

- (1) We will not renew the trade, business and industries licenses issued by MBPJ for our previous head office at B-1-01, B-1-03 and B-1-09, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor, as we relocated to the new Head Office at Units 8-01 and 8-02, Level 8, Menara Lagenda, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor, in the second half of November 2024.
- (2) We have submitted the renewal application to the MOF for the certificate of registration and are currently awaiting the issuance of the renewed certificate, which is expected by the end of December 2024.
- (3) We initiated the submission of renewal application to SEDA in early November 2024. However, we were informed by SEDA to submit the renewal applications from 1 December 2024 onwards. As such, we intend to submit the renewal applications on 1 December 2024.

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

(4) The difference between the SEDA certifications for a Registered Solar Photovoltaic Service Provider and a Registered Solar Photovoltaic Investor is as follows:


- As a Registered Photovoltaic Investor, Northern Solar invests in solar PV systems by owning and financing them and is authorised to participate in PPAs or feed-in tariff schemes.
- As a Registered Solar Photovoltaic Service Provider, Northern Solar provides technical and operational services related to solar PV systems, which includes supply, design, installation, testing, maintenance, and operation.

SEDA is the statutory body for the NEM programme, as such the Group is required to register with SEDA under the NEM programme, whereas there is no requirement for the SELCO programme participants to register with SEDA.

Save for our trade, business and industries licenses for our previous head office at B-1-01, B-1-03 and B-1-09, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor, we will renew all our approvals, licenses and permits as disclosed above prior to their expiry in accordance with the conditions imposed. As at LPD, our Group has obtained all the requisite approvals, licenses and permits for our business operations and in the past, our Group has not faced any issues in relation to the renewal of our approvals, licenses and permits.

### 6.8 TRADEMARKS

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

No.	Trademark	Company	Authority/ Application or Trademark No./ Application date	Class/ Description	Status/ Validity Date
(i)		Northern Solar	<b>Authority:</b> MyIPO  <b>Application No:</b> TM2024015586  <b>Application Date:</b> 30 May 2024	<b>Class:</b> Class 35  <b>Description:</b> Operation of company retailing, installing and servicing solar panels and solar panel parts, all included in Class 35	<b>Status:</b> Under substantive examination <sup>(1)</sup>  <b>Validity</b> <b>Date:</b> Not applicable

**Note:**

(1) Northern Solar has submitted this application on 30 May 2024 and the application is under substantive examination by the authority. Barring any unforeseen circumstances, the registration of trademark is estimated to be approved within 12 to 18 months from the date of application.

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

### 6.9 PROPERTY, PLANT AND EQUIPMENT

#### 6.9.1 Properties owned by our Group

As at LPD, the Group does not own any property.

#### 6.9.2 Properties rented by our Group

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

No.	Postal address	Landlord/ Tenant	Description/ Existing use	Approximate land area/ Approximate built-up area sq ft	Date of issuance of certificate of completion and compliance	Period of tenancy/ Rental per annum
(a)	B-1-01, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor <sup>(1)</sup>	Lee Yoke Chun/ Northern Solar	An office unit in a 10-storey commercial building/ Head Office	Not applicable/ 1,223	5 April 2010	1 December 2023 to 30 November 2024/ RM34,800
(b)	B-1-03, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor <sup>(1)</sup>	Chong Kim Chan/ Northern Solar	An office unit in a 10-storey commercial building/ Head Office	Not applicable/ 927	5 April 2010	1 December 2023 to 30 November 2024/ RM25,200
(c)	B-1-09, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor <sup>(1)</sup>	Snowball Capital Ventures Sdn Bhd/ Northern Solar	An office unit in a 10-storey commercial building/ Office	Not applicable/ 987	5 April 2010	16 March 2024 to 30 November 2024/ RM25,200
(d)	Unit #13-04, 13 <sup>th</sup> Floor, Austin 18, Jalan Austin Perdana 3, Taman Austin Perdana, 81100 Johor Bahru, Johor	Rainbow Entity Sdn Bhd/ Northern Solar	A business suite in a 25-storey commercial building/ Johor Regional Office	Not applicable/ 673	23 May 2017	16 March 2024 to 15 March 2025/ RM15,600



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

<b>No.</b>	<b>Postal address</b>	<b>Landlord/ Tenant</b>	<b>Description/ Existing use</b>	<b>Approximate land area/ Approximate built-up area sq ft</b>	<b>Date of issuance of certificate of completion and compliance</b>	<b>Period of tenancy/ Rental per annum</b>
(e)	Units 8-01 and 8-02, Menara Lagenda, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor <sup>(2)</sup>	Lagenda Harta Sdn Bhd (formerly known as Lagenda Property 1 Sdn Bhd)/ Northern Solar	An office unit in a 12-storey commercial building/ Vacant	Not applicable/ 8,620	16 November 2009	1 July 2024 to 30 June 2027/ RM320,664

**Notes:**

- (1) Our Group has entered into a tenancy agreement with Lagenda Harta Sdn Bhd (formerly known as Lagenda Property 1 Sdn Bhd), a subsidiary of Lagenda Properties, for the rental of an office unit measuring 8,620 sq ft at Units 8-01 and 8-02, Menara Lagenda, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor. Our Group has completed the renovations and obtained the necessary business licences and has relocated to this new office in the second half of November 2024. Thus, the tenancies under (a), (b) and (c) will not be renewed upon their expiry on 30 November 2024.
- (2) Save for this tenancy agreement, our rented properties as at LPD are from non-related parties.

The properties rented by our Group are not in breach of any other land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

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

### 6.9.3 Acquisition of properties

Our Group has not acquired nor entered into any agreements to acquire any properties during FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD.

### 6.9.4 Material capital expenditures and divestitures

#### (a) Material capital expenditures

Save for the expenditures disclosed below, there were no other capital expenditures made by us for FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2024 up to LPD
Capital expenditures	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Property, plant and equipment comprising:</b>					
Air conditioner	-	6	3	1	-
Computer system	44	50	80	143	46
Electrical and fittings	-	2	-	-	2
Furniture and fittings	10	16	23	138	25
Motor vehicles	-	-	-	180	117
Office equipment	12	53	33	4	-
Operating equipment	22	-	24	-	-
Construction in progress	-	-	5,477	8	-
– Solar PV systems					
Solar PV systems <sup>(1)</sup>	-	-	1,287	-	-
Renovation	-	8	33	1,092	51
Website	-	20	40	-	-
	<b>88</b>	<b>155</b>	<b>7,000</b>	<b>1,566</b>	<b>241</b>
<b>Rights-of-use assets comprising:</b>					
Motor vehicles	135	163	-	-	-
Solar PV systems <sup>(2)</sup>	-	2,902	-	-	-
Office building	255	-	185	2,400	-
	<b>390</b>	<b>3,065</b>	<b>185</b>	<b>2,400</b>	<b>-</b>

#### Notes:

- (1) Being solar PV systems funded via our Group's working capital.
- (2) Being solar PV systems funded via our Group's hire purchase facilities.

#### FYE 2022

In FYE 2022, our capital expenditures were mainly related to the purchase of motor vehicle amounting to RM0.1 million comprising 1 unit of van for our business operations.

#### FYE 2023

In FYE 2023, our capital expenditures were mainly related to the purchase of:

- (i) motor vehicle amounting to RM0.2 million comprising 1 unit of car for our business operations; and

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

- (ii) 10 units of solar PV system under REPPA/ SARE amounting to RM2.9 million for investment purposes.

### **FYE 2024**

In FYE 2024, our capital expenditures were mainly related to the construction of 18 units of solar PV system under REPPA / SARE amounting to RM6.7 million for investment purposes.

### **FPE 2025**

In FPE 2025, our capital expenditures were mainly related to the following:

- (i) renovation works carried out in our new corporate office at Menara Lagenda, Selangor, amounting to RM1.1 million; and
- (ii) tenancy agreement entered with Lagenda Harta Sdn Bhd, a subsidiary of Lagenda Properties, for the rental of our new corporate office at Menara Lagenda, Selangor, amounting to RM2.4 million.

### **1 October 2024 up to LPD**

From 1 October 2024 up to LPD, our capital expenditures were mainly related to the purchase of motor vehicle amounting to RM0.1 million comprising 1 unit of car for our business operations.

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

### **(b) Material capital divestitures**

Save as disclosed below, there were no capital divestitures made by us for FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD.

During FYE 2023, we completed the disposal of 75.0% equity interest in Norwatt Power to NS Powercare for the purchase consideration of RM750,000. Please refer to Section 10.1 for more details.

As at LPD, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1 and the material capital commitment as set out in Section 12.6, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia.

#### **6.9.5 Material machinery and equipment**

There are no material machinery and equipment utilised by us for FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD.

#### **6.9.6 Material plans to construct, expand or improve our facilities**

Save for the proposed utilisation of proceeds from our IPO to finance the expansion and capital expenditure as set out in Section 4.9.1 and the capital commitment as set out in Section 12.6, our Group does not have any other immediate material plans to construct, expand or improve our facilities as at LPD.

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

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**6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS**

The following is an overview of the major laws, regulations, rules and requirements governing the conduct of our Group's business and environmental issue which may materially affect our business operations:

**(a) Renewable Energy Act, 2011**

The Renewable Energy Act 2011 ("**REA 2011**") provides for most matters relating to the generation of renewable energy in Malaysia, including specifying (i) the criteria and process for obtaining a feed-in approval and implementation of a special tariff system, (ii) the technical and operational requirements of renewable energy projects and (iii) the qualifying criteria for renewable energy sources. The SEDA is tasked with overseeing matters relating to renewable energy falling within the scope of the REA 2011.

Pursuant to Rule 23 and Schedule 5 of Renewable Energy (Technical and Operational Requirements) Rules, 2011 ("**RETOR Rules 2011**"), a person who carries out the works in connection with PV installations under the FiT programme should possess the requisite qualifications, such as having a certificate of competency issued by ST under the Electricity Supply Act, 1990, being registered with the Board of Engineers Malaysia as a professional electrical engineer, having certificate of training on solar PV systems issued by SEDA and/or certificate in solar PV system design from any institution that is recognised by SEDA. Any person who commits an offence under the RETOR Rules 2011 shall, on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 3 years, or both. If a body corporate commits an offence, the person who at the time of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the body corporate or one purporting to act in any such capacity or was responsible for the management of any of the affairs of the company, may be charged severally or jointly in the same proceedings as the company, and if the company is found guilty, the said person shall be deemed guilty of that offence unless he proves that the offence was committed without his knowledge, consent or connivance and that all reasonable precautions and due diligence were exercised to prevent the offence.

ST had also issued the Guidelines on Solar Photovoltaic Installation on NEM Scheme under the Electricity Supply Act, 1990 for the implementation of the solar PV installation on the NEM program ("**NEM Guidelines**"). The NEM Guidelines set out, amongst others, the design criteria and requirements, types of installation, capacity limit and application process of solar PV installations under NEM programmes.

As at LPD, Northern Solar is certified by SEDA as a PV service provider to participate in any programme under the REA 2011 and as a PV service investor under NEM programme. Further, as at LPD, Northern Solar has 2 qualified persons to carry out the works relating to the PV installations, as described in Rule 23 and Schedule 5 of RETOR Rules 2011.

As at LPD, Norwatt Power is also certified as a PV service investor under NEM programme. For avoidance of doubt, Norwatt Power will not require certification by SEDA as a PV service provider, as such works will be undertaken by Northern Solar.

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

The CIDB Act and the regulations made thereunder, govern the establishment of the CIDB and provide for its function in relation to the construction industry and all matters in connection therewith.

The CIDB Act prescribes that a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor. Failure to comply with the above shall render a person liable to a fine of not less than RM10,000 but not more than RM100,000. Additionally, pursuant to CIDB Act, for every contract, whether stamped or not, having a contract sum of above RM500,000, the contractor shall be liable to pay to CIDB a levy at the rate of 0.25% of the contract sum.

The CIDB Act also prescribes that every contractor shall declare and submit to CIDB any contract which it has been awarded. Failure to do so shall render a contractor liable, upon conviction, to a fine not exceeding RM50,000. Where a contractor fails to pay any levy due within the prescribed period by CIDB, the contractor shall, on conviction, be liable to a fine not exceeding RM50,000 or 4 times the amount of levy payable, whichever is higher.

The CIDB Act further provides that where an offence against the CIDB Act has been committed by a body corporate, firm, society or other body of persons, any person who at the time of committing the offence is a director, manager, secretary or other similar officer of the body corporate, firm, society or other body of persons or was purporting to act in such capacity, or is in any manner or to any extent responsible for its management may be charged severally or jointly in the same proceedings and where the body corporate, firm, society or other body of persons is found guilty of the offence, shall be deemed to be guilty of that offence unless, having regard to the nature of his functions in that capacity and to all the circumstances, he proves that the offence was committed without his knowledge, consent or connivance and that he took all reasonable precautions and had exercised due diligence to prevent the commission of the offence.

Under the provisions of CIDB Act relating to non-registration of a contractor with the CIDB and/or the non-declaration and non-submission of contracts with the CIDB, a director of a body corporate will be subject to penalties similar to those imposed on the body corporate, none of which include any term of imprisonment.

Northern Solar had previously failed to declare and submit to CIDB within the prescribed period a total of 590 construction contracts awarded since its inception on 5 November 2019 and up to 28 February 2024, as required under Section 34(1) of the CIDB Act, which sets out that every contractor shall declare and submit to CIDB any construction work contract that has been awarded to the contractor and thus had committed a breach of the CIDB Act. Northern Solar had subsequently declared and submitted all construction contracts to CIDB over a period from 25 January 2024 until 21 February 2024. Northern Solar has since set up standard operating procedures to ensure compliance with all relevant laws and regulations including the CIDB Act. In particular, a dedicated team of 3 employees as at LPD has been set up to monitor compliance with the standard operating procedures. The team has undergone comprehensive training and are equipped with the knowledge needed to oversee the signing of contracts and the subsequent registration processes and levy payments, where applicable. To facilitate effective monitoring, the team uses a tracking system to closely monitor contract signings, registrations, and levy

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


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payments. The team leader (a senior licensing executive who reports to our Project Director) conducts regular audits and reviews to ensure contracts are promptly registered and levy payments are made on time.

As at LPD, Northern Solar has not been fined or issued with any notice of non-compliance in relation to the above. The Directors are of the view that the risk of being charged, convicted, penalised and/or compounded retrospectively is low given that CIDB has verbally informed that it is unlikely to impose any fine or penalty since Northern Solar has declared and submitted all the 590 construction contracts and paid the required levy, totalling RM115,583.

As at LPD, our Group holds a Grade G7 CIDB certification as well as the Sijil Perolehan Kerja Kerajaan, which are all valid and subsisting. Please refer to Section 6.7 for further details of the CIDB certification.

**(c) Electricity Supply Act 1990**

The Electricity Supply Act 1990 (Act 447) ("**ESA**"), including the Electricity Regulations 1994 ("**ER**") regulate the electricity supply industry, the supply of electricity, the licensing of any electricity installation, as well as the registration of any electrical contractors, manufacturers, importers and any competent person involved in the supply or use of electricity.

Pursuant to Section 9 of the ESA 1990, subject to exemptions prescribed, no person other than a supply authority shall use, work or operate or permit to be used, worked or operated any installation or supply to any other person electricity from any installation, except under and in accordance with the terms and conditions of a licence granted by ST which expressly authorises the supply or use. Any person who supplies electricity from an installation to or for the use of any person without a licence shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM100,000 and to a further fine not exceeding RM1,000 for every day or part of a day during which the offence continues after conviction. Where an offence is committed by a body corporate, any person who at the time of the commission of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the body corporate or was purporting to act in such capacity or was in any manner or to any extent responsible for the management of any of the affairs of the body corporate or was assisting in such management may be charged severally or jointly in the same proceedings with the body corporate and if the body corporate is found guilty of the offence, shall be deemed to be guilty of that offence unless having regard to the nature of his functions in that capacity and to all circumstances, he proves that the offence was committed without his knowledge, consent or connivance; and that he had taken all reasonable precautions and exercised due diligence to prevent the commission of the offence.

Further, the ER states that no person shall perform or carry out any electrical work unless he holds a valid Certificate of Registration as an Electrical Contractor issued under the ER. An Electrical Contractor can be classified into 4 classes, Class A, B, C and D, each permitted to undertake electrical work of certain value and is further required to keep in employment a certain number of Wireman of certain qualification, depending on the classification of its registration. The ER also provides that the wireman shall possess a valid Certificate of Competency appropriate to such classes, with restrictions, if any, issued to him by ST.

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

Generally, unless otherwise specified in the ER, a person who contravenes or fails to comply with any of the provisions of the ER 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 both.

As at LPD, our subsidiary, Northern Solar is registered under the ER to carry out electrical work business as an Electrical Contractor (Class C). The company has employed on a full time basis the required wireman (1 wireman as at LPD) who holds a valid Certificate of Competency issued by ST in accordance with the ER. Northern Solar has also obtained public installation licences pursuant to Section 9 of the ESA. Please refer to Section 6.7 for further details of the certificates issued by ST to our Group.

### (d) Local Government Act, 1976

Under the Local Government Act, 1976 (Act 171) ("**LGA**") and the by-laws of the respective local councils and authorities, our business operation premises are required to have business and signboard/advertising licences, display the licences at the business premises, and produce the licences upon request.

Pursuant to the LGA, a person who fails to exhibit or produce his licences on the licensed premises shall be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

As at LPD, our Group holds and maintains valid business licences issued by Majlis Bandaraya Petaling Jaya and Majlis Bandaraya Johor Bahru. Please refer to Section 6.7 for further details of the business licences.

### (e) Occupational Safety and Health Act, 1994 ("**OSHA**")

The OSHA is the governing law regulating the standards for safety, health and welfare of persons at work. The OSHA is enforced by the Department of Occupational Safety and Health, Malaysia ("**DOSH**"), which is under the purview of the Ministry of Human Resources, Malaysia.

The Occupational Safety and Health (Amendment) Act 2022 came into effect on 1 June 2024 and resulted in significant amendments to OSHA ("**Amended OSHA**"). Save for domestic employees (within the meaning of the Employment Act 1955), the armed forces and workers on board of ships (governed by the Merchant Shipping Ordinance 1952, the Sabah Merchant Shipping Ordinance 1960 or the Sarawak Merchant Shipping Ordinance 1960), the Amended OSHA now extends to cover all places of work throughout Malaysia including the public service and statutory authorities.

Section 15 of the Amended OSHA states that it shall be the duty of every employer to ensure, so far as is practicable, the safety, health and welfare at work of all his employees, in particular:

- (a) the provision and maintenance of plant and systems of work that are, so far as is practicable, safe and without risks to health;
- (b) the making of arrangements for ensuring, so far as is practicable, safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;

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

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

Further to the above, an employer also has a duty, pursuant to Section 17 of the OSHA, to ensure, so far as is practicable, that persons other than its employees are not exposed to any health and safety risk.

Previously, prior to the Amended OSHA coming into effect, in the event of non-compliance with Sections 15 and 17 of the OSHA, the employer would be liable upon conviction to a fine not exceeding RM50,000 or to imprisonment for a term not exceeding 2 years or to both. Further, where a body corporate contravenes any provisions of the OSHA or any regulations made thereunder, every person, who at the time of the commission of the offence is a director, manager, secretary or other like officer of the body corporate shall be deemed to have contravened the provision and may be charged jointly in the same proceedings with the body corporate or severally, and every such director, manager, secretary or other like officer of the body corporate shall be deemed to be guilty of the offence.

On 12 May 2022, Northern Solar as the main contractor was charged pursuant to Section 17(1) of the OSHA for failing to ensure the safety, health and welfare of a person not being its employee when an industrial accident at a work site resulted in the death of a person unauthorised by Northern Solar to be at the site. The Kuantan Sessions Court imposed a fine of RM25,000 on Northern Solar. The fine was paid on the same day and the case has been resolved and closed.

We wish to highlight that the Amended OSHA has increased the penalty for contravention of Section 15 and 17 of OSHA, from the previous maximum fine of RM50,000 to the current maximum fine of RM500,000.

Additionally, the Amended OSHA provides for the following:

- (a) imposition of new duties on principals, employers and self-employed persons to ensure the safety of contractors and sub-contractors and any employee employed by such contractors and sub-contractors;
- (b) right to an employee to remove himself from danger or the work if he has reasonable justification to believe there exists an imminent danger at his place of work, and the employer has failed to take any action to remove the danger;



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

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- (c) 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;
- (d) obligation to appoint an occupational safety and health coordinator who shall oversee and manage all occupational safety and health matters at work;
- (e) joint or several liability of directors, managers, secretaries and other similar office bearers for offences committed by the company or other relevant body. The burden is on the affected individual to prove that the offence was committed without his knowledge or consent and that the individual has done all reasonable precautions to deter the occurrence of the offence;
- (f) introduction of provisions relating to notification of occupation of place of work, installation and periodical inspection of plant, and the prescription of any plant which a certificate of fitness is required, following the repeal of the Factories and Machinery Act 1967; and
- (g) imposition of increased penalties and punishments for employers, self-employed persons, principals and manufacturers who breach their duties.

Our Group has set up an occupational health and safety management system to promote safe working practices among all employees and sub-contractors to prevent the occurrences of accidents and injuries. These include emphasising safety awareness at the front-line level onsite and placing tighter restrictions on access to our project sites by third parties.

Our Group has also established a safety department comprising site safety officers (qualified personnel with relevant experience) who are tasked to monitor the adherence of safe working practices at the project sites and personnel who are allowed access to the project sites. Our Group will assign safety officers to our project sites to monitor the work performed by the sub-contractors during the specific milestones as required under the projects and upon request by the customers. In addition, our Group has exercised more caution by imposing more stringent requirements in our selection of sub-contractors, which includes:

- (a) defining specific qualifications, experience, and capabilities that sub-contractors must meet;
- (b) conducting thorough background checks or references to verify the sub-contractor's past performance, reliability, and adherence to deadlines;
- (c) implementing requirements for sub-contractors to adhere to ethical standards, compliance with regulations, and commitment to safety protocols; and
- (d) outlining expectations, responsibilities, deliverables, and performance metrics in the contractual agreement to enforce accountability.

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


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

Our Group is committed to being proactive when faced with disruptions and turning them into opportunities for the benefit of everyone involved.

Our ESG Integrated Policy and Framework has been established as we focus on sustainability risks and want to include them in all our decision-making processes and throughout our entire value chain. Our main goal is to support sustainable development by providing easy-to-access renewable energy, encouraging innovation, and empowering our employees and the community. As a responsible public governance entity, we are fully committed to promoting sustainability and making positive changes globally.

We are deeply committed to creating an organisation that supports sustainable development for the community and stakeholders. This commitment reflects our dedication to adopting meaningful practices, initiatives, and efforts that consider the impact of our operations on the local economy, environment, society, and governance. We consistently work towards improving our performance in these areas, making sure that our actions contribute positively to a sustainable future.

We are unwavering in our dedication to creating sustainable value for our stakeholders. We will persist in providing comprehensive, comparable, and meaningful reports through our ongoing reporting initiatives. These initiatives align with Bursa Securities Sustainability Reporting Guide, the recommended Global Reporting Initiatives (GRI) 4.0 Sustainability Reporting Guidelines, the Integrated Reporting <IR> framework, and are in alignment with the Sustainable Development Goals (SDGs) outlined by the United Nations and the Task Force on Climate-related Financial Disclosures.

**(a) Environmental**

We strive to improve our environment by utilising greener alternatives:

- We aim to minimise our energy consumption and carbon footprint by making investments in renewable energy sources and improving our energy efficiency measures.
- Despite the absence of substantial water usage, we are still dedicated to decreasing the overall water consumption by promoting water conservation practices.

**(b) Social**

We aim to cultivate a secure and supportive workplace environment, fostering collaboration and actively contributing to the development of the local community.

- We are committed to safeguarding against cybercrime, adhering to cyber-related regulations, and securely transforming their operations through the use of cyber services related to data centres, Internet of Things (IoT), and web monitoring. Routine information technology risk assessments are carried out to guarantee the integrity and safety of customer and organisational data, preventing any compromise or destruction.
- We have implemented rigorous standard operating procedures which are essential in enabling our employees to carry out their work while simultaneously protecting the interests of our shareholders.

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

- We are committed to providing our employees with a working environment that aligns with the International Labour Organisation's Fair Recruitment Initiative. Our recruitment practices adhere to labour standards, promote social dialogue, and uphold gender equality.
- Our commitment to diversity and equality is integral to our workplace culture. All employees are selected based on skills and experience, ensuring a fair and unbiased selection process.
- To assess employee performance, we conduct transparent and objective annual performance reviews, providing valuable feedback to our staff.
- Our Group prioritises employee development, offering a range of learning opportunities. Recognising the workforce's significance in achieving operational and safety excellence, we invest in their development through both mandatory and voluntary training programs, ensuring they possess the skills required for their roles.
- Our commitment extends beyond the workplace, as we actively contribute to the community through various initiatives, including donations and sponsorships via charity organisations.

### (c) Governance

Our Group places a high priority on good governance. Our Board recognises the crucial role of a robust risk management framework and internal control system in promoting good corporate governance, aligning with the Malaysian Code on Corporate Governance. Committed to transparency, we actively disclose pertinent sustainability information to instil confidence among customers, stakeholders, communities, and the public.

- We uphold a zero-tolerance stance on fraud, bribery, corruption, money laundering, and terrorism financing and we have also implemented robust Anti-Bribery and Corruption and Whistleblowing policies to foster a governance environment that ensures accountability and integrity throughout our organisation.
- Our commitment to quality is assessed through a technical lens, resulting in the following certifications from reputable bodies:

<b>Certificate</b>	<b>Award Body</b>
ISO 9001:2015	ARS Assessment Private Limited
MyHIJAU Mark on solar PV system installation service	MGTC

- We are dedicated to incorporating sustainability principles into our procurement processes, emphasising responsible sourcing, environmental stewardship, and social responsibility in acquiring goods and services.
- We prioritise suppliers with a strong commitment to environmental sustainability, aiming to reduce the ecological footprint of the products and services we procure.
- We actively promote the adoption of renewable materials, energy-efficient technologies, and environmentally friendly production methods.

**6. INFORMATION ON OUR GROUP (Cont'd)****6.12 EMPLOYEES**

As at LPD, we have a total workforce of 87 employees, all of whom are Malaysian.

The breakdown of our employees by department/function as at 30 September 2024 and as at LPD are as follows:

	<b>No. of employees</b>	
	<b>As at 30 September 2024</b>	<b>As at LPD</b>
Executive Directors	2	2
Key senior management	2	2
Accounts and finance	4	4
Human resources	3	4
Information technology	1	1
Business development	14	14
Marketing	4	4
Projects	15	17
Design	11	11
Quantity surveying and purchasing	8	9
Licensing <sup>(1)</sup>	4	4
Operations and maintenance	12	13
Technical development	1	1
Sustainability	1	1
<b>Total</b>	<b>82</b>	<b>87</b>

**Note:**

<sup>(1)</sup> In relation to our licences as well as those required by our projects and/or customers.

None of our employees belong to any labour union and as at LPD, there has been no material dispute between our management and our employees. Over FYE 2022, FYE 2023, FYE 2024 and FPE 2025, there has not been any incident of work stoppage or labour dispute that has materially affected our operations.

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## **7. BUSINESS OVERVIEW**

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### **7.1 OUR HISTORY**

Our Company was incorporated in Malaysia under the Act on 9 January 2024 as a private limited company under the name of Northern Solar Holdings Sdn Bhd. On 20 March 2024, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in the EPCC of solar PV systems, generation of renewable energy as well as O&M of solar PV equipment and systems.

#### **7.1.1 Our corporate developments**

##### **Northern Solar**

The history of our Group can be traced back to the incorporation of Northern Solar in Malaysia on 5 November 2019 by Lew Shoong Kai (40.0%), Chew Win Hoe (45.00%) and his sibling Chew Ann Bee (5.00%) and a third party, namely Chew Shean Eng (10.0%). Chew Win Hoe and Lew Shoong Kai were concurrently appointed as the directors of Northern Solar on the said date. Northern Solar commenced operations in 2019 in the EPCC of solar PV systems.

Subsequently, Chew Win Hoe decided to focus on the business of Flow Dimensions Sdn Bhd which he had previously set up in 2018 and was then in the early days of venturing into civil and structural construction subcontracting business. Thus, he resigned as a director of Northern Solar on 11 June 2020 but remained as an employee. Chew Ann Bee was concurrently appointed as a director on the said date. Further on 3 July 2020, Chew Win Hoe transferred his entire shareholdings to Chew Ann Bee for a consideration of RM0.1 million, thereby resulting in Chew Ann Bee holding a 50.00% equity interest in Northern Solar.

Concurrently on 3 July 2020, Lew Shoong Kai also acquired the entire shareholdings of Chew Shean Eng for a consideration of RM0.03 million, thereby resulting in Lew Shoong Kai holding the remaining 50.00% equity interest in Northern Solar.

In late 2023, Chew Win Hoe became actively involved in Northern Solar upon ceasing managing the business of Flow Dimensions Sdn Bhd. As such, Chew Win Hoe acquired 42.50% of Chew Ann Bee's shareholdings in Northern Solar for a consideration of RM0.4 million on 1 December 2023. This resulted in an equity structure comprising Lew Shoong Kai holding 50.00%, Chew Win Hoe holding 42.50% and Chew Ann Bee holding 7.50%.

On 15 December 2023, Lagenda Properties became a substantial shareholder by acquiring 7.50% equity interest each from Chew Ann Bee and Lew Shoong Kai for a total consideration of RM15.1 million. Following this, the equity structure of Northern Solar comprised Lew Shoong Kai with 42.50%, Chew Win Hoe with 42.50% and Lagenda Properties with 15.00%. Concurrently on the said date, Chew Ann Bee resigned as a director while Chew Win Hoe and Jsrinderjit Singh Dhillon a/l Gurmel Singh (being the representative of Lagenda Properties) were appointed as directors. On the same date, Lagenda Properties granted Northern Solar a Right of First Refusal and Right to Match in relation to the installation of any solar panels in premises fully owned or developed by Lagenda Properties, or for any residential or commercial development projects which Lagenda Properties is fully or substantially in control of, for which Northern Solar has a one-off right of first refusal to undertake such installation works based on competitive terms and fair market prices, and a further right to match third party offers.

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

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**Norwatt Power**

Norwatt Power was incorporated in Malaysia on 27 April 2021, then under the name of Norwatts Sdn Bhd, by Northern Solar and Tew Liang Tze as shareholders with equal equity interests. Chew Win Hoe, being the representative of Northern Solar, and Tew Liang Tze were concurrently appointed as directors. Tew Liang Tze is a non-related party to our Group and he is currently the executive director of Zenith Aim group of companies which are involved in property development, property management, shopping mall operation and the hospitality business.

On 16 March 2022, Norwatt Power assumed its present name.

Norwatt Power was originally incorporated to implement a joint venture amongst Northern Solar, Tew Liang Tze and Hawthorne Capital Sdn Bhd, which signed a joint venture agreement on 27 April 2022 for Norwatt Power to conduct solar energy business in LSS farms.

Following an allotment of shares on 14 April 2023, the shareholding structure of Norwatt Power comprised Northern Solar holding 75.00% and Tew Liang Tze holding the remaining 25.00%. However, the implementation of the joint venture was delayed as there was no progress by Norwatt Power in securing any projects relating to LSS farms at the material time. As such, Northern Solar decided to focus on its existing business and isolate Norwatt Power from Northern Solar. On 12 July 2023, Northern Solar transferred its entire equity interest in Norwatt Power to NS Powercare for a consideration of RM0.75 million and subsequently the joint venture agreement dated 27 April 2022 (as stated above) was terminated in January 2024.

However, also in January 2024, the parties to the earlier joint venture decided to revive the joint venture (via a shareholders agreement dated 10 January 2024 between NS Powercare, Hawthorne Solar Sdn Bhd and Tew Liang Tze) which led to Hawthorne Solar Sdn Bhd<sup>(1)</sup> (formerly known as Rocky Builders Construction Sdn Bhd), a subsidiary of Hawthorne Capital Sdn Bhd, acquiring 25.0% equity interest in Norwatt Power from NS Powercare (24.0%) and Tew Liang Tze (1.0%). Subsequent to this, our Company and NS Powercare had on 18 March 2024 entered into a share sale and purchase agreement for the Proposed Acquisition of Norwatt Power. As at LPD, the shareholders of Norwatt Power are NS Powercare (51.0%), Hawthorne Solar Sdn Bhd (25.0%) and Tew Liang Tze (24.0%). For avoidance of doubt, this renewed joint venture of Norwatt Power has no intention to conduct solar energy business in LSS farms.

The intended activity for Norwatt Power is to be a solar PV systems developer for the public sector where Norwatt Power will be the main contractor to undertake EPCC of solar PV systems for the public sector. As at LPD, Norwatt Power has not initiated any discussions or planning for tendering public sector projects. However, Norwatt Power still intends to pursue such opportunities in the future.

**Note:**

- (1) As at LPD, Hawthorne Solar Sdn Bhd's principal activities are solar, solar investment, energy, renewable energy and trading.

**Engtex Energy**

Engtex Energy was incorporated in Malaysia on 2 July 2002, then under the name of Leading Wonder Sdn Bhd, by third parties namely Noraini Binti Abdullah and Zainudin Bin Koming with 50.0% equity interests each, both of whom were also concurrently appointed as directors on the said date.

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

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On 16 August 2002, Noraini Binti Abdullah and Zainudin Bin Koming transferred their equity interests to Lee Geok Ai and Ho Hong Seng respectively. Subsequently, on 8 February 2010, Lee Geok Ai and Ho Hong Seng transferred their equity interests to Beh Hock Seng and Leong Chee Seong respectively.

On 3 March 2023, Engtex Energy adopted its present name.

On 15 May 2023, Engtex Group Berhad and Northern Solar acquired the entire equity interests of Beh Hock Seng and Leong Chee Seong to emerge as shareholders of Engtex Energy with shareholdings of 51.00% and 49.00% respectively. In conjunction with this, Tan Sri Dato' Ng Hook, Ng Koi Lin, Lew Shoong Kai, Chew Win Hoe and Ng Shin Yee were appointed as directors effective 22 February 2023.

Following the above and the commencement of operations by Engtex Energy in 2023 as a solar PV asset developer, Engtex Energy required additional capital injection for its working capital purposes, and it was envisaged that as a solar PV asset developer, Northern Solar may not want to commit as much capital investment in Engtex Energy's projects. As such, as Engtex Energy Berhad (being the holding company of Engtex Energy) had subscribed for additional shares in Engtex Energy to meet its working capital requirements and to be an 80% shareholder, thereby obliging it to commit capital investments in proportion to its shareholdings. Notwithstanding, Northern Solar maintained its existing shareholding in Engtex Energy as it is only an associated company to our Group.

Following an allotment of shares on 14 November 2023 to Engtex Group Berhad, the shareholdings of Engtex Group Berhad increased to 80.00% while Northern Solar's shareholdings were diluted to 20.00%.

Since Engtex Energy commenced operations in 2023 as a solar PV asset developer and up to LPD, Engtex Energy has engaged Northern Solar for the provision of EPCC services amounting to approximately RM5.5 million.

**7.1.2 Our business growth**

Our Managing Director Lew Shoong Kai and Executive Director Chew Win Hoe, both of whom are engineers, saw the commercial potential of renewable energy in Malaysia's energy landscape as the country strives to diversify energy sources, as well as the supportive national policies and incentives to support the adoption of renewable energy. Leveraging on their engineering background and past experience, Lew Shoong Kai and Chew Win Hoe decided to incorporate Northern Solar in 2019 to explore opportunities in the provision of EPCC of solar PV systems.

During the early days of Northern Solar's business, Lew Shoong Kai and Chew Win Hoe were actively carrying out business development activities with commercial and industrial business owners as well as residential property owners with the aim of introducing Northern Solar to the market and securing EPCC of solar PV systems projects.

In March 2020, the Government implemented the MCO, which involved the restrictions on the movement of people within Malaysia and internationally as well as restrictions on business, economic, cultural and recreational activities. Our business development and marketing activities were affected during this COVID-19 period. As a result of travel restrictions and social distancing measures, we were unable to carry out business development and marketing activities such as meeting prospective customers.

Our Group responded to this development by adapting our business development strategies to leverage on the internet and telemarketing avenues to initiate contact with prospective customers and promote Northern Solar. Our Group also organised virtual meetings with potential commercial and industrial customers to introduce our Group and services to them.

## 7. BUSINESS OVERVIEW (Cont'd)

In 2023, we began collaborating with Engtex Group Berhad via Engtex Energy as a solar PV asset developer where Northern Solar may have more opportunities to undertake EPCC of solar PV projects secured by Engtex Energy. Further, Lagenda Properties became a substantial shareholder of Northern Solar in 2023. These collaborations are in line with our growth strategy to seek opportunities to team up with developers of residential properties, where the installation of solar PV systems on residential rooftops would offer home buyers solar-ready homes that are green and energy-efficient living environment.

Since our incorporation in 2019, our Group has witnessed business growth in terms of scale and size of projects secured. In FYE 2021, we completed the EPCC of 98.32 kWp of solar PV systems for commercial, industrial and residential properties. Following the upliftment of movement controls and operating restrictions in 2021, we further completed the EPCC of 9.9 MWp of solar PV systems for commercial, industrial and residential properties in FYE 2022. In FYE 2023, as business activities improved and consumer spending increased, we completed the EPCC of 15.6 MWp of solar PV systems for commercial, industrial and residential properties. In FYE 2024, we completed the EPCC of 28.5 MWp of solar PV systems for commercial, industrial and residential properties. In FPE 2025 and up to LPD, we completed the EPCC of 13.6 MWp and 4.0 MWp respectively of solar PV systems for commercial, industrial and residential properties.

Since the commencement of our business and up to LPD, we have completed the EPCC of 71.9 MWp of solar PV systems for commercial, industrial and residential properties.

### 7.2 KEY ACHIEVEMENTS AND MILESTONES

The key milestones and major projects of our Group are as follows:

<b>Year</b>	<b>Key milestones</b>
2019	<ul style="list-style-type: none"> <li>Incorporation of Northern Solar</li> </ul>
2020	<ul style="list-style-type: none"> <li>Northern Solar was registered as a Grade 5 contractor under CIDB for the categories of Building (B), Civil Engineering (CE) and Mechanical and Electrical Engineering (ME). The Grade 5 CIDB registration allows us to participate in tenders for projects with contract value of up to RM5 million throughout Malaysia</li> <li>Northern Solar was registered with Suruhanjaya Tenaga as an Electrical Contractor under Class C which allows Northern Solar to carry our electrical works up to RM500,000 throughout Malaysia</li> <li>Northern Solar's CIDB registration was upgraded to G7 for the categories of Building (B), Civil Engineering (CE) and Mechanical and Electrical Engineering (ME). The Grade 7 CIDB registration allows us to participate in tenders for projects with unlimited contract value throughout Malaysia</li> <li>Northern Solar was registered with SEDA as a Registered Photovoltaic Service Provider that is qualified to participate in FIT programme, NEM programme or any programme administered by SEDA under the Renewable Energy Act, 2011</li> </ul>
2021	<ul style="list-style-type: none"> <li>Northern Solar was registered with SEDA as a Registered Photovoltaic Investor under the NEM programme with SEDA</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,000.0 kWp solar PV system at an industrial property in Kuantan, Pahang with contract value of RM2.7 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 490.0 kWp solar PV system at an industrial property in Kuantan, Pahang with contract value of RM1.8 million</li> </ul>



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

<b>Year</b>	<b>Key milestones</b>
2022	<ul style="list-style-type: none"> <li>Northern Solar was registered with MOF, thereby allowing us to supply materials and services to agencies under the Government</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,000.0 kWp solar PV system at an industrial property in Bahau, Negeri Sembilan with contract value of RM2.0 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 980.0 kWp solar PV system at a shopping mall in Kuantan, Pahang with contract value of RM2.5 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,200.09 kWp solar PV system at an industrial property in Melaka with contract value of RM2.6 million</li> </ul>
2023	<ul style="list-style-type: none"> <li>Northern Solar was registered as an SPKK Grade 7 contractor under CIDB, being a certificate of registration issued to Northern Solar as Government contractor for the categories of Building (B), Civil Engineering (CE) and Mechanical and Electrical Engineering (ME)</li> <li>Lagenda Properties became a substantial shareholder of Northern Solar</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 858.92 kWp solar PV system at a commercial property in Shah Alam, Selangor with contract value of RM2.0 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 996.26 kWp solar PV system at an industrial property in Klang, Selangor with contract value of RM2.3 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 2,023.04 kWp solar PV system at an industrial property in Klang, Selangor with contract value of RM4.5 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 2,023.04 kWp solar PV system at an industrial property in Simpang Renggam, Johor with contract value of RM1.5 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,122.16 kWp solar PV system at an industrial property in Pulau Indah, Selangor with contract value of RM2.4 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 930.1 kWp solar PV system at a supermarket chain outlet in Klang, Selangor with contract value of RM1.8 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,055.7 kWp solar PV system at a supermarket chain outlet in Bukit Mertajam, Pulau Pinang with contract value of RM2.0 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 411.4 kWp solar PV system at a supermarket chain outlet in Jelapang, Perak with contract value of RM1.6 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,034.0 kWp solar PV system at a supermarket chain outlet in Batu Gajah, Perak with contract value of RM2.0 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 924.0 kWp solar PV system at a supermarket chain outlet in Baling, Kedah with contract value of RM1.8 million</li> <li>Northern Solar was certified by MGTC to use the MyHijau mark on its solar PV system installation service</li> </ul>

## 7. BUSINESS OVERVIEW (Cont'd)

Year	Key milestones
2024	<ul style="list-style-type: none"> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 650.1 kWp solar PV system at an industrial property in Puchong, Selangor with contract value of RM1.8 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,496.8 kWp solar PV system at an industrial property in Kemaman, Terengganu with contract value of RM3.9 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 1,361.4 kWp solar PV system at an industrial property in Kuala Lumpur with a contract value of RM2.7 million</li> <li>Completed the design, supply, installation, engineering, testing and commissioning of a 500.0 kWp solar PV system at an industrial property in Senai, Johor with a contract value of RM1.4 million</li> </ul>

### 7.3 DESCRIPTION OF OUR BUSINESS

Our Group is principally involved in the:

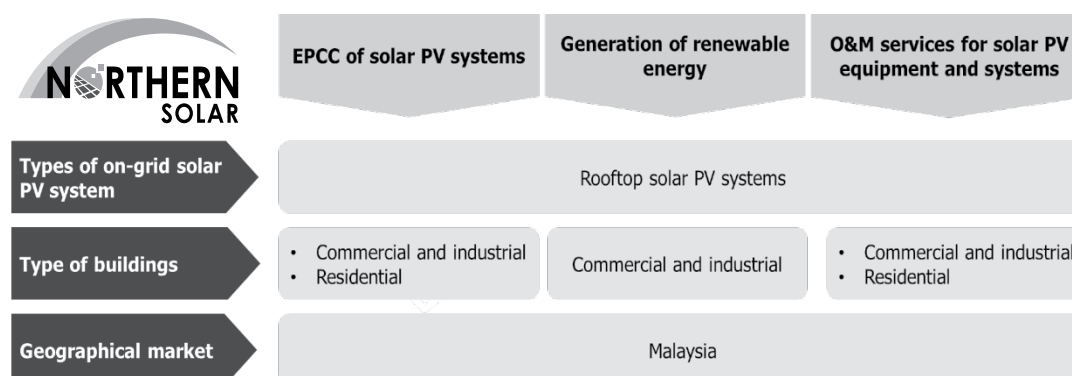
- EPCC of solar PV systems;
- Generation of renewable energy; and
- O&M of solar PV equipment and systems.

Our EPCC of solar PV systems involves the provision of engineering design and planning, procurement and supply, construction, installation, testing and commissioning of solar PV systems for commercial, industrial and residential buildings.

Our Group owns, operates and maintains rooftop solar PV systems that generate and sell the electricity to NEM and SELCO consumers in Peninsular Malaysia.

Our O&M of solar PV equipment and systems involves the provision of O&M services for solar PV equipment and systems installed in commercial, industrial and residential buildings.

Our Group's business model is as follows:



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

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**7.3.1 EPCC of solar PV systems**

Solar energy is a type of renewable green energy that is converted into electricity through PV modules that concentrate on solar radiation. Solar PV systems are designed to generate electricity through the application of the photovoltaic effect. This energy can then be used to generate electricity for self-consumption or excess electricity supply can be exported to the utility grid.

In our role as an EPCC contractor, we undertake engineering design and planning, procurement and supply, construction, installation as well as testing and commissioning of solar PV systems for rooftop installations on commercial, industrial and residential buildings.

A rooftop PV solar station, or rooftop PV system, is a PV system that has its electricity-generating solar panels mounted on the rooftop of a residential, commercial or industrial property. Solar PV systems for rooftop installations comprise various components, namely solar PV modules, mounting systems, cables, solar inverters as well as other electrical accessories.

On-grid solar PV facilities are connected to the utility grid. All of our rooftop mounted solar PV facilities are on-grid facilities for self-consumption. In some cases, the excess generated electricity is exported to the utility grid. Based on the varying electricity needs, users of on-grid facilities are able to tap into the utility grid during periods when solar PV systems are generating low power or when excess electricity generated can be exported to the utility grid. Generally, solar PV systems that are connected to the utility grid are implemented under, among others, the NEM and SELCO programmes whereby:

- **NEM programme**

The NEM programme was introduced in November 2016 to replace the FiT system. The NEM is a scheme whereby the energy produced from the solar PV system installed will first be consumed by the consumer for his own consumption. Any surplus of energy produced will be exported to the grid and sold to the distribution licensees at the prevailing displaced cost.

The NEM programme was designed to offset consumer's electricity costs for any excess electricity generated from the solar PV systems. Presently, the NEM programme is only applicable to TNB's customers in Peninsular Malaysia.

Malaysia introduced the NEM 1.0 in November 2016, with a 500 MW quota for rooftop solar PV capacity. To encourage NEM uptake, the NEM 2.0 was introduced in January 2019 with 500 MW quota allocation. Subsequently in 2020, NEM 3.0 was launched in December 2020 with 500 MW quota allocation. In January 2024, the Government announced that NEM 3.0 will continue with additional quota allocations. In November 2024, the Government further announced an additional quota allocation of 350 MW for NEM 3.0. Presently, the total quota allocation for NEM 3.0 is 1,950 MW. The NEM 3.0 quota offer period will run until June 2025 or until all quotas are allocated, whichever comes first.

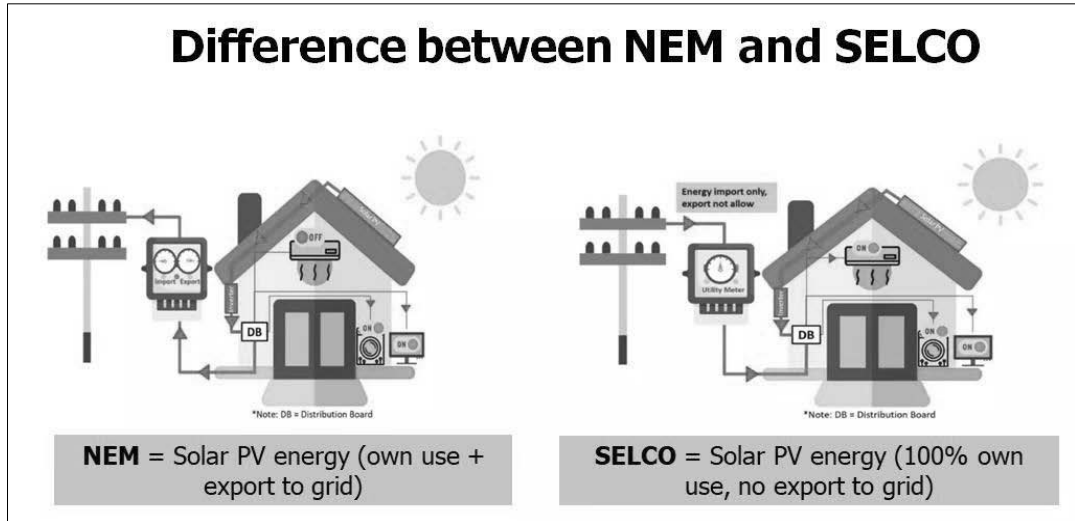
- **SELCO programme**

The Guidelines on the Connection of Solar PV Installation for Self-Consumption was issued on 19 April 2017 for the SELCO programme, and is presently applicable in Peninsular Malaysia and Sabah. The SELCO programme is a scheme that allows consumers to install solar PV systems entirely for their own use, and in the event of excess of generation, the electricity is not allowed to be exported to the utility grid. The SELCO programme enables individuals, commercial and industrial consumers to hedge against rising cost of electricity.

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

Under the NEM and SELCO programmes, the electricity generated from the NEM and SELCO consumers' solar PV systems will first be utilised before any excess electricity requirement is obtained from the utility grid.

The difference between the NEM programme and SELCO programme is as illustrated below:



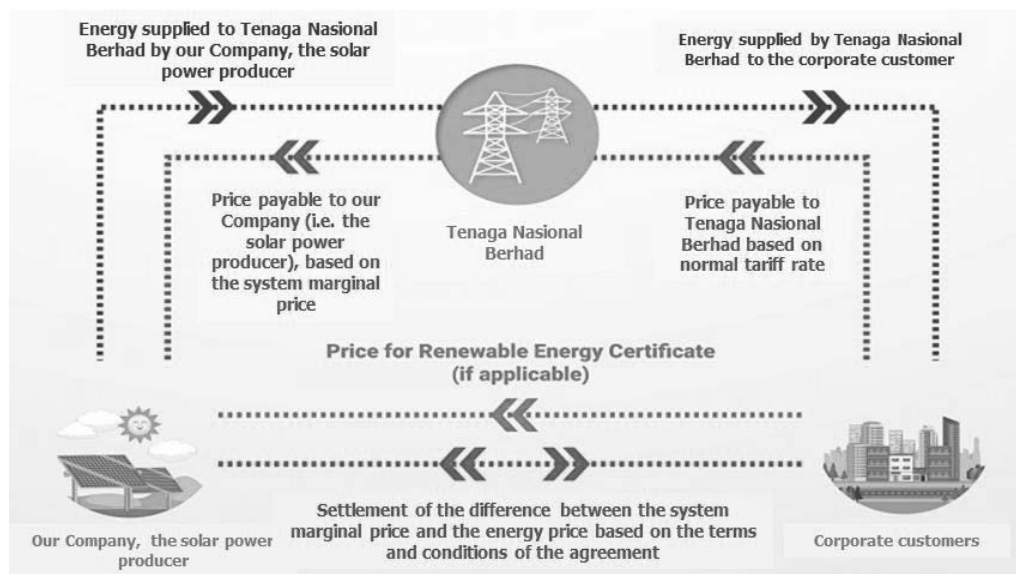
Source: SEDA

- CGPP**

We have also participated in tender biddings for CGPP, which is limited to corporate customers in Peninsular Malaysia only. The CGPP is an initiative by the Government to provide opportunity for business entities to participate in the promotion and use of renewable energy in their business operations. The programme supports the growing number of electricity consumers that aspire to achieve the environmental, social and governance target.

CGPP is essentially a mechanism of virtual power purchase agreement, which is implemented using the existing NEDA framework.

The CGPP mechanism is as illustrated below:



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

### Note:

If the system marginal price (which is determined by TNB) exceeds energy price, our Company pays the corporate customer. If the system marginal price is lower than energy price, the corporate customer pays our Company.

*(Source: Suruhanjaya Tenaga)*

Our Group presently provides EPCC for solar PV systems for projects under the NEM programme and SELCO programme. During the financial years/period under review and up to LPD, our Group has not secured any EPCC for solar PV system projects under the CGPP.

For clarity, our Group's provision of EPCC for solar PV systems business is not solely limited to NEM projects that are determined via quota allocations. Our Group is able to provide EPCC services for solar PV systems under other renewable energy programmes in Malaysia, including SELCO and CGPP, which are gaining traction in light of rising energy costs. Thus, our Group does not expect to be materially affected should the quota allocations under NEM 3.0 be fully taken up.

### 7.3.1.1 Our scope of works

Our EPCC scope of works typically encompass:

- **engineering and design from project initiation to detailed system design, including designing solar PV array, balance of systems as well as interconnection to the utility grid, where relevant**

We are responsible for preparing the work plan, developing engineering design and schematic layout including specifications and connectivity of equipment. An initial design will be prepared to serve as the basis of the construction blueprint, which includes, among others, the initial design proposal, equipment list, engineering and procurement specifications and various design estimates.

Based on the initial design proposal, a detailed engineering design will be prepared. This includes among others, the design of the solar PV array and balance of systems including inverters, transformers and interconnection facilities to the nearest distribution substation and utility grid.

- **procurement of all relevant systems, equipment, including solar PV modules and balance of systems**

We are responsible for the procurement and supply of the materials and equipment as well as arrangement of subcontractors for the construction, installation and integration of solar PV systems. This includes the planning, order placement, tracking, inspection, transportation, materials management and the management of subcontractors under our supervision. We typically specify the brands, models and types of materials and equipment to procure based on the agreed design and specifications.

- **civil and structural construction, mechanical and electrical ("M&E") works, installation and integration of equipment and systems, and interconnection to the utility grid, if stipulated in our contracts**

Solar PV systems are rooftop installations that involve the installation of solar PV modules and balance of systems and integration of systems at the generating site.

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

Our responsibilities are mainly in the following areas:

- project management and site supervision;
  - quality and safety assurance;
  - monitoring and construction, installation and integration process;
  - ensuring all works are performed in accordance with the project specifications and design and that they meet regulatory compliances; and
  - liaising with authorities and other external parties.
- **testing and commissioning of individual equipment, as well as the entire solar PV system once all equipment have been installed and prior to interconnection to the power grid**

We perform a series of commissioning tests on the individual equipment and interconnected systems, and subsequently the commissioning of the entire system. The purpose of the testing and commission is to ensure that the equipment and systems installed are able to function as a complete system, and meet the pre-determined parameters based on the detailed engineering design.

Grid-connected solar PV systems are tested to meet the technical specifications and comply with distribution substation output. In respect of the interconnection to the utility grid via power substation or power distribution, we will perform testing and commissioning together with a representative of the project owner and/ or representative from the utility grid (when required). If the testing result is not satisfactory, we will rectify such defects or performance shortfalls. Thereafter, the solar PV systems will be commissioned for commercial operations.

The rooftop solar PV system projects that we have undertaken encompass:

- Commercial buildings such as office buildings, retail buildings and petrol stations;
- Industrial buildings such as manufacturing facilities; and
- Residential properties for homeowners.

Examples of the past installations of solar PV systems are as shown below:

### **Commercial buildings**



## 7. BUSINESS OVERVIEW (Cont'd)

### Industrial buildings



### Residential buildings



### 7.3.1.2 Cumulative installed capacity

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

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>	<b>Up to LPD</b>
	<b>kWp</b>	<b>kWp</b>	<b>kWp</b>	<b>kWp</b>	<b>kWp</b>
Commercial and industrial	9,797.660	14,115.085	25,392.330	9,697.600	2,821.625
Residential	152.135	1,534.195	3,149.995	3,906.425	1,185.345
<b>Total</b>	<b>9,949.795</b>	<b>15,649.280</b>	<b>28,542.325</b>	<b>13,604.025</b>	<b>4,006.970</b>
<b>Cumulative</b>	<b>10,048.115</b>	<b>25,697.395</b>	<b>54,239.720</b>	<b>67,843.745</b>	<b>71,850.715</b>

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>	<b>Up to LPD</b>
	<b>kWp</b>	<b>kWp</b>	<b>kWp</b>	<b>kWp</b>	<b>kWp</b>
Kedah	-	319.370	2,175.400	-	-
Pulau Pinang	16.350	322.640	3,665.690	-	-
Perak	-	1,021.365	4,997.375	438.405	54.145
Selangor	3,282.260	8,628.900	9,324.280	4,674.670	1,877.450
Kuala Lumpur	-	-	872.470	734.440	94.605
Negeri Sembilan	1,028.640	702.420	2,027.385	181.865	-
Melaka	122.000	1,970.840	85.020	356.180	627.120
Johor	1,562.615	1,141.515	3,080.585	2,088.950	1,109.120
Pahang	3,637.930	1,481.735	2,166.840	3,412.720	-
Terengganu	300.000	60.495	147.280	1,716.795	-
Kelantan	-	-	-	-	-
Kuching	-	-	-	-	244.530
<b>Total</b>	<b>9,949.795</b>	<b>15,649.280</b>	<b>28,542.325</b>	<b>13,604.025</b>	<b>4,006.970</b>
<b>Cumulative</b>	<b>10,048.115</b>	<b>25,697.395</b>	<b>54,239.720</b>	<b>67,843.745</b>	<b>71,850.715</b>

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## 7. BUSINESS OVERVIEW (Cont'd)

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The ST Generating License is required for installations which are above 24kWp for single phase and/or above 72kWp for three phase. However, the ST Generating License is not required for installations which are below 24kWp for single phase and/or below 72kWp for three phase.

As at LPD, our Group has obtained the required ST Generating License for the installations which are above 24kWp for single phase and/or above 72kWp for three phase.

### 7.3.1.3 Product warranties and defects liabilities

We offer the following types of warranties after the final acceptance of our EPCC works:

- **Performance and product warranty of solar PV modules**

The solar PV module performance warranty is provided by the manufacturer of the solar PV module. Solar PV modules are designed for usage over a long time. Typically, the solar PV panel manufacturers provide performance warranty that the electricity generated by the solar PV modules will reach at least 98% of the nominal power output during the first year of the performance warranty period, and from the second year, the actual power output will decline by no more than 0.55% for a period of 24 years, and by the end of the 25<sup>th</sup> year, an actual output of 84.8% of the nominal power output is guaranteed.

Depending on the type of solar PV modules installed, the product warranty provided by solar PV module manufacturers ranges from 10 to 12 years. The product warranty covers the integrity of the solar PV panel itself and protects against any manufacturing defects, environmental issues and premature wear and tear.

Solar PV module manufacturers only guarantee that each panel will be able to produce a certain amount of instantaneous electricity on its own, but do not guarantee the amount of production generated from the solar PV systems.

During FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, we have processed 3 warranty claims on behalf of our customers against the manufacturers, specifically related to solar PV modules, due to manufacturing defects which resulted in component failures.

- **Product warranty of balance of systems**

We extend product warranties from manufacturers to our customers against manufacturing defects for solar PV panels and selected components of balance of system as follows:

<b>Products</b>	<b>Warranty period</b>
Solar PV panels	<ul style="list-style-type: none"> <li>• 10 to 12 years</li> </ul>
Inverters	<ul style="list-style-type: none"> <li>• 5 to 10 years</li> </ul>
Mounting structures	<ul style="list-style-type: none"> <li>• 10 years</li> </ul>

During the FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, we have processed 86 warranty claims on behalf of our customers against the manufacturers, specifically related to the inverters, due to manufacturing defects which resulted in component failures.

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

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- **Defects liability period**

The length of defects liability period provided in our EPCC contract generally ranges from 12 to 24 months from the date of acceptance of handover. During this warranty period, we are liable in accordance with the terms of the contract for any defects in our work. For some EPCC projects, we may be required to provide our customers with guarantees ranging from 5% to 10% of the contract sum as retention funds for any defects in the quality of our works. We are responsible for making good any defects or faults that may occur during the defects liability period.

Some of the solar PV components are covered against manufacturing defects by their respective product warranties and as a result, the component manufacturers or suppliers are responsible for providing suitable replacements. However, we are responsible for the upfront cost of replacing the affected component, which typically includes the cost of labour, transportation and consumables.

During the FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, our Group has not incurred any defects liability claims.

We have a back-to-back arrangement with the manufacturers, in that the warranties we offer to our customers are directly backed by the warranties received from these manufacturers. Our Group incurred the costs upfront for the warranty claims such as cost of labour, transportation and consumables. Subsequently, under the back-to-back arrangement with our manufacturers, these costs were reimbursed to our Group by the manufacturers.

### **7.3.1.4 Performance ratio guarantee**

For some projects in relation to the EPCC of solar PV systems, we may be required by the customers to provide a performance ratio guarantee for our EPCC services. Performance ratio is a measurement of the efficiency of a solar PV system, as indicated by the ratio of the actual solar PV energy output compared to its theoretical output. The performance ratio guarantee focuses on the performance efficiency of the PV system. Generally, we guarantee that the solar PV system will be able to generate at least 90% electricity output from the solar irradiance. We leverage on weather databases to estimate the amount of energy that can be generated from a solar PV system based on geographical location, weather trends, the types of solar system and size of generating facility.

If the solar PV system does not meet its annual performance ratio guarantee as set out in the respective contracts, we are responsible to either rectify the PV system to improve the performance efficiency to the guaranteed level or compensate the difference between the actual electricity generated and the guaranteed performance levels based on terms specified in the respective contracts at the applicable tariff rate of the utilities.

The performance guarantee shortfall may be caused by various factors, some of which may be beyond our control. These include component failures, incorrectly installed equipment, wires that are sized too small, inefficient system design, buildings or structures that cast shadows over the solar PV modules, accumulation of dust or debris on the solar PV modules due to the surrounding environment, excessive degradation of solar PV modules, lightning damage, as well as occurrence of haze or high rainfall.

The performance ratio guarantee that we provide is typically for a period ranging from 12 to 24 months from commencement of commercial operations.

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

We are able to calculate the theoretical performance of the solar PV system using weather data collected from the weather station and sensors that we install alongside the solar PV system. Upon comparing the calculated theoretical performance with actual performance, we can identify the performance of the solar PV system and take corrective action in the event of shortfall. Our staff are able to view the data from the weather station and sensors and performance of the solar PV system as it is displayed at our command centre. As such, they will be able to monitor any shortfall of the solar PV system from the command centre and physically rectify the PV system on-site to improve its performance efficiency.

During the FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, our Group has not incurred any claims in relation to performance ratio guarantees.

### **7.3.1.5 Tender bond, performance bond, retention sum and liquidated ascertained damages**

- **Tender bond**

A tender bond is required by some customers during the submission of tenders for solar PV projects. This is to ensure that we are committed to undertake the project under the contract terms if we are awarded and are capable of providing a performance bond thereafter. The value of the tender bond is usually a fixed sum that varies from tender to tender. The tender bond is typically fully refunded to us regardless if we win or lose the tender.

The tender bond requirement only applies when we are invited by customers to participate in a bidding exercise. A tender bond is not required in cases where we negotiate directly with prospective customers.

- **Performance bond**

We are required to provide performance bonds for EPCC projects, generally ranging from 5% to 10% of the contract sum of a project. The performance bond is usually issued by a bank to guarantee satisfactory completion of the project in accordance with contractual requirements. In the event we are unable to complete the project, our customers can file a claim against the performance bond. They will be compensated the cost of hiring another contractor to complete or remediate the remaining works. Upon 6 to 36 months from the date of acceptance of handover of project, we will be released from our performance bond.

During the FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, our Group has not been called on any of the performance bonds for our EPCC projects.

- **Retention sum**

For some of the commercial and industrial projects, our customers normally withhold 5% to 10% of the contract sum as retention sum to secure our due performance of the contract. The retention sum will be released upon the expiry of the defects liability period.

Our customers do not withhold retention sum for our design, supply and installation of solar PV systems for residential property projects.

During the FYE 2022, FYE 2023, FYE 2024 and FPE 2025, the retention sum held by our customers were RM nil, RM0.1 million, RM1.6 million and RM1.3 million respectively.

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

- **Liquidated ascertained damages**

For commercial and industrial projects, we are also subject to liquidated ascertained damages from our customers. Our customers can claim liquidated ascertained damages from us if the project is delayed, or when the performance ratio guarantee is not achieved. We may be liable for any liquidated ascertained damages in accordance with the respective contract terms.

During the FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, we have not encountered any claims relating to liquidated ascertained damages from our customers.

### **7.3.1.6 Project implementation and use of subcontractors**

In implementing our EPCC projects, we use our in-house personnel and resources to carry out the following tasks:

- feasibility studies and site assessments;
- engineering design and specifications;
- obtaining regulatory permits and approvals;
- procurement of materials and services;
- implementation of quality control assurance and procedures;
- implementation of safety and health programs;
- testing and commissioning; and
- overall project management and supervision.

Save for the above, we engage subcontractors for the provision of civil and structural works as well as M&E installation activities, which we have not and do not intend to carry out internally.

All works performed by our subcontractors are carried out under our project management and supervision.

### **7.3.2 Generation of renewable energy**

We own, operate and maintain solar PV systems that generate and sell the electricity generated to NEM and SELCO consumers in Peninsular Malaysia. This allows our Group to generate a stable inflow of revenue at an agreed base rate.

We either enter into a REPPA or SARE in relation to our rooftop solar PV systems that generate and sell electricity to NEM and SELCO consumers in Peninsular Malaysia.

The REPPA is an agreement between the NEM / SELCO consumer and investor / asset owner. The REPPA sets out details on the tenure of the contract, the base rate (sen/kWh) the covenants and obligations of each party. For clarity:

- NEM / SELCO consumer refers to commercial and industrial users with solar PV systems installed at their site; and offtakes or purchases all solar energy generated from the solar PV system from the investor / asset owner at the REPPA base rate for the purchase of the solar energy;
- investor / asset owner refers to our Group.

Under REPPA:

- the NEM / SELCO consumer is essentially a building owner that provides the rooftop area for the installation of solar PV system;
- the NEM / SELCO consumer does not incur upfront cost for the purchase of the solar PV system;

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

- our Group will own and operate the solar PV system throughout the REPPA contract period;
- NEM / SELCO consumer will sign REPPA with our Group to offtake all solar energy generated from the solar PV system from our Group at the base rate for the purchase of the solar energy which will be documented in the REPPA;
- billing of the solar energy consumed by the NEM / SELCO consumer will be prepared by our Group;
- in the case of NEM consumer, excess energy is exported to the utility grid and offset against energy provided by the Distribution Licensee (namely TNB) to the NEM consumer during the applicable billing period;
- the excess energy exported to the utility grid can only be used to offset against energy provided by the Distribution Licensee (namely TNB) to the NEM / SELCO consumer. TNB does not pay the NEM / SELCO consumer for excess energy generated;
- the NEM / SELCO consumer will own the solar PV system after the REPPA contract period; and
- at the end of the REPPA contract period, the NEM / SELCO consumer can opt to operate the solar PV system or engage our Group to continue operating the solar PV system under an O&M contract to be negotiated at that point in time.

The SARE is a tripartite agreement between the NEM / SELCO consumer, Distribution Licensee and investor / asset owner. The SARE sets out details on the tenure of the contract, the base rate (sen/kWh), the covenants and obligations of each party. For clarity:

- NEM / SELCO consumer refers to commercial and industrial users with solar PV systems installed at their site, and offtakes or purchases all solar energy generated from the solar PV system from the investor / asset owner at the SARE base rate for the purchase of the solar energy;
- Distribution Licensee refers to TNB in Peninsular Malaysia; and
- investor / asset owner refers to our Group.

Under SARE:

- our Group, as investor / asset owner conducts energy audit, design and proposes the optimum solar PV system for installation at the NEM / SELCO consumer's premise;
- the NEM / SELCO consumer does not incur upfront cost for the purchase of the solar PV system;
- our Group will also own and operate the solar PV system throughout the SARE contract period;
- NEM / SELCO consumer will sign SARE with our Group and TNB to offtake all solar energy generated from the solar PV system from our Group at the base rate for the purchase of the solar energy which will be documented in the SARE;
- billing of the solar energy purchased by the NEM / SELCO consumer from our Group will be prepared by TNB, whereby the payment is to be made by the NEM / SELCO consumer to TNB directly on a periodic basis;
- in the case of NEM consumer, excess energy is exported to the utility grid and offset against energy provided by the Distribution Licensee (namely TNB) to the NEM consumer during the applicable billing period;
- a service fee will be imposed by TNB, subject to the system capacity installed at each site;
- TNB will remit the sum collected from the NEM / SELCO consumer to our Group (net of their service fee);
- the NEM / SELCO consumer will own the solar PV system after the SARE contract period; and
- at the end of the REPPA contract period, the NEM / SELCO consumer can opt to operate the solar PV system, or engage our Group to continue operating the solar PV system under an O&M contract to be negotiated at that point in time.

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

The key difference between SARE and REPPA lies in the responsible party for issuing the billing for the solar energy consumed:

- under SARE, TNB issues the billing of the solar energy consumed by the NEM / SELCO consumer; and
- under REPPA, our Group issues the billing of the solar energy purchased by the NEM / SELCO consumer from our Group.

Our Group will advise the NEM / SELCO consumer on whether to opt for the REPPA or SARE. In deciding whether to propose the REPPA or SARE, our Group will assess the NEM / SELCO consumer based on the following aspects:

- electricity consumption requirements of the NEM / SELCO consumer:

SARE is more suitable for NEM / SELCO consumers that do not have high electricity consumption requirements and only require solar PV systems with smaller capacities. We generally advise NEM / SELCO consumers that consume higher volume of electricity to adopt REPPA. This allows us to manage a smaller portfolio of NEM / SELCO consumers under REPPA where they each generate higher billings for solar energy consumed as opposed to a large portfolio of NEM / SELCO consumers under SARE where they each generate lower billings; and

- financial strength and credit worthiness of the NEM / SELCO consumer:

Under REPPA, our Group is responsible for the billing of solar energy consumed and collection of the corresponding payment. As such, we typically propose REPPA for NEM / SELCO consumers that are financially stable and have good credit rating (credit history) to minimise situations of non-payments.

As at LPD, the 17 solar PV systems that we own, operate and maintain are as follows:

<b>Location</b>	<b>Type of agreement</b>	<b>Type of programme</b>	<b>Built capacity (kWp)</b>	<b>Commercialisation date</b>	<b>Duration of agreement</b>
Kawasan Perindustrian Tasik Utama, Ayer Keroh, 75450 Melaka <sup>(1)</sup>	REPPA	NEM	528.12	June 2022	15 years
Taman Tasik Utama, Hang Tuah Jaya, Ayer Keroh, 75450 Melaka <sup>(1)</sup>	REPPA	NEM	264.60	June 2022	15 years
Taman Perindustrian Temerloh, 28400 Mentakab, Pahang <sup>(1)</sup>	SARE	NEM	200.56	September 2022	21 years
Jln Yong Peng Bt 7, Kg GSA, 86609 Paloh, Johor <sup>(2)</sup>	SARE	NEM	103.285	September 2022	21 years

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

<b>Location</b>	<b>Type of agreement</b>	<b>Type of programme</b>	<b>Built capacity (kWp)</b>	<b>Commercialisation date</b>	<b>Duration of agreement</b>
Taman Mahkota Idaman Fasa 1B, 25200 Kuantan, Pahang <sup>(1)</sup>	SARE	NEM	124.74	November 2022	21 years
Taman Perindustrian Simpang Rengam, 86200 Simpang Rengam, Johor <sup>(1)</sup>	SARE	NEM	249.61	November 2022	15 years
Jalan SS23/1 Taman Sea, 47400 Petaling Jaya, Selangor <sup>(2)</sup>	SARE	NEM	26.16	November 2022	21 years
Kebun Sg Ikan, Kg Raja, 39010 Cameron Highlands, Pahang <sup>(2)</sup>	SARE	SELCO	45.78	February 2023	21 years
Jalan Kemajuan Kawasan Perusahaan, 43650 Bandar Baru Bangi, Selangor <sup>(1)</sup>	SARE	NEM	<sup>(4)</sup> 1,307.545	March 2023 (Phase 1)	25 years
				November 2024 (Phase 2)	25 years
Jalan Pdg Gaong, Kuah, 07000 Langkawi, Kedah <sup>(1)</sup>	SARE	NEM	250.70	May 2024	15 years
Jalan Genuang, 85000 Segamat, Johor <sup>(2)</sup>	SARE	NEM	20.71	November 2024	20 years
Jalan Yong Peng, 85300 Labis, Johor <sup>(2)</sup>	SARE	NEM	25.07	November 2024	20 years
Jalan Buloh Kasap, 85000, Segamat, Johor <sup>(2)</sup>	SARE	NEM	13.08	November 2024	20 years
Jalan Kemajuan, Kawasan Perusahaan, 43650 Bandar Baru Bangi, Selangor <sup>(1)</sup>	SARE	NEM	670.44	November 2024	25 years

## 7. BUSINESS OVERVIEW (Cont'd)

Location	Type of agreement	Type of programme	Built capacity (kWp)	Commercialisation date	Duration of agreement
Jalan Jening, 08300 Gurun Kedah <sup>(1)</sup>	REPPA	SELCO	2,302.72	November 2024	20 years
Jalan Batu Anam, 73400 Gemas, Negeri Sembilan <sup>(2)</sup>	SARE	NEM	11.99	January 2025 <sup>(3)</sup>	20 years
Jalan Pantai, 71000 Port Dickson, Negeri Sembilan <sup>(2)</sup>	SARE	NEM	22.35	January 2025 <sup>(3)</sup>	20 years

### Notes:

- (1) The solar PV system has obtained an ST Generating License as the installation is above 24kWp for single phase and/or above 72kWp for three phase.
- (2) The solar PV system is not required to obtain an ST Generating License as the installation is below 24kWp for single phase and/or below 72kWp for three phase.
- (3) The solar PV system installed has received approval from TNB to commercialise. However, it is pending rectification works to be performed by our NEM consumer (building owner) at their building and it is expected to commence commercialisation in January 2025.
- (4) Phase 1 of the solar PV system consists built capacity of 637.105 kWp and phase 2 of the solar PV system consists built capacity of 670.44 kWp.

There is no specific minimum or maximum contract period under the REPPA and SARE agreements, as the contract period differs based on financial viability and negotiations between the parties to the REPPA and SARE agreements. Based on publicly available information, the contract periods for REPPA and SARE agreements range from 10 years to 25 years.

The rooftop solar PV systems that our Group own, operate and maintain under REPPA typically have a tenure of 15 years, while those under SARE typically have a tenure of 21 years.

As at LPD, the abovementioned rooftop solar PV systems (which have commenced commercialisation) contribute to an average monthly income of approximately RM80,000.

As at LPD, our Group is not undertaking any construction of solar PV systems to be owned and operated by our Group.

### 7.3.3 O&M of solar PV equipment and systems

We offer maintenance services for rooftop mounted solar PV systems that we have developed for our customers but do not own. Our O&M services help to maintain consistent operations of solar PV equipment and systems for a specific contractual duration.

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

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Historically, we provided O&M services as part of our obligations under most of our EPCC contracts with no additional charges to customers. Commencing 2024, we began offering O&M services as a standalone service offering where our O&M contracts range between 1 to 10 years, depending on the scope of services. We offer performance warranty/ guarantee for O&M services under our O&M contracts for customers that require this.

O&M services are essential for ensuring that solar PV systems operate safely and continuously at its optimal efficiency levels. Our O&M services for residential, commercial and industrial buildings are comprehensive in the sense that it includes all repairs of defects covered under the defects liability period as well as repairs arising from wear and tear. Generally, our O&M services are provided on contractual basis, however we may be engaged by customers who request for repair and maintenance on an ad-hoc basis.

Our scope of services for O&M of solar PV equipment and systems mainly comprises the following:

- **Operations of solar PV systems**

We maintain a monitoring system using the inverters manufacturers' platform and conduct analysis to remain informed on the system status, metering revenue, alarms, diagnostics and site security. The O&M personnel in-charge will compare the results of system monitoring to benchmark against the forecast. Our customers are also provided with real-time notification as well as access to the performance monitoring dashboard. The performance dashboard will display the actual performance compared to expected performance for the day, month and year.

- **Preventive maintenance**

Preventive maintenance covers servicing, cleaning, inspection and other related activities carried out to ensure the solar PV systems work and perform accordingly. The scheduled preventive maintenance is carried out periodically based on the system or solar equipment requirements. We also perform inspection of inverters, combiner boxes, electrical wiring, assess damages and dirt to the solar PV modules; cleaning of surface of solar PV modules, inverter fans and air filters, combiner boxes; and testing of insulation and voltages.

The inspection, cleaning and testing of the equipment and system are performed according to the manufacturer's recommendations, as required by the equipment warranties.

- **Corrective maintenance**

We are required to provide timely repair services and parts replacement for solar PV panels and equipment to optimise its performance and reduce downtime. We will repair all system problems or defects on the solar PV system such as repairing and replacing any faulty electrical equipment, solar PV modules, mounting structures, cables and components of balance of systems.

In addition, we are responsible for the processing of defective equipment and components and filing warranty claims with the respective suppliers/vendors for replacement units.



## 7. BUSINESS OVERVIEW (Cont'd)

### 7.3.4 Our ongoing and completed projects

#### (i) Ongoing projects

The following table sets forth our ongoing projects over FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD with contract value of RM1.5 million and above.

<b>Project details/ scope and location<sup>(1)</sup></b>	<b>Customer</b>	<b>Type of building</b>	<b>Type of solar programme</b>	<b>Built Capacity (kWp)</b>	<b>Commencement and expected completion period<sup>(2)(3)</sup></b>	<b>Contract value/ Balance contract value as at LPD<sup>(4)</sup> (RM million)</b>	<b>Stage of completion (% as at LPD)</b>	<b>FYE of balance contract value to be fully recognised</b>
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Lenggeng, Negeri Sembilan	Vitaton (M) Sdn Bhd	Industrial	NEM	1,332.6	August 2024 to January 2025	2.3/0.4	82.6	2025
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Ayer Keroh, Melaka	San Miguel Yamamura Plastic Films Sdn Bhd	Industrial	SELCO	2,403.7	August 2024 to March 2025	4.0/2.8	30.0	2025
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Seri Kembangan, Balakong	Customer B	Industrial	NEM	1,450.9	July 2024 to March 2025	2.4/0.02	99.2	2025
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Kuala Lipus, Pahang	Customer B	Industrial	NEM	1,286.3	August 2024 to February 2025	2.2/0.3	86.4	2025

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

<b>Project details/ scope and location<sup>(1)</sup></b>	<b>Customer</b>	<b>Type of building</b>	<b>Type of solar programme</b>	<b>Built Capacity (kWp)</b>	<b>Commencement and expected completion period<sup>(2)(3)</sup></b>	<b>Contract value/ Balance contract value as at LPD<sup>(4)</sup> (RM million)</b>	<b>Stage of completion (% as at LPD)</b>	<b>FYE of balance contract value to be fully recognised</b>
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Ulu Tiram, Johor	Customer B	Industrial	NEM	1,098.8	September 2024 to March 2025	1.9/1.1	42.1	2025
Design, supply, installation, engineering, testing and commissioning of solar PV system at a shopping mall in Cheras, Kuala Lumpur	PPB Group Berhad	Commercial	SELCO	405.0	October 2024 to March 2025	1.5/1.46	5.2	2025
Design, supply, installation, engineering, testing and commissioning of solar PV system for bank branches in Kuala Lumpur, Selangor, Negeri Sembilan and Johor	Malayan Banking Berhad	Commercial	NEM	1,004.0	October 2024 to May 2025	2.4/2.1	12.5	2026
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Shah Alam, Selangor	Times Offset (M) Sdn Bhd	Industrial	NEM	840.0	October 2024 to March 2025	1.6/0.1	95.0	2025
Design, supply, installation, engineering, testing and commissioning of solar PV system for supermarket chain outlets in Bukit Bakri, Pontian, Sri Kluang and Yong Peng, Johor	Parkland RPVI Sdn Bhd	Commercial	NEM	802.8	November 2024 to March 2025	2.2/1.7	22.7	2025

## 7. BUSINESS OVERVIEW (Cont'd)

### Notes:

- (1) Project details and scope are based on the respective LOAs and purchase orders.
- (2) Commencement date of each project is based on the respective LOAs or purchase orders.
- (3) Expected completion date of each project is based on the expected final billing date.
- (4) Contract value and balance contract value as at LPD of each project includes original contract value as per LOAs or purchase orders and subsequent variation orders, if any.

### (ii) Completed projects

The following table sets forth our past projects over FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD with contract values of RM1.5 million and above.

<b>Project details/ scope and location<sup>(1)</sup></b>	<b>Customer</b>	<b>Type of building</b>	<b>Type of solar programme</b>	<b>Built Capacity (kWp)</b>	<b>Commencement and completion period<sup>(1)</sup></b>	<b>Contract value (RM million) <sup>(2)</sup></b>
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Kuantan, Pahang	EC Excel Wire Sdn Bhd	Industrial	NEM	1,000.0	December 2020 to April 2021	2.7
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Kuantan, Pahang	Ocean Fresh Seafood Products Sdn Bhd	Industrial	NEM	490.0	August 2020 to April 2021	1.8
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Bahau, Negeri Sembilan	Hang Tuah Furniture Sdn Bhd	Industrial	NEM	1,000.0	April 2021 to February 2022	2.0
Design, supply, installation, engineering, testing and commissioning of solar PV system at a shopping mall in Kuantan, Pahang	Engie Services Malaysia Sdn Bhd	Commercial	NEM	980.0	May 2021 to September 2022	2.5

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

<b>Project details/ scope and location<sup>(1)</sup></b>	<b>Customer</b>	<b>Type of building</b>	<b>Type of solar programme</b>	<b>Built Capacity (kWp)</b>	<b>Commencement and completion period<sup>(1)</sup></b>	<b>Contract value (RM million)<sup>(2)</sup></b>
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Melaka	Yeong Chaur Shing Paper Mill Sdn Bhd	Industrial	NEM	1,200.09	September 2021 to June 2022	2.6
Design, supply, installation, engineering, testing and commissioning of solar PV system at a commercial property in Shah Alam, Selangor	Leader Solar Sdn Bhd	Commercial	NEM	858.92	March 2022 to September 2023	2.0
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Klang, Selangor	Leader Solar Sdn Bhd	Industrial	NEM	996.26	March 2022 to February 2023	2.3
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Klang, Selangor	Leader Solar Sdn Bhd	Industrial	NEM	2,023.04	March 2022 to March 2023	4.5
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Simpang Renggam	Fuca Enterprise Sdn Bhd	Industrial	NEM	599.50	June 2022 to March 2023	1.5
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Pulau Indah, Selangor	FFM Further Processing Sdn Bhd	Industrial	NEM	1,122.16	August 2022 to March 2023	2.4
Design, supply, installation, engineering, testing and commissioning of solar PV system at a supermarket chain outlet in Klang, Selangor	Customer A	Commercial	NEM	930.1	February 2023 to July 2023	1.8
Design, supply, installation, engineering, testing and commissioning of solar PV system at a supermarket chain outlet in Bukit Mertajam, Pulau Pinang	Customer A	Commercial	NEM	1,055.7	May 2023 to August 2023	2.0
Design, supply, installation, engineering, testing and commissioning of solar PV system at a supermarket chain outlet in Jelapang, Perak	Customer A	Commercial	NEM	411.4	June 2023 to October 2023	1.6

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

<b>Project details/ scope and location<sup>(1)</sup></b>	<b>Customer</b>	<b>Type of building</b>	<b>Type of solar programme</b>	<b>Built Capacity (kWp)</b>	<b>Commencement and completion period<sup>(1)</sup></b>	<b>Contract value (RM million) <sup>(2)</sup></b>
Design, supply, installation, engineering, testing and commissioning of solar PV system at a supermarket chain outlet in Batu Gajah, Perak	Customer A	Commercial	NEM	1,034.0	June 2023 to August 2023	2.0
Design, supply, installation, engineering, testing and commissioning of solar PV system at a supermarket chain outlet in Baling, Kedah	Customer A	Commercial	NEM	924.0	June 2023 to August 2023	1.8
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Puchong, Selangor	George Kent (Malaysia) Berhad	Industrial	NEM	650.1	August 2023 to April 2024	1.8
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Pulau Pinang	CPI (Penang) Sdn Bhd	Industrial	NEM	2,164.6	September 2023 to June 2024	4.6
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Kemaman, Terengganu	Engie Services Malaysia Sdn Bhd	Industrial	SELCO	1,496.8	October 2023 to September 2024	3.9
Design, supply, installation, engineering, testing and commissioning of solar PV system at an industrial property in Kuala Lumpur	Engtex Energy Sdn Bhd	Industrial	NEM	1,361.4	January 2024 to July 2024	2.7

**Notes:**

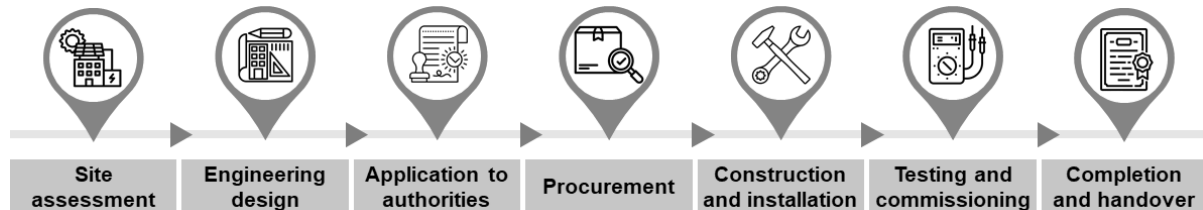
- (1) Commencement period of each project is based on the respective LOA or purchase order, whereas the completion period is based on the final billing date.
- (2) Contract value of each project is determined based on the original contract amount stated in the LOAs or purchase orders and subsequent variation orders (if any), which collectively form the final project accounts to be mutually agreed by both parties.

## 7. BUSINESS OVERVIEW (Cont'd)

### 7.4 BUSINESS PROCESSES

#### 7.4.1 EPCC of solar PV systems

We adopt the following process flow in the EPCC of solar PV systems:



##### (i) Site assessment

Our projects generally begin with site assessment. We conduct site assessment to assess the project site in terms of feasibility for the installation of the solar PV modules, balance of systems and relevant electrical equipment and components, taking into consideration factors such as space and condition, sitting and orientation of solar PV modules to receive the maximum amount of solar irradiation.

The building and roof are inspected to ensure that they can support the weight of the solar PV modules. In addition, we will also assess the interconnection facilities for grid-connection.

After obtaining pertinent information on the project site, we will form a project team to carry out costing and preparation of proposal to the prospective customer via our participation in a tender bidding process or through direct negotiations with customers.

##### (ii) Engineering design

Once the assessment is satisfactory and we have been engaged for the project, our engineers will propose a suitable design for our customers. The engineering design will be customised according to the customers' requirements and based on the information obtained from the site assessment. During this stage, we will develop a work plan and an initial design will be prepared and reviewed to serve as the basis of the construction blueprint, which includes, among others the initial design proposal, equipment list, engineering and procurement specification manuals and various design estimates.

Our engineering design process includes the following:

- Developing the schematic drawings and specifications of the solar PV system. This includes the number of solar PV modules to achieve the installed peak or generating capacity requirements, connections and cabling, row spacing, orientation and angle of inclination to achieve the optimum electricity generation.

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

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- Identifying all other parts which contribute to the functioning of the solar PV system, comprising the balance of system. The balance of system requirements will depend on the following factors:
  - installed capacity; and
  - self-consumption and/or export to the utility grid.

### **(iii) Application to authorities**

We work closely with our customers to assist them with the necessary application to the authorities where this involves one or more of the following:

- Submission of structural and electrical drawings and supporting documents to the relevant local authorities;
- Submission of a Connection Assessment Study or Power System Study, to TNB and SEDA (where applicable);
- Submission of an application to Suruhanjaya Tenaga for Public Generation Licence or Private Generation License (where applicable), which is applicable under the NEM, SELCO and CGPP programmes;
- Submission of an application for Green Investment Tax Allowance (GITA) to MIDA and the MGTC (where applicable), which is applicable under the NEM, SELCO and CGPP programmes; and
- Applicable approvals from the relevant local councils.

For clarity, our customers are entitled to the Green Investment Tax Allowance (GITA) for capital expenditure incurred within period of 1 January 2024 until 31 December 2026 and our role is to assist them in preparing and submitting the necessary applications.

### **(iv) Procurement**

Procurement includes planning, order placement, tracking, inspection, transportation of materials, materials management as well as procurement of subcontracting services. During this stage, we work closely with our suppliers or vendors to schedule material mobilisation. We source, receive quotations and appoint subcontractors for the provision of civil and structural works as well as M&E installation activities that meet our technical, cost and quality requirements from our list of approved subcontractors.

We source major materials and equipment from local and overseas suppliers, and our procurement team is responsible for managing the logistics and to ensure the equipment and components arrive at the project site in a timely manner for installation works. In addition, we will perform visual inspection and perform various tests on the major equipment and components used in our projects, such as solar PV modules, inverters, mounting structures as well as transformers. During this stage, we carry out functional tests on individual equipment and components to ensure the performance is in accordance with the pre-determined requirements. If the checks and tests performed on the equipment and components are not satisfactory or found to be defective and faulty, we will notify the supplier for replacement units.

Please refer to Section 7.14 for more details on our quality control on incoming materials.

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

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### **(v) Construction and installation**

We outsource part of our construction and installation works and act as the main contractor, conducting the overall project management. Our site supervisor will monitor and review the subcontractors' performance based on work progress, quality of construction and installation works, safety of the construction site and compliance with the regulatory and project requirements.

We generally undertake the following works:

- reinforcement works on the building and roof structure to support the weight of the solar PV modules and mounting structures (if required);
- erection of mounting frames and installation of solar PV modules;
- installation of cables and wires;
- installation of balance of system;
- creating an enclosure to house the balance of system (if required); and
- installation of interconnection facilities to connect the solar PV system to the nearest substation or power distribution board.

We may propose variation order(s) during the construction and installation stage, when we realise more works are required to complete the project for the efficient functioning of the overall solar PV system. We will submit the cost and required time for the variation work to our customers for their approval.

### **(vi) Testing and commissioning**

Upon the completion of construction and installation works, we will facilitate the system checking and inspection on the installation against the as-built documents. The following system checking steps are usually taken:

- validate the solar PV modules and balance of system that have been installed in accordance with the engineering drawings, manufacturers' recommendations or specifications;
- verify that the electricity generated is in accordance with the technical requirements and overall power generating capacity;
- verify that the system is properly and safely integrated with the building's power system; and
- detect defective equipment and perform rectification works.

Upon the completion of system checking and inspection, we will perform testing and commissioning on the solar PV system. Any interconnection to the utility grid via substation or power distribution board will need to be tested and commissioned together with our customers and a representative from the Distribution Licensee. Should any non-conformance be identified at this stage, we will undertake rectification works. Testing is deemed completed when the issues are rectified.

Some of the testing and commissioning procedures conducted at project site include:

- **Performance ratio test**

We conduct performance ratio test to ensure that the electricity generating capacity of the solar PV system meets the technical specifications and complies with the distribution substation output. The performance ratio test indicates the reliability and efficiency of power generation from the solar PV plant as compared to the installed capacity.



## 7. BUSINESS OVERVIEW (Cont'd)

- **Acceptance test**

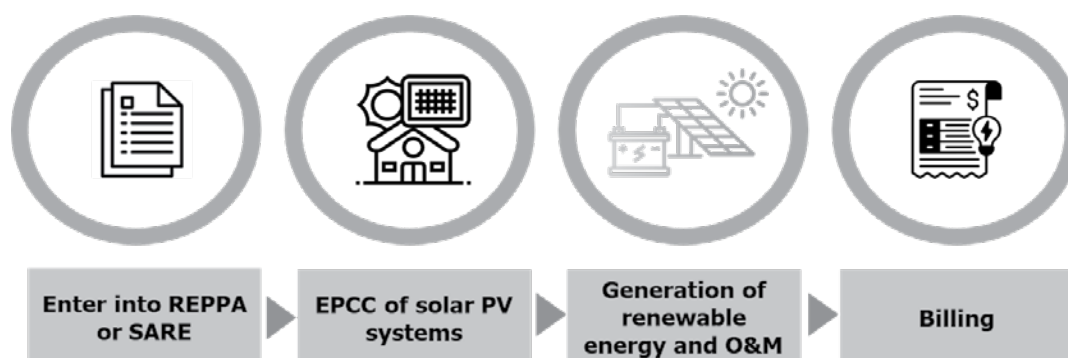
We carry out data collection of the solar PV system for evaluation of an acceptance test. This acceptance test involves the review of design and engineering, labelling of equipment and visual inspection of the solar PV system and the results of the acceptance test will be presented in a detailed report. This acceptance test provides certainty and confidence to our solar PV system projects as it verifies our fulfilment of technical and safety standards.

**(vii) Completion and handover**

After system checking, testing and commissioning, the solar PV system is then commissioned and officially handed over to the customer with all the relevant regulatory certifications, registrations and handover documentation. The handover documentation includes engineering design data, as-built drawings, O&M procedures and manual, certifications, information about spare parts and other information pertinent to complete handover of the solar PV system and the future O&M. We are also responsible to brief our customers on basic operating procedures as part of the handover process.

The typical project implementation period for solar PV systems, from the point of site assessment to project handover and completion, varies depending on the installed capacity of the generating system. Under normal and controllable circumstances, the estimated timeframe to complete the EPCC of solar PV systems is between 4 to 6 months.

### 7.4.2 Generation of renewable energy



**(a) Enter into REPPA or SARE**

We will conduct a site assessment at the premises of the consumer to assess the project site in terms of feasibility for the installation of the solar PV modules, balance of systems and relevant electrical equipment and components, taking into consideration factors such as space and condition, sitting and orientation of solar PV modules to receive the maximum amount of solar irradiation, as well as suitability of the building and roof to support the weight of the solar PV modules. We will also identify the interconnection facilities for grid-connection.

Once the site is deemed structurally acceptable, we will commence REPPA or SARE negotiations with the consumer. The decision to adopt REPPA or SARE depends on the financial strength of the consumer and applicable tariff rate. Please refer to Section 7.3.2 for further details on REPPA and SARE.

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

**(b) EPCC of solar PV systems**

Upon execution of the REPPA or SARE, we will carry out the relevant processes for the EPCC of the solar PV systems at the site. Please refer to Section 7.4.1 for the process flow in relation to the EPCC of solar PV systems.

**(c) Generation of renewable energy and O&M**

After the EPCC of solar PV systems, we will coordinate with TNB for meter installation. The installed solar PV system is then ready to commence generation of renewable energy.

Please refer to Section 7.4.3 for the process flow in relation to the O&M of solar PV equipment and systems.

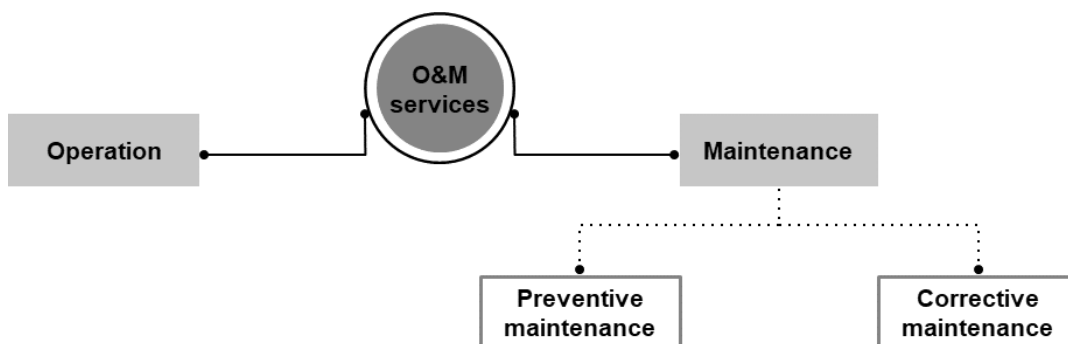
**(d) Billing**

For instances in which we have entered into SARE, TNB’s billing will commence upon solar PV system commissioning according to billing cycle until the end of the SARE contract period.

For instances in which we have entered into REPPA, our Group’s billing will commence upon solar PV system commissioning according to billing cycle until the end of the REPPA contract period.

**7.4.3 O&M of solar PV equipment and systems**

The typical process flow of our O&M of solar PV equipment and systems is depicted below:



**(a) Operations**

To optimise system performance, there is a need to ensure that the electrical components and parts of the solar PV systems function efficiently throughout the lifetime of the system. Continuous monitoring of solar PV systems is essential to maximise the energy performance of the system. Each solar PV system is installed with an energy and solar monitoring system, which allows our O&M personnel to track energy generation from the solar PV systems in real time and/or remotely using the inverter manufacturers’ platform.

Our O&M personnel will maintain a monitoring system which includes the monitoring of day-to-day operations of the solar PV system to maximise electricity output, assess performance and trends and operate grid interface as well as setting adjustments for distribution system control using the inverter manufacturers’ platform.

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

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The inverter manufacturers' platform will enable our O&M personnel to monitor real-time efficiency of the solar PV system and continuously compare with the theoretical efficiency to assess if the system is operating optimally. This information is then used by our O&M personnel to establish the general condition of the system and schedule urgent repair or maintenance activities such as cleaning of solar PV modules or replacement of electrical components. Our O&M personnel are required to provide efficient and timely repair in the event of equipment failure that results in downtime.

**(b) Maintenance**

Our maintenance services can be categorised as preventive and corrective maintenance.

**Preventive maintenance**

Preventive maintenance covers servicing, cleaning, inspection and other related activities carried out to ensure that the solar PV systems work and perform accordingly. The scheduled preventive maintenance is typically carried out at least once a year, in agreement with our customers based on the system or solar equipment requirements as well as solar PV equipment manufacturers' recommendations, as required by the equipment warranties. Our preventive maintenance involves performing on-site inspection on the following electrical equipment and components:

**Solar PV modules**

- Visual inspection of solar PV modules for visible cracks, damages and defects and to note the location and serial number of affected modules
- Provide appropriate cleaning of solar PV modules for the removal of dust
- Checks on electrical connection of solar PV modules

**Inverters**

- Visual inspection and checks on components, testing of protective equipment and alarms in the inverter room
- Ensure continuous operations of inverter in converting generated electricity from direct current to alternating current

**Mounting structures**

- Visual inspection and checks for possible corrosion of mounting structure due to oxidation
- Ensure the lock mechanism of the mounting structure is in order to ensure structural integrity

**Cables and wiring systems**

- Checks on the cable and wiring system to identify any cable degradation due to exposure to sunlight
- Inspection on cables, wires and conduits for signs of cracks, defects, loose connections and grounding faults

**Low voltage switchboards**

- Clean and check low-voltage switchboards for any deformation or loose electrical connections

**7. BUSINESS OVERVIEW (Cont'd)****Corrective maintenance**

- We are required to provide timely repair services and parts replacement to optimise the performance of the solar PV systems and reduce downtime. We will repair all systems issues, defects of the associated electrical equipment and components of the solar PV system which were identified earlier or brought to our attention during the inspection and checks under the preventive maintenance process. Our O&M personnel are required to provide timely repair according to the equipment manufacturers' recommendations or maintenance procedures.

As part of our O&M services, we will also undertake administrative works including the safekeeping of daily performance and O&M measures taken, incident reports as well as ensuring compliance with the relevant regulations and guidelines by the authorities. In addition, we are also responsible for the processing of defective equipment and components and filing of warranty claims with the respective suppliers/vendors for replacement units.

**7.5 PRINCIPAL MARKETS AND SEGMENTS**

All our revenue was generated from Malaysia. The breakdown of our revenue by business segment for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 is as follows:

<b>Business segment</b>	<b>Audited</b>					
	<b>FYE 2022</b>		<b>FYE 2023</b>		<b>FYE 2024</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
EPCC of solar PV systems	22,232	100.0	44,264	99.1	77,028	98.8
Generation of renewable energy	-	-	408	0.9	946	1.2
O&M of solar PV equipment and systems	-	-	-	-	-	-
<b>Total</b>	<b>22,232</b>	<b>100.0</b>	<b>44,672</b>	<b>100.0</b>	<b>77,974</b>	<b>100.0</b>
<b>Business segment</b>	<b>Unaudited</b>		<b>Audited</b>			
	<b>FPE 2024</b>		<b>FPE 2025</b>			
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>		
EPCC of solar PV systems	37,769	98.8	39,599	98.6		
Generation of renewable energy	474	1.2	525	1.3		
O&M of solar PV equipment and systems	-	-	32	0.1		
<b>Total</b>	<b>38,243</b>	<b>100.0</b>	<b>40,156</b>	<b>100.0</b>		

For avoidance of doubt, for FYE 2022 to FYE 2024, our O&M services have been provided free of charge as part of our obligations under most of our EPCC contracts. No revenue has been generated in this respect. Nonetheless, in FPE 2025 we have secured several O&M services contracts, which shall contribute to revenue for the O&M business segment from FYE 2025 onwards.

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

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### **7.6 BUSINESS DEVELOPMENT AND MARKETING STRATEGIES**

Our business development, marketing and sales activities are led by our Managing Director, Lew Shoong Kai, who is supported by 18 employees in our business development, marketing and sales team as at LPD. Our Group's business development, marketing and sales team is primarily responsible for planning and executing activities and serving our existing customers, while acquiring new customers.

We secure new customers and projects through the following methods:

- **Tenders, referrals and recommendations from existing customers and consultants**

For EPCC contracts, we mainly secure new business opportunities through direct tender invitations from existing and potential customers (being project owners and main contractors) as well as engineering consultants representing the customer. Potential customers may also approach us with current or upcoming tender opportunities through referrals or word-of-mouth from our existing customers and consultants. Hence, we believe that our business reputation plays a significant role in enabling us to procure projects and to maintain and grow our business operations.

If there is a tender opportunity, our business development, marketing and sales team will follow up with these customers to understand the project proposal and requirements. We will also review the tender documents and participate in tenders for which we are qualified.

- **Fostering relationships with our customers**

We focus on customer retention by fostering long-term relationships with our customers. We maintain our existing customer relationships through regular contact, including providing regular updates on new solar PV technologies to adopt new solar equipment and components in the market. We are also able to establish and reinforce business relationships with our customers by maintaining a constant flow of communication when we are engaged to provide O&M services to our customers.

We also work closely with our customers when developing customised solar PV systems. This allows us to build rapport with our customers through constant communication, which is likely to strengthen our relationships with our customers. Should an issue or problem arise, we will follow up on the issue and strive to provide a solution for our customers, as this helps to create confidence in our Group and our services.

In addition, the relationships we have built with our customers also act as a source of market intelligence. This allows us to keep abreast of industry trends and developments and enables us to adapt to market demands more quickly as well as keeps us ahead of competition should any new opportunities arise.

- **Events and exhibitions**

We participate in HOMEDEC, ESG EVOLVE and events organised by the Malaysian Plastics Manufacturers Association (MPMA) as exhibitors to create awareness and engage customers.

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## 7. BUSINESS OVERVIEW (Cont'd)

These events have allowed us to introduce our Group and market our solar PV capabilities to a wider audience, communicate directly with potential customers and understand current markets. We also place emphasis on educating potential customers on renewable energy and solar PV systems at these events and exhibitions. Through participating in these events and exhibitions, we can help to promote the benefits and sustainability of renewable energy to the community.

We also carry out awareness and marketing roadshows at local communities where we feature our solar truck which is equipped with an operating solar PV system (i.e. solar PV panels, inverter and cables). This solar truck serves as a mobile showroom to show homeowners the potential of installing a solar PV system at their residence. The solar PV system in the solar truck is used to generate electricity for the showroom and supply power to its lighting and air conditioning system.



**Our solar truck during a roadshow**

- **Digital marketing**

We make use of digital marketing tools to communicate and engage directly with potential customers as well as build brand awareness. We leverage on our corporate website at <https://northernsolar.com.my/> and social media platforms such as Facebook, Instagram and LinkedIn to increase our exposure and market our services.

Our corporate website provides immediate searchable information on our Group and details of our services, and allows us to reach out to business owners and home owners who may be interested to engage us for the installation of solar PV systems. We are able to communicate directly with potential customers who view our content through our corporate website, comments, messages, reviews and social media posts. We also frequently update our corporate website and social media pages with latest news and trends in the solar PV industry as well as ongoing promotions and our initiatives.

We further leverage on search engine optimisation and search engine marketing to promote our Group and solutions on the Internet. Search engine optimisation aims to improve the visibility of our website on search engines when users search for solutions that we promote. We also use search engine marketing to promote our website and increase their visibility in search engine results pages primarily through paid advertising as well as search engine optimisation.

- **Publication of catalogues and brochures**

We distribute primarily our company profile, flyers and brochures electronically to existing and potential customers.

## 7. BUSINESS OVERVIEW (Cont'd)

### 7.7 MAJOR CUSTOMERS

Our top 5 major customers for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 are as follows:

#### FYE 2022

No.	Major customers	Solutions delivered	Revenue contribution		(1)Length of relationship
			RM'000	%	Years
1	Engie Services Malaysia Sdn Bhd	EPCC of solar PV systems	2,435	11.0	1
2	Hang Tuah Furniture Sdn Bhd	EPCC of solar PV systems	2,025	9.1	2
3	Customer B <sup>(4)</sup>	EPCC of solar PV systems	1,500	6.7	(2)Less than 1
4	NEFIN Solar Asset Sdn Bhd	EPCC of solar PV systems	1,023	4.6	1
5	Yeong Chaur Shing Paper Mill Sdn Bhd	EPCC of solar PV systems	796	3.6	(2)Less than 1
			<b>7,779</b>	<b>35.0</b>	

#### FYE 2023

No.	Major customers	Solutions delivered	Revenue contribution		(1)Length of relationship
			RM'000	%	Years
1	Leader Solar Sdn Bhd	EPCC of solar PV systems	9,081	20.3	1
2	Customer A <sup>(3)</sup>	EPCC of solar PV systems	3,549	7.9	Less than 1
3	FFM Group <sup>(6)</sup>	EPCC of solar PV systems	2,413	5.4	(2)Less than 1
4	Industrial Concrete Products Sdn Bhd	EPCC of solar PV systems	1,560	3.5	1
5	Fuca Enterprise Sdn Bhd	EPCC of solar PV systems	1,544	3.5	(2)Less than 1
			<b>18,147</b>	<b>40.6</b>	

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

**FYE 2024**

<b>No.</b>	<b>Major customers</b>	<b>Solutions delivered</b>	<b>Revenue contribution</b>		<b>(1)Length of relationship</b>
			<b>RM'000</b>	<b>%</b>	<b>Years</b>
1	Customer A <sup>(3)</sup>	EPCC of solar PV systems	25,964	33.3	1
2	CPI (Penang) Sdn Bhd	EPCC of solar PV systems	4,124	5.3	<sup>(2)</sup> Less than 1
3	Engie Services Malaysia Sdn Bhd	EPCC of solar PV systems	2,346	3.0	3
4	George Kent (Malaysia) Berhad	EPCC of solar PV systems	1,623	2.1	<sup>(2)</sup> Less than 1
5	Sekoplas Industries Sdn Bhd	EPCC of solar PV systems	1,335	1.7	<sup>(2)</sup> Less than 1
			<b>35,392</b>	<b>45.4</b>	

**FPE 2025**

<b>No.</b>	<b>Major customers</b>	<b>Solutions delivered</b>	<b>Revenue contribution</b>		<b>(1)Length of relationship</b>
			<b>RM'000</b>	<b>%</b>	<b>Years</b>
1	Engtex Group <sup>(5)</sup>	EPCC of solar PV systems	4,852	12.1	Less than 1
2	Customer B <sup>(4)</sup>	EPCC of solar PV systems	4,652	11.6	<sup>(2)</sup> Less than 1
3	Customer A <sup>(3)</sup>	EPCC of solar PV systems	1,910	4.8	2
4	Vitaton (M) Sdn Bhd	EPCC of solar PV systems	1,471	3.7	<sup>(2)</sup> Less than 1
5	FFM Group <sup>(6)</sup>	EPCC of solar PV systems	1,342	3.3	2
			<b>14,227</b>	<b>35.5</b>	

**Notes:**

- (1) As at the end of each respective financial year/period.
- (2) Length of relationship for these customers is less than 1 year as there has not been subsequent projects after the completion of their respective initial projects.
- (3) Customer A is a group of companies based in Malaysia that is principally operating as a supermarket chain. We are unable to disclose the name of Customer A due to the confidentiality clauses stated in the agreements executed with Customer A which prohibits the disclosure of information in relation to Customer A without prior written consent. In FYE 2024, we have completed 33 EPCC of solar PV system projects for Customer A.



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

- (4) Customer B is a group of companies wholly-owned by a company listed on the ACE Market, being principally involved in EPCC of solar PV systems, solar PV construction and installation services, solar power generation and supply as well as associated services and products. We are unable to disclose the name of Customer B as written consent was not granted by Customer B.
- (5) The companies within our customer grouping are as follows:

<b>Customer grouping</b>	<b>Companies</b>
Engtex Group	Engtex Sdn Bhd, Engtex Ductile Iron Pipe Industry Sdn Bhd, Engtex Metals Sdn Bhd, Engtex Pipe Industry Sdn Bhd, Engtex Steel Pipe Sdn Bhd, East Coast Manufacturing Sdn Bhd

Our revenue from the companies within the Engtex Group is as follows:

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
East Coast Manufacturing Sdn Bhd	-	-	-	567
Engtex Ductile Iron Pipe Industry Sdn Bhd	-	-	-	1,716
Engtex Metals Sdn Bhd	-	-	-	767
Engtex Pipe Industry Sdn Bhd	-	-	-	625
Engtex Sdn Bhd	-	-	-	519
Engtex Steel Pipe Sdn Bhd	-	-	-	658
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,852</b>

For avoidance of doubt, Engtex Energy is not included in the customer group above as Engtex Energy is our associated company.

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

(6) The companies within our customer grouping are as follows:

<b>Customer grouping</b>	<b>Companies</b>
FFM Group	FFM Berhad and FFM Further Processing Sdn Bhd

Our revenue from the companies within the FFM Group is as follows:

	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FPE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
FFM Further Processing Sdn Bhd	-	2,413	14	-
FFM Berhad	-	-	836	1,342
<b>Total</b>	<b>-</b>	<b>2,413</b>	<b>850</b>	<b>1,342</b>

Over FYE 2022, FYE 2023, FYE 2024 and FPE 2025, save for Engie Services Malaysia Sdn Bhd (provider of consultancy services on energy efficiency solutions), Suntech Energy Sdn Bhd (a business-to-business solar solutions service provider), NEFIN Solar Asset Sdn Bhd (a renewable energy investor, developer and asset manager), Leader Solar Sdn Bhd (involved in development, ownership, operation and maintenance of power generation and transmission assets), Engtex Group and Customer B as set out above, our customers are end users of the solar PV systems that we install in their commercial and industrial premises. We had a total of 81, 215, 496 and 387 customers in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Our major customers collectively contributed to 35.0%, 40.6%, 45.4% and 35.5% of our revenues in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively. Revenue contribution from our Group's major customers varies from year to year given the nature of our business being conducted on a project basis and are based on the value of the projects secured from time-to-time as well as progress claims on such projects. Depending on the size of the projects secured from time to time, the revenue contribution from any given customer may constitute a significant portion of our Group's annual revenue for that particular financial year.

The contracts that our Group enters into with our customers are typically less than 12 months, depending on the scale of project and the scope of services that we are engaged to perform. We may not secure similar contracts in terms of size and scope with the same customers every year.

Save for Customer A, Customer B, Engtex Group, FFM Group and Engie Services Malaysia Sdn Bhd, our contracts with our other customers are non-recurrent. We have been able to secure projects from different customers during FYE 2022, FYE 2023, FYE 2024 and FPE 2025. These major customers contributed to our revenues in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 due to the timing and progress of their EPCC contracts with us.

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

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For information purposes, our contracts with Customer A, Customer B, Engtex Group and FFM Group are recurrent as we have been engaged by:

- (a) Customer A for the EPCC of solar PV systems at the various supermarket outlets operated by Customer A nationwide in Peninsular Malaysia during FYE 2022, FYE 2023, FYE 2024 and FPE 2025;
- (b) Customer B for EPCC of solar PV systems at the various factory buildings in Selangor during FYE 2022 and FPE 2025;
- (c) Engtex Group for EPCC of solar PV systems at the various factory buildings in Selangor and Pahang during FPE 2025; and
- (d) FFM Group for EPCC of solar PV systems at the various factory buildings in Selangor during FYE 2023 and FPE 2025.

Further, Engie Services Malaysia Sdn Bhd was incorporated in Malaysia under the Companies Act 1965 on 16 August 2012 and deemed registered under the Act. Engie Services Malaysia Sdn Bhd is also part of French-based multinational company, i.e., Engie SA. Engie Services Malaysia Sdn Bhd is a provider of consultancy services on energy efficiency solutions. We have been engaged by Engie Services Malaysia Sdn Bhd for the EPCC of solar PV systems of its clients in Peninsular Malaysia during FYE 2022, FYE 2024 and FPE 2025.

Our Group is not dependent on Customer A, as our contracts with Customer A during the financial years/period under review comprises multiple work orders that are short term in nature (of less than 12 months), and we also secure EPCC of solar PV systems projects that are similar in value or higher in value compared to the individual work orders secured from Customer A.

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**7. BUSINESS OVERVIEW (Cont'd)****7.8 TYPES, SOURCES AND AVAILABILITY OF INPUTS**

The main inputs for our business are as follows:

- (a) solar PV panels;
- (b) balance of systems; and
- (c) subcontractors' fees.

The breakdown of the inputs purchased/sourced by our Group for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 is as follows:

	<b>Country</b>	<b>FYE 2022</b>		<b>FYE 2023</b>		<b>FYE 2024</b>	
		<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Subcontractors' fee	Malaysia	2,731	18.4	3,119	10.6	9,691	19.3
Solar PV modules	China and Malaysia	9,008	60.6	20,640	69.8	28,976	57.8
Inverters	Hong Kong and Malaysia	1,536	10.3	2,378	8.0	4,613	9.2
Mounting structures	China and Malaysia	270	1.8	691	2.3	1,617	3.2
Cables	Malaysia	761	5.1	1,548	5.2	2,467	4.9
Others <sup>(2)</sup>	Malaysia	564	3.8	1,196	4.1	2,809	5.6
<b>Total</b>		<b>14,870</b>	<b>100.0</b>	<b>29,572</b>	<b>100.0</b>	<b>50,173</b>	<b>100.0</b>

	<b>Country</b>	<b>FPE 2025</b>	
		<b>RM'000</b>	<b>%</b>
Subcontractors' fee	Malaysia	4,339	20.1
Solar PV modules	China and Malaysia	10,649	49.2
Inverters	Hong Kong and Malaysia	3,608	16.7
Mounting structures	China and Malaysia	1,130	5.2
Cables	Malaysia	1,057	4.9
Others <sup>(2)</sup>	Malaysia	849	3.9
<b>Total</b>		<b>21,632</b>	<b>100.0</b>

**Notes:**

- (1) Our Group's local and foreign purchases of project materials are as follows:

	<b>Local purchases</b>	<b>Foreign purchases</b>
	<b>(%)</b>	<b>(%)</b>
<b>FYE 2022</b>	29.6	70.4
<b>FYE 2023</b>	12.3	87.7
<b>FYE 2024</b>	15.4	84.6
<b>FPE 2025</b>	40.3	59.7

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

Our purchases denominated in local and foreign currencies are as follows:

	<b>Audited</b>							
	<b>FYE 2022</b>		<b>FYE 2023</b>		<b>FYE 2024</b>		<b>FPE 2025</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Purchases denominated in:								
RM	3,599	29.6	3,260	12.3	6,234	15.4	6,972	40.3
USD	8,540	70.4	19,082	72.1	23,054	56.9	7,598	43.9
RMB	-	0.0	4,111	15.6	11,194	27.7	2,723	15.8
<b>Total</b>	<b>12,139</b>	<b>100.0</b>	<b>26,453</b>	<b>100.0</b>	<b>40,482</b>	<b>100.0</b>	<b>17,293</b>	<b>100.0</b>

(2) Includes wiring systems, junction boxes with fuses and relays, energy management and monitoring system, and safety and grounding equipment

Some of our input materials, particularly solar PV modules, inverters, cables, conductors and mounting structures, are denominated in foreign currencies. Our purchases of these input materials from local suppliers are also subject to foreign currency fluctuations as local suppliers may source and import these inputs from manufacturers or suppliers from overseas.

Thus, any price fluctuations in the pricing of the abovementioned input materials caused by demand supply imbalance and price volatility that are beyond our control may lead to an increase in our cost of sales, thereby affecting our financial performance if we are unable to pass on such increases to our customers. Our purchasing team is responsible for monitoring the price movements of these input materials on a periodic basis so that we can be prepared for events of price increases.

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

**7.9 MAJOR SUPPLIERS AND/OR SUBCONTRACTORS**

Our top 5 major suppliers and/or subcontractors for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 are as follows:

**FYE 2022**

No.	Major suppliers and/or subcontractors	Country	Materials/ services procured	Costs		(1)Length of relationship
				RM'000	(2)%	Years
1	JA Solar International Ltd	China	Solar PV modules	3,712	21.6	1
2	Jinko Solar Co., Ltd	China	Solar PV modules	1,798	10.5	Less than 1
3	Growatt Hong Kong New Energy Group	Hong Kong	Inverters	1,493	8.7	Less than 1
4	Suntech Energy Sdn Bhd	Malaysia	Solar PV panels	1,185	6.9	1
5	Amtech Power Sdn Bhd	Malaysia	Inverters and panels	667	3.9	Less than 1
				<b>8,855</b>	<b>51.6</b>	

**FYE 2023**

No.	Major suppliers and/or subcontractors	Country	Materials/ services procured	Costs		(1)Length of relationship
				RM'000	(2)%	Years
1	Jinko Solar Co., Ltd	China	Solar PV panels	15,485	46.4	1
2	JA Solar International Ltd	China	Solar PV panels	8,338	25.0	2
3	Growatt Hong Kong New Energy Group	Hong Kong	Inverters	1,884	5.6	1
4	Wire Venture Solutions Sdn Bhd	Malaysia	Subcontractor for solar PV panel installation services	1,276	3.8	1
5	Helukabel Malaysia Sdn Bhd	Malaysia	Cables and cable accessories	1,216	3.6	1
				<b>28,199</b>	<b>84.4</b>	

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

No.	Major suppliers and/or subcontractors	Country	Materials/ services procured	Costs		(1)Length of relationship
				RM'000	(2)%	Years
1	Longi Solar Technology Co. Ltd	China	Solar PV panels	23,461	41.6	Less than 1
2	JA Solar International Ltd	China	Solar PV panels	6,429	11.4	3
3	Growatt Hongkong New Energy Group	Hong Kong	Inverters	4,380	7.8	2
4	Wire Venture Solutions Sdn Bhd	Malaysia	Subcontractor for solar PV panel installation services	2,407	4.3	2
5	Helukabel Malaysia Sdn Bhd	Malaysia	Cables and cable accessories	2,331	4.1	1
				<b>39,008</b>	<b>69.2</b>	

**FPE 2025**

No.	Major suppliers and/or subcontractors	Country	Materials/ services procured	Costs		(1)Length of relationship
				RM'000	(2)%	Years
1	JA Solar International Ltd	China	Solar PV panels	4,639	19.2	4
2	Longi Solar Technology Co. Ltd	China	Solar PV panels	3,184	13.2	1
3	InverPower Sdn Bhd	Malaysia	Inverters and electrical components	2,795	11.6	2
4	Syarikat Logam Unitrade Sdn. Bhd <sup>(3)</sup>	Malaysia	Solar PV panels	2,457	10.2	Less than 1
5	Helukabel Malaysia Sdn Bhd	Malaysia	Cables, cable accessories and inverters	1,179	4.9	2
				<b>14,254</b>	<b>59.1</b>	

**Notes:**

- (1) Length of relationship as at the end of each respective financial year/period.
- (2) As a percentage of cost of sales.
- (3) A wholly owned subsidiary of Unitrade Industries Berhad, listed on ACE Market, principally involved in wholesale and distribution of building materials, offering an extensive range of products for building and construction activities, specifically in mechanical and electrical works and civil works.

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

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The abovementioned major suppliers and/or subcontractors contributed to 51.6%, 84.4%, 69.2% and 59.1% of our Group's total cost of sales for FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

Our purchases for EPCC of solar PV systems are based on purchase orders issued as and when needed. For every project, we typically specify the brands, models and types of materials and equipment to procure based on the agreed design and specifications. Our customers may request for products from specific brands due to various reasons such as product quality and warranty, energy efficiency, durability as well as industry track record and reputation.

The following major suppliers and/or subcontractors contributed more than 10% to our total purchases and subcontractors' costs:

- (a) JA Solar International Ltd for the purchases of solar PV panels which comprised 21.6%, 25.0%, 11.4% and 19.2% of total cost of sales in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively;
- (b) Jinko Solar Co., Ltd for the purchases of solar PV panels which comprised 10.5% and 46.4% of total cost of sales in FYE 2022 and FYE 2023 respectively;
- (c) Longi Solar Technology Co. Ltd for the purchases of solar PV panels which comprised 41.6% and 13.2% of total cost of sales in FYE 2024 and FPE 2025 respectively;
- (d) InverPower Sdn Bhd for the purchases of inverters and electrical components which comprised 11.6% of total cost of sales in FPE 2025; and
- (e) Syarikat Logam Unitrade Sdn. Bhd for the purchases of solar PV panels which comprised 10.2% of total cost of sales in FPE 2025.

We are not dependent on any other single supplier of products or services such as suppliers of inverters, mounting structures, cables and cable accessories as these products can be sourced from other suppliers. We will not have to incur any switching costs if we were to purchase solar PV panels or other equipment and materials from other suppliers. This is because we do not have long term contracts with our suppliers, which allows us to have the flexibility to source for products and services at competitive prices.

During FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, our Group has not faced any difficulties in sourcing solar PV modules, panels and equipment as there are multiple brands of such products and they are easily sourced in the market. These solar PV modules, panels and equipment from other suppliers are comparable in terms of price as well as quality to that which we source from our existing suppliers.

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

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We engage subcontractors to carry out selected portions of our works such as civil and structural works as well as M&E installation activities which are more labour intensive in nature as this allows our Group to increase our project delivery capabilities and capacity. Our Group maintains a list of approved suppliers and subcontractors based on a variety of factors, including quality of products/services, pricing, lead time for delivery and reliability. In this respect, our Group has continuously engaged our major suppliers and subcontractors due to their product specifications and availability of supply, ability to meet delivery timelines, price competitiveness and service quality.

During FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, our Group has not experienced any material disputes with suppliers and subcontractors or disruptions in the supply chain.

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

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**7.10 TECHNOLOGY USED OR TO BE USED**

We adopt licensed third party systems and applications to help run our business operations, among which include:

- PVsyst, a solar PV modelling application developed by the University of Geneva, Switzerland. We use PVsyst as a tool to model the power generation potential of a proposed solar PV system over a period of time. The model in PVsyst can take into consideration various parameters such as weather conditions and shade at the prospective location, solar PV system size and performance of solar PV components over time;
- HelioScope, a web-based user interface with solar layout tools and energy simulation features specially developed for grid-connected PV systems. HelioScope is also linked to the meteorological database of the National Renewable Energy Laboratory. We use HelioScope to model PV array based on its physical design. Its advanced modelling of system effects enables us to perform design and scenario analysis, such as shade calculations by utilising its 3-dimensional obstruction models for simulations; and
- We intend to invest in drones to conduct thermal inspection on solar PV systems as part of our quality control measures as well as preventive maintenance under our O&M services. The drones are used to detect thermal variations between the electrical components such as solar PV modules and the peripheral systems. Any critical defect that is causing a reduction in the performance and efficiency can be detected, and this will also allow us to detect potential fire hazards in the solar PV system.

**7.11 INTERRUPTIONS TO BUSINESS**

Save for the interruption in our operations arising from the imposition of movement controls in Malaysia following the outbreak of COVID-19 pandemic, our Group has not experienced any other interruptions which has significantly affected our business during the past 12 months preceding LPD.

**7.11.1 Impact of COVID-19 on our Group**

Pursuant to the outbreak of the COVID-19 pandemic in 2020, the Government had implemented different forms of MCO since 18 March 2020 to contain the spread of the virus. During this period, our Group was required to comply with the changes in standard operating procedure outlined by the Ministry of Investment, Trade and Industry (MITI) throughout the period.

In financial period ended 31 March 2021, we faced some disruptions in our subsidiary's operations when we temporarily halted operations in adherence to the MCO 1.0 operating restrictions.

Our Group's business operations were not materially affected by the COVID-19 pandemic and the MCO as we had just commenced operations in November 2019. For clarity purposes, our Group was in the midst of applying for the requisite licences and registrations with CIDB and Suruhanjaya Tenaga, as well as promoting our EPCC services in 2020. We secured our first EPCC of solar PV systems project in August 2020.

There was no material adverse impact on our business development during the COVID-19 pandemic period as our business development activities have been able to continue through online meetings.

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

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### **7.11.2 Strategy and steps taken to address the impact of COVID-19**

In response to the COVID-19 pandemic, our Group established a standard safety protocol that outlined several infection control measures based on the guidelines and standard operating procedures issued by the Ministry of Investment, Trade and Industry from time to time to protect employees and customers against COVID-19 infections.

Since March 2020 and up to LPD, there have been no actions taken or penalties issued by the relevant authorities against our Group for breach of any laws relating to COVID-19 restrictions and/ or standard operating procedures.

### **7.12 SEASONALITY**

We have not experienced any material seasonality or cyclicity in business as the demand for our services is neither subject to seasonal fluctuations nor cyclical variations.

### **7.13 OPERATING CAPACITIES AND OUTPUT**

We are principally involved in the provision of EPCC of solar PV systems and O&M of solar PV equipment and systems. Thus, measures of production capacity, output and utilisation rates are not applicable to our business operations.

### **7.14 QUALITY CONTROL AND QUALITY ASSURANCE PROCEDURES**

We adhere to a strict system of quality control over our operations, from the sourcing of equipment, components and subcontractors to project implementation and delivery. We have established quality controls at each stage to closely monitor the quality of our works and/or subcontractors' works to ensure that our works meet all our internal benchmarks and customers' specifications.

As a testament to our commitment to quality, our subsidiary Northern Solar has been certified compliant to ISO 9001:2015, details of which are as follows:

<b>Year first awarded</b>	<b>Current validity period</b>	<b>Certification</b>	<b>Scope</b>	<b>Awarding body</b>
2023	25 October 2023 – 24 October 2026	ISO 9001:2015	Construction of buildings, civil, mechanical and electrical engineering works	ARS Assessment Private Limited

Further in 2023, Northern Solar was certified by MGTC to use the MyHijau mark on its solar PV system installation service for the period from 22 December 2023 to 21 December 2024. For clarity, the MyHijau mark is valid for 1 year and subject to annual renewal.

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

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### **Quality control on projects**

We place considerable emphasis in maintaining the quality control of our site works. We normally carry out the following duties pursuant to contracts with the project owner.

For every project, we assign a team of experienced management and technical staff onsite, to supervise the project and monitor works throughout the project implementation process. Our project engineers coordinate with our site supervisor to operate and control the site works in accordance with the quality assurance plan set up by our project manager.

Our project engineer is responsible for supervising the overall daily activities including those executed by our subcontractors in accordance with the project schedule. Any issues arising from the execution of the project will be immediately communicated to the project manager.

During the construction process, we conduct on-site inspections and/or hold internal meetings to discuss issues relating to safety management and on-site performance. We also prepare inspection reports and/or status for our internal records in accordance with our quality control measures. Upon completion of construction works, we carry out the necessary testing during the execution of the project works as required by the contract, engineering drawings and standards of local authorities.

### **Quality control on materials**

Pursuant to our EPCC contracts, we are responsible for the equipment and components provided by suppliers, although we have a right of recourse against our suppliers for defective supplies. Our selection of suppliers is based on stringent criteria such as quality, pricing, product and performance warranties, energy efficiency, timeliness of delivery and ability to comply with our requirements and specifications.

Upon receiving the solar equipment and components at project site, we will perform inspection on the condition and specifications of solar equipment and components to ensure that the products received are in accordance to our requirements based on the purchase and supply agreements and/or purchase orders. Thereafter, we carry out functional tests to ensure that the solar equipment and components are performing in accordance with the pre-determined specifications. If the solar equipment and components do not meet the relevant standards or are found to be defective or faulty, our suppliers are responsible for providing replacement units. In addition, we have from time to time required our suppliers to provide us with testing certificates for the materials supplied to us.

### **Selection and control over subcontractors**

When subcontracting services are required for a project, we typically select our subcontractors based on their experience relevant to the particular project, as well as evaluate these subcontractors based on their quality of services, qualifications, skills and technique, delivery time and availability of resources in accommodating our requests.

We also remain accountable to our customers for the performance and quality of works rendered by our subcontractors. Works performed by our subcontractors are inspected and monitored by our project team based on our quality management system which conforms to the requirements of ISO 9001:2015.

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

### **7.15 RESEARCH AND DEVELOPMENT**

Due to the nature of our business, we do not engage in research and development and thus have not undertaken any research and development activities.

### **7.16 DEPENDENCY ON CONTRACTS, AGREEMENTS OR OTHER ARRANGEMENTS**

Our Group is not dependent on any particular contract, agreement or other arrangement.

### **7.17 COMPETITIVE STRENGTHS**

#### **7.17.1 We have expertise and capability in providing customised solar PV solutions**

For every EPCC project that we undertake, we typically communicate and liaise closely with our customers to establish tailor-made solutions to meet the site conditions, technical specifications and requirements of solar PV systems in accordance with the approved installed capacity. Thereafter, we will assign our technical personnel to design and execute projects that are customised around our customers' needs and that can maximise value by optimising the levelised cost of energy.

These customisations have enabled us to acquire the relevant expertise and capabilities to undertake a wide range of solar PV projects such as on-grid systems for residential, commercial and industrial buildings. Our largest project to date in terms of system capacity is for the EPCC of a 2.0 MWp solar PV system for an industrial building in Klang, Selangor which we completed over a period of approximately 13 months between March 2022 and March 2023. Specific to this project, we focused on project planning and management, design, procurement, quality control, testing and commissioning, and engaged subcontractors for structural works as well as M&E installation activities which are more labour intensive in nature.

Given that there is technical complexity involved in the provision of EPCC and O&M services for different types of solar PV systems, we custom design the solar PV system based on the type of building's unique electrical, architectural and/or landscape characteristics. Further, we also take into consideration other factors such as scale of generating system, permit requirements, specifications of solar equipment and components as well as O&M procedures when developing a detailed engineering design.

We are also familiar and well versed in matters concerning applications with the NEM and SELCO programmes. Our familiarity with local regulations and authorities in the solar PV industry enables us to advise our customers on the different types of solar programmes.

#### **7.17.2 We have a proven track record**

We have been operating in the renewable energy sector since 2019. We initially focused on the provision of EPCC for solar PV systems during our initial period of operations. Subsequently in 2023, we expanded our business activities to include O&M for solar PV equipment and systems. This has allowed us to build our expertise and track record in the solar PV industry.

Our subsidiary, Northern Solar is registered as Grade 7 contractor under CIDB, the highest accorded grade issued by CIDB which allows us to undertake projects of any size and unlimited value in Malaysia. In addition, Northern Solar is also a registered solar PV service provider under SEDA for the provision of consultancy, supply, installation as well as testing and commissioning of complete solar PV systems.

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

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We have proven track record for the delivery of solar PV projects as we have stringent controls in place guiding project feasibility, conceptualisation through detailed engineering design and planning, construction, installation, testing and commissioning as well as post completion O&M services. As at LPD, we have installed a total capacity of 71.9 MWp across residential, commercial and industrial buildings.

Over the years, we have gained skills and knowledge by undertaking different types of on-grid solar PV systems for residential, commercial and industrial buildings. We have completed projects under the NEM and SELCO programmes. Each programme requires different aspects of technical-know how relating to design, development, installation, construction and post completion O&M services, which in turn provides us with the capacity to foster and nurture practical knowledge with day-to-day hands-on training experiences. By leveraging on this experience, we have been proposing and providing our customers with value-added services such as value engineering to achieve cost savings while increasing the overall functionality and performance without compromising the quality of equipment and components as well as performance efficiency of their solar PV systems.

Our project portfolio provides us with the platform to grow and sustain our business as a market player in the solar PV industry, while at the same time, serves as an important reference for new and potential customers.

### **7.17.3 We are committed to maintaining good quality across all our projects**

We have established a set of quality management measures to continuously improve in various aspects of our business. Through systematic and effective control of our operations and our monitoring procedures over our workers and subcontractors, we strive to ensure compliance with quality requirements and ensure specifications and standards of projects are met. In recognition of our quality assurance procedures, our quality management system was accredited to ISO 9001:2015 in 2023 under the scope of construction of buildings, civil, mechanical and electrical engineering works. We extend product warranties from manufacturers of solar PV modules and balance of systems to our customers.

Moreover, we have established and developed in-house quality control procedures based on our experience undertaking different types, sizes and complexity of solar PV system projects. We believe that our customers place strong emphasis on quality, including workmanship, material quality, and thus, continuously delivering quality services and complying with customers' requirements will enhance our credibility and customers' confidence in us.

We have also set up an occupational health and safety management system to promote safe working practices among all employees and subcontractors, and to prevent the occurrence of accidents and injuries through promoting safety awareness at the front-line level onsite.

Please refer to Section 7.14 for more details on our quality control and assurance.

### **7.17.4 We have experienced Executive Directors and key senior management**

Since the commencement of our business, we have been led by experienced and technically strong Executive Directors and key senior management. Collectively, our Executive Directors and key senior management personnel have exposure across a broad spectrum of business activities, including engineering, operations, sales and marketing and finance. Some of them are technically experienced as they are qualified and professionally-trained engineers, and have knowledge in the solar PV industry.

Our Managing Director Lew Shoong Kai and Executive Director Chew Win Hoe have approximately 13 years of experience each in the solar PV and engineering industries, respectively. They are supported by our Project Director and Chief Financial Officer.

## 7. BUSINESS OVERVIEW (Cont'd)

Our Executive Directors are supported by a strong key senior management team and the commitment and teamwork between them have provided impetus for the continuous growth of our Group. The table below illustrates the years of relevant working experience of our Executive Directors and key senior management:

<b>Name</b>	<b>Designation</b>	<b>Years of relevant working experience</b>
Lew Shoong Kai	Managing Director	13
Chew Win Hoe	Executive Director	13
Hing Kee Vui	Project Director	14
Lew Fui Shi	Chief Financial Officer	16

Please refer to Section 5.1.2 and Section 5.2.2 for the profiles of our Executive Directors and key senior management.

Through these years, we have built an established industry reputation through our management's expertise, technical-know-how and industry knowledge. Our track record in delivering projects and our consistent levels of dependable service have been instrumental in attracting new customers and have enabled us to maintain business relationships with our existing customers. We believe that the strength our Executive Directors and key senior management will enable our Group to continue to further grow our business and expand our market presence.

### 7.17.5 We have collaborations with business partners

Prior to becoming a shareholder of Northern Solar in 2023, Lagenda Properties has been exploring renewable energy business opportunities with our Group in relation to its own building and assets, as well as offering Lagenda Properties' home buyers solar-ready homes that are green, with an energy-efficient living environment. In this regard, on 15 December 2023, in conjunction with their entry as shareholder of Northern Solar, Lagenda Properties granted a Right of First Refusal and Right to Match to Northern Solar in relation to the installation of any solar panels in premises fully owned or developed by Lagenda Properties group, or for any residential or commercial development projects which Lagenda Properties group is fully or substantially in control of, for which Northern Solar has a one-off right of first refusal to undertake such installation works based on competitive terms and fair market prices, and a further right to match third party offers whereby if there is an offer by a third party to undertake such installations on competitive terms, we have a further right to match the said third party offer. This right to match the said third party offer is in addition to the one-off right of first refusal to undertake the installation works.

For reference of potential market size, as reported in their Annual Report 2023, Lagenda Properties launched approximately 3,500 units of homes with a total gross development value of RM722.0 million.

Separately, we collaborate with Engtex Group Berhad via Engtex Energy as a solar PV asset developer where Northern Solar may have more opportunities to undertake EPCC of solar PV projects secured by Engtex Energy. As at LPD, Engtex Energy is developing solar PV assets in Kuala Lumpur and Johor Bahru which it owns, for which we carry out the EPCC works.

## 7. BUSINESS OVERVIEW (Cont'd)

### 7.18 BUSINESS STRATEGIES AND PROSPECTS

#### 7.18.1 We intend to scale up our operations with a new corporate office with an engineering command centre

In conjunction with our intention to scale up our operations, we moved into a new corporate office in the second half of November 2024.

We previously operated from our head office at B-1-01 and B-1-03, Block B, Oasis Square, No. 2, Jalan PJU 1A/7A, Ara Damansara, 47301 Petaling Jaya, Selangor, with a total built-up area of 2,150 sq ft. This office space was inadequate for our plans to expand and scale up operations, as it was fully utilised and did not have sufficient space for us to increase our headcount. Further, our EPCC and O&M of solar PV systems business segments shared the same floor space.

To cater for increasing demand for our EPCC and O&M services and due to the fact that many of our customers are located in the central region such as Kuala Lumpur and Selangor, in the second half of November 2024, we relocated to the new corporate office at Units 8-01 and 8-02, Menara Lagenda, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor which has a total built up area of 8,620 sq ft., to better serve our customers in the central region of Malaysia.

The rental of our new corporate office is governed by a tenancy agreement with Lagenda Harta Sdn Bhd (formerly known as Lagenda Property 1 Sdn Bhd), a subsidiary of Lagenda Properties, for a period of 3 years commencing 1 July 2024 with an automatic renewal of an additional 6 years. The monthly rental for the abovementioned units is RM26,722 for the first 3-year period, a minimum 10% increase in the second 3-year period and a further minimum 10% increase in the third 3-year period.

The new corporate office has an estimated built-up area of up to 8,620 sq ft which is able to accommodate up to 130 staff, and encompasses, amongst others, the following:

<b>Purpose</b>	<b>Built up area (sq ft)</b>
Corporate office for management, finance, human resources, EPCC and O&M of solar PV systems, business development as well as meeting rooms	7,620
Engineering command centre and laboratory	1,000

We completed renovations of our new corporate office with an engineering knowledge centre in the second half of 2024. We have allocated RM2.0 million from the proceeds of our Public Issue for renovation and interior fit-out works which will be used to replenish the internally generated funds which was used to pay the following, pending the receipt of proceeds from our Public Issue:

<b>Description</b>	<b>Estimated expenditure RM'000</b>
Preliminaries	100
Interior design fitting-out	1,075
Mechanical, electrical and plumbing works	797
Submission to authorities	28
<b>Total</b>	<b>2,000</b>



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

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The abovementioned engineering knowledge centre of approximately 1,000 sq ft comprises a command centre and engineering laboratory. This command centre functions as a remote monitoring centre for our employees to monitor the status of the solar PV system performance (such as power output and fault notification of the solar PV systems) for all our completed projects that are still within the defects liability period as well as solar PV systems that are under our O&M services.

At our previous head office, we leveraged on solar PV manufacturers' systems, namely the inverter manufacturers' platform, to collect and process parameters of the installed solar PV systems. With these systems, the information is sent electronically to our command centre where our engineering employees can monitor and take appropriate action, if required. The remote solar PV monitoring system at our command centre is used to reduce the cost of O&M by reducing the need for permanent deployment of technical personnel on-site, as they can remotely analyse and control solar PV operations. Given that most of the solar PV systems are located in outer parts of a town or city, our command centre and centralised monitoring system can reduce the downtime for maintenance and repair works.

With our move to the new corporate office, we continue using our existing monitoring system, which is the inverter manufacturers' platform, in our command centre. As we plan to continue using the inverters manufacturers' platform, we do not intend to develop new software or additional features such as artificial intelligence or human machine learning for the remote monitoring of our completed projects that are still within the defects liability period as well as solar PV systems that are under our O&M services. As such, the cost for setting up our new command centre comprises only the capital expenditure required for its physical space, which forms part of the cost of setting up our new corporate office.

We are also in the midst of acquiring solar PV system monitoring and management equipment for our command centre comprising monitors, computers, adapter and cables, server and professional services for the real time monitoring of solar PV systems which are under EPCC testing and commissioning stage as well as under our O&M services. These equipment are being placed at our engineering command centre with real time connection to our regional sales offices.

The engineering laboratory will function as a training and knowledge centre for our engineers and technicians to familiarise themselves with the hardware and software of a solar PV system, which will ultimately help them design and build better solar PV systems for our customers. Thus, we are in the midst of equipping the engineering laboratory with a complete solar PV system comprising solar PV panels, inverters, mounting structures, switchboards, engineering hardware and testing tools. Our engineering knowledge centre will also function as a showroom for potential customers.

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## 7. BUSINESS OVERVIEW (Cont'd)

As such, we also allocated RM0.6 million from the proceeds of our Public Issue for the following:

<b>Description</b>	<b>Estimated expenditure RM'000</b>
Engineering command centre equipment (monitors, computers, adapter and cables, server and professional services)	50
Complete solar PV system comprising solar PV panels, inverter, mounting structure and switchboard	150
O&M tools comprising (drone, air fans, tool kits, wrenches, allen keys, work lights, water pumps, air blower, voltage detectors, clamp earth testers and insulation testers)	150
Software licenses comprising:	70
(a) 4 units of AutoCAD	
(b) 4 units of PVsyst	
(c) 1 unit of Helioscope	
Workflow digitisation and customisation for sales order application	130
<b>Total</b>	<b>550</b>

The new corporate office enables our Group to centralise business operations and enhance our corporate image amongst customers, suppliers, employees and other stakeholders. As at LPD, we have completed the renovation for our new corporate office with engineering knowledge centre.

As we have relocated to the new corporate office, our existing tenancy agreements for our previous head office will not be renewed upon their expiry on 30 November 2024.

### 7.18.2 We intend to strengthen our market presence throughout Malaysia

We currently operate primarily in the state of Selangor, where our Head Office is based, and in Johor where we have a regional sales office. Our offices in Selangor and Johor allow us to build brand presence and market our EPCC and O&M of solar PV systems especially to customers in the central and southern regions of Peninsular Malaysia.

We intend to expand our workforce to capture more business opportunities for EPCC and O&M of solar PV systems in Pulau Pinang and Johor to strengthen our market presence in the northern and southern regions of Peninsular Malaysia over the next 24 months by leveraging on the proceeds from our Public Issue. This expansion will also allow us to target potential customers for our EPCC and O&M of solar PV systems in Pulau Pinang and Melaka where there is also growth potential for solar PV systems.

Further, we aspire to further expand geographically to the other states of Malaysia, primarily in the states of Pulau Pinang, Perak, Kedah, Perlis and Sabah, to tap into its potential for EPCC and O&M of solar PV systems, through establishing a regional sales office in Pulau Pinang and Sabah. The establishment of a regional sales office will allow us to meet the demands of customers in the northern region. This will also allow us to create awareness for our solutions in the northern region. In addition, we will be able to respond more promptly to business opportunities as well as O&M requests from customers in the northern region.

We intend to rent a larger ready-built commercial property in Johor and a new ready-built commercial property in Pulau Pinang to support our expansion in the southern and northern regions of Peninsular Malaysia. We also intend to establish a showroom in these premises as it will allow customers better visualisation of the solar PV systems that we can build for them.

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

We have allocated RM0.60 million of the proceeds from our Public Issue to fund the establishment of the regional sales offices in Johor and Pulau Pinang within the next 24 months upon Listing, details of which are as follows:

<b>Description</b>	<b>Total estimated cost RM'000</b>
<b>Johor regional office (including office and showroom)</b>	
Renovation expenses	300
<b>Pulau Pinang regional office (including office and showroom)</b>	
Renovation expenses	300
	<b>600</b>

The establishment of the regional office in Sabah shall be funded via our Group's internally generated funds.

As at LPD, we are in the midst of identifying suitable premises with built-up areas of 2,000 – 4,000 sq ft in Johor and Pulau Pinang. We intend to enter into a tenancy agreement within 24 months from our Listing.

To support the expansion of our Johor and Pulau Pinang offices, we have allocated RM1.8 million from our Public Issue to be utilised over 24 months for the recruitment of engineering and business development employees, details of which are as follows:

<b>Description</b>	<b>No. of pax</b>	<b>Total estimated cost RM'000</b>
<b>Johor office</b>		
Senior Project Engineer	1	120
Project Engineer	2	168
O&M Engineer	1	84
O&M Technician	2	120
Senior Business Development Executive	2	240
Business Development Executive	2	168
<b>Pulau Pinang office</b>		
Senior Project Engineer	1	120
Project Engineer	2	168
O&M Engineer	1	84
O&M Technician	2	120
Senior Business Development Executive	2	240
Business Development Executive	2	168
		<b>1,800</b>

**7.18.3 We intend to expand our solar PV systems business to generate recurring revenue**

Over the years, we have acquired the expertise and capabilities which have allowed us to grow our solar PV business. Our long-term business strategy is to capitalise on the growth of renewable solar energy to pursue an integrated model focusing on the downstream segment in Malaysia, which is complementary to our current business model.

Presently, our revenue is mainly derived on a project basis, and this expanded range of business activities would allow us to derive recurring income generated from asset ownership projects, thereby mitigating our business risk relating to project-based revenue.

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

As at LPD, we own, operate and maintain 17 solar PV systems under our Group and 4 solar PV systems under Engtex Energy which have enabled us to venture into the generation of renewable energy. This experience will provide us with a platform to further grow our generation of renewable energy business.

We are presently increasing the headcount of our Business Development and Marketing employees to actively approach potential NEM / SELCO customers under REPPA and SARE. We are also expanding our engineering team as this will enable us to operate and manage more solar PV assets. We also believe that our low gearing ratio will position us favourably to secure more bank borrowings to fund investments in REPPA and SARE assets.

Moving forward, we intend to pursue a model of developing, owning, and managing a portfolio of solar PV assets that sell the electricity generated to NEM and SELCO consumers, which will enable us to generate a stable inflow of revenue and diversify our sources of revenue.

### **7.18.4 We intend to increase our market share within the solar PV industry in Malaysia**

The number and size of EPCC of solar PV system projects that we can undertake at any point in time depends largely on the availability of our working capital as:

- During the course of our EPCC works, there may be instances of mismatch in the timing of our cash flows due to time lags between making payments to our subcontractors and suppliers and receiving payments from our clients. However, during FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, our Group has not encountered instances whereby we have been hindered from tendering for EPCC of solar PV system projects; and
- During the course of our EPCC works, a portion of the total contract sum is locked up during the duration of the contract and defects liability period. The amount of retention sum ranges between 5% and 10% of the total contract sum, and is only refundable to our Group 12 to 24 months from the date of acceptance of handover.

If we are to expand our business and secure more and larger contracts, we must increase our available financial resources to satisfy the working capital required to undertake the contracts. We have therefore allocated RM29.2 million of the proceeds from the Public Issue for our working capital purposes for the recruitment of engineering and business development employees to support our geographical expansion of our Johor and Pulau Pinang regional offices as well as purchase of project materials. By applying a portion of the proceeds from the Public Issue to satisfy the various working capital requirements associated with undertaking contract works, our Group will be in a better position to tender for and expand our portfolio in the EPCC of solar PV systems segment.

As part of our future plans, we intend to increase our market share by tendering for more projects in the private and public sector by leveraging on Engtex Energy and Norwatt Power.

As at LPD, we have also submitted 387 tenders with a total tender sum of RM1.8 billion, which are still pending decision from clients. These tendered projects, if awarded to us, will further increase our order book.

Moving forward, we will continue to replenish and grow our order book which will further enhance our revenue and increase our market share in the industry.

## 8. IMR REPORT



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**26 NOV 2024**

The Board of Directors  
**NORTHERN SOLAR HOLDINGS BERHAD**  
B-1-01 & B-1-03, Block B, Oasis Square  
No. 2, Jalan PJU 1A/7A, Ara Damansara  
47301 Petaling Jaya  
Selangor  
Malaysia

Dear Sirs,

**Outlook of the Solar Photovoltaics Engineering, Procurement, Construction and Commissioning Services Industry in Malaysia in conjunction with the Listing of NORTHERN SOLAR HOLDINGS BERHAD on the ACE Market of Bursa Malaysia Securities Berhad**

PROVIDENCE STRATEGIC PARTNERS SDN BHD (“**PROVIDENCE**”) has prepared this Outlook of the Solar Photovoltaics Engineering, Procurement, Construction and Commissioning Services Industry in Malaysia strictly for inclusion in the Prospectus of NORTHERN SOLAR HOLDINGS BERHAD.

PROVIDENCE has taken prudent measures to ensure reporting accuracy and completeness by adopting an independent and objective view of these industries within the confines of secondary statistics, primary research and evolving industry dynamics.

No part of this publication may be copied, reproduced, published, distributed, transmitted or passed, in whole or in part, without the prior express written consent of PROVIDENCE.

For and on behalf of PROVIDENCE:

A handwritten signature in black ink, appearing to read 'Elizabeth Dhoos', with a horizontal line underneath.

ELIZABETH DHOOS  
EXECUTIVE DIRECTOR

**About PROVIDENCE STRATEGIC PARTNERS SDN BHD:**

*PROVIDENCE is an independent research and consulting firm based in Petaling Jaya, Selangor, Malaysia. Since our inception in 2017, PROVIDENCE has been involved in the preparation of independent market research reports for capital market exercises. Our reports aim to provide an independent assessment of industry dynamics, encompassing aspects such as industry performance, demand and supply conditions, competitive landscape and government regulations.*

**About ELIZABETH DHOOS:**

*Elizabeth Dhoos is the Executive Director of PROVIDENCE. She has more than 10 years of experience in market research for capital market exercises. Elizabeth Dhoos holds a Bachelor of Business Administration from the University of Malaya, Malaysia.*

**8. IMR REPORT (Cont'd)**

## 1 SOLAR PHOTOVOLTAICS ENGINEERING, PROCUREMENT CONSTRUCTION AND COMMISSIONING SERVICES INDUSTRY IN MALAYSIA

Electricity is generated from primary energy, comprising non-renewable energy and renewable energy. The selection of electricity production sources and their economic viability can differ based on demand and geography. Both non-renewable energy and renewable energy have their advantages, and can be used in combination to generate and supply electricity to the power grid, and selection is based upon local power requirements and availability of resources.

Malaysia has a mix of energy resources that comprise renewable and non-renewable sources. Malaysia's non-renewable fossil fuel sources comprise oil, natural gas and coal, while its renewable energy sources include biomass, biogas, solar and hydro. While Malaysia is a net energy exporter, concerns about energy security, fluctuations in crude oil prices and climate change are driving significant changes in how energy and electricity is generated, transmitted and consumed in Malaysia. Energy security refers to the availability of energy sources at an affordable price. Thus, renewable energy resources are becoming attractive for sustainable energy development in Malaysia as these renewable sources of energy are readily available in Malaysia.

Non-renewable energy is generated from resources that can be extracted from the earth and are finite in nature. These resources primarily comprise hydrocarbon resources such as oil, gas and coal. These resources are used as combustion fuel for power plants that convert their potential energy into heat and steam that is then used to generate electricity through the use of turbines and generators. Energy harnessed from these fuel sources has been the primary driver of industry and global growth in the past and continues to be a key pillar of the global energy strategy in the immediate to medium term as the world remains heavily reliant on these fuel sources in the absence of suitable alternatives on that scale. Non-renewable resources or fossil fuels include coal, oil and natural gas.

Renewable energy refers to energy that is generated from natural resources such as sunlight, wind, rain, tides and geothermal heat which are naturally renewable. Renewable energy resources include solar power, wind power, hydro, biomass, biofuels and geothermal. Rapid depletion of fossil fuel reserves as well as climate change have driven further development of renewable energy sources which are widely available, untapped and environmentally friendly.

Solar energy is harnessed from the sun's radiant light and heat through technologies such as solar heating, solar photovoltaics ("PV"), solar thermal energy, solar architecture and artificial photosynthesis. These technologies can be either active or passive depending on how they capture and distribute solar energy or how they convert this energy into solar power. Active solar technologies include the use of solar PV systems, concentrated solar power and solar water heating to harness this energy. Passive solar technologies include orienting buildings in the direction of the sun, and selecting materials with favourable thermal mass or light dispersing properties.

Due to its location around the equator, Malaysia receives approximately 1,575 to 1,812 kilowatt hour per square meter (kWh/m<sup>2</sup>) of solar irradiance.<sup>1</sup> As solar irradiance is relatively high, solar PV is considered a viable renewable energy option for Malaysia. In addition to favourable irradiation, solar resource is driven by the availability of areas for the installation of solar PV systems. The main types of installation configurations in Malaysia are ground-mounted solar installations, floating installations on water bodies and installations on residential, commercial, industrial and public building rooftops. Installations on residential, commercial, industrial and public building rooftops are rooftop solar PV systems while ground-mounted solar installations and floating installations on water bodies are large scale solar facilities.

Rooftop solar PV systems have several distinct benefits over other forms of renewable energy including:

- savings on electricity bills for property owners and business owners;
- creates returns on investment when excess electricity generated is sold to the utility grid;
- environmentally friendly source of energy;
- lower capital investment for rooftop solar PV system installation compared to renewable energy sources such as biomass and hydro;

<sup>1</sup> Malaysia Renewable Energy Roadmap – Pathway Towards Low Carbon Energy Systems, Sustainable Energy Development Authority ("SEDA")

**8. IMR REPORT (Cont'd)**

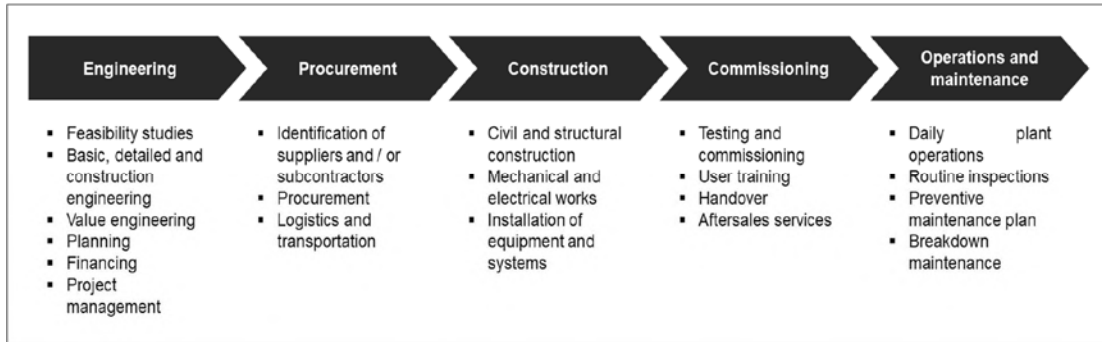


- solar is a renewable form of energy that can be harnessed without the need to acquire feedstock to generate electricity; and
- solar PV systems can be easily installed on rooftops of existing residential, commercial and industrial properties without requirement for additional land or specific processing facilities.

Engineering, procurement, construction and commissioning (“EPCC”) contracts are a common form of contract used by the private sector to undertake construction works for infrastructure projects. Under an EPCC contract, the contractor is obliged to deliver a complete facility to a developer who then only needs to “turn a key” to start operating the facility. Hence EPCC contracts are sometimes called turnkey construction contracts. In addition to delivering a complete facility, the contractor must deliver that facility for a guaranteed price by a guaranteed date, which must perform to the specified level. Failure to comply with any requirements will usually result in the contractor incurring monetary liabilities, in the form of delay liquidated damages.

Solar PV EPCC industry players also undertake operations and maintenance services post-handover of the solar PV systems and facilities to clients. Operations and maintenance services encompasses a broad spectrum of services, competencies, processes and tools required to ensure the solar PV systems and facilities perform the functions for which it was designed and constructed. Operations and maintenance services typically include the day-to-day activities necessary for the facility, its systems and equipment, and occupants / users to perform their intended function. Operations and maintenance is necessary because a facility cannot operate at peak efficiency without being appropriately maintained.

**Scope of services undertaken by solar PV EPCC industry players**



**INDUSTRY SIZE AND GROWTH POTENTIAL**

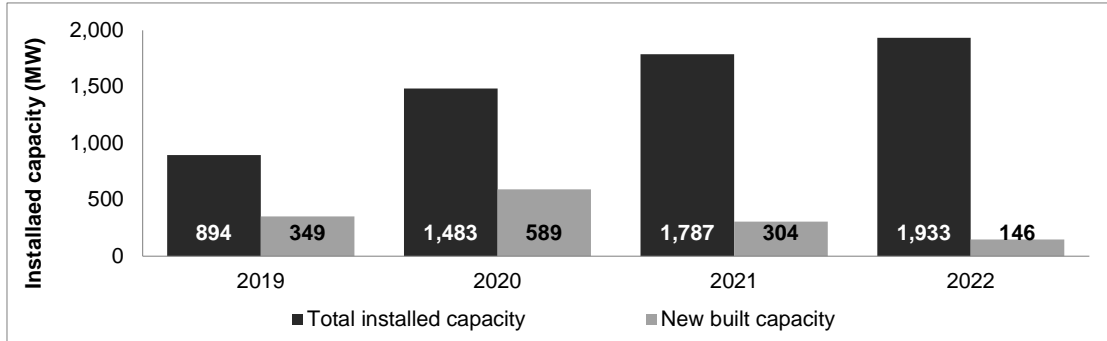
EPCC services are expenditure for new built rooftop solar PV systems and large scale solar facilities. Thus, the value of EPCC services fluctuates depending on the capacity of solar PV systems and large scale solar facilities that become operational in a given year. The operations and maintenance of solar PV systems are operational expenditure incurred subsequent to the commissioning of these EPCC solar PV systems and large scale solar facilities.

The installed capacity of rooftop solar PV systems and large scale solar facilities in Malaysia increased from 894.0 megawatts (“MW”) in 2019 to 1,933.0 MW in 2022 at a compound annual growth rate (“CAGR”) of 29.3%. Comparatively, the new built capacity for rooftop solar PV systems and large scale solar facilities was 349 MW in 2019, 589 MW in 2020, 304 MW in 2021 and 146 MW in 2022 respectively.

**8. IMR REPORT (Cont'd)**



**Installed capacity for solar PV systems and facilities in Malaysia <sup>a, b</sup>**



Note:

<sup>a</sup> Comprises rooftop solar PV systems as well as large scale solar facilities as detailed breakdown is not publicly available from the Energy Commission of Malaysia

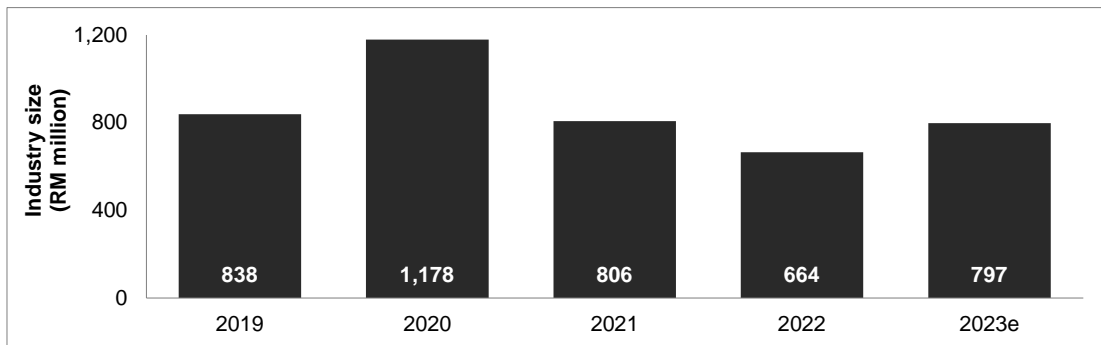
<sup>b</sup> Latest available as at 25 November 2024

Source: Energy Commission of Malaysia, PROVIDENCE analysis

The solar PV EPCC services industry in Malaysia, based on the value of EPCC services, has fluctuated between 2019 and 2022.

In 2019, the value of the solar PV EPCC services industry was RM838.0 million. The value of solar PV EPCC services rose to a high of RM1.2 billion in 2020 during the COVID-19 pandemic as many home owners and business owners began switching to solar energy to save on energy costs. In 2021 and 2022, the value of solar PV EPCC services was RM806.0 million and RM664.0 million respectively. For clarity, the value of the solar PV EPCC services industry refers to the value of EPCC services for new built capacity of rooftop installations as well as large scale solar facilities. PROVIDENCE expects the value of solar PV EPCC services to recover and rise to an estimated RM797.0 million in 2023 at a year-on-year growth rate of 20.0% on the back of Government initiatives to promote the adoption of solar PV systems.

**Solar PV EPCC services industry in Malaysia <sup>a</sup>**



Notes:

<sup>a</sup> Comprises value of EPCC services for new built capacity of rooftop installations as well as large scale solar facilities

e Estimates

Source: PROVIDENCE analysis

PROVIDENCE projects the solar EPCC services industry to grow from an estimated RM797.0 million in 2023 to RM1.5 billion in 2026 at a CAGR of 23.5%. Demand for solar PV EPCC services will be supported by Malaysia's energy drive relating to the adoption of solar energy, long term economic growth that supports investments in solar PV systems and facilities, population growth and urbanisation, growing demand for electricity, foreign investment and domestic investment growth, declining equipment and construction costs as well as the recovery and growth in the residential, commercial and industrial property markets.



**8. IMR REPORT (Cont'd)****DEMAND CONDITIONS: KEY GROWTH DRIVERS****Malaysia's energy drive relating to the adoption of solar energy supports demand for EPCC services**

Under the 11<sup>th</sup> Malaysia Plan, the Government introduced the large scale solar and Net Energy Metering (“NEM”) programmes as initiatives to increase the growth of the solar energy generation sector, leveraging on the potential to harness solar PV in Malaysia all year round. Large scale solar facility projects were initially allocated a total of 370 MW under LSS 1. This was swiftly followed by an allocation of 530 MW under LSS 2, 500 MW under LSS 3, and 1,000 MW under LSS@MENtARI.

The NEM programme was introduced in November 2016 to replace the Feed-in Tariff system. The NEM is a scheme whereby the energy produced from the solar PV system installed will first be consumed by the consumer for his own use. Any surplus of energy produced will be exported to the grid and sold to the distribution licensees at the prevailing displaced cost. The NEM programme was designed to offset consumer's electricity costs for any excess electricity generated from the solar PV systems. Presently, the NEM programme is only applicable to Tenaga Nasional Berhad's customers in Peninsular Malaysia. Malaysia introduced the NEM 1.0 in November 2016, with a 500 MW quota for rooftop solar PV capacity. To encourage NEM uptake, the NEM 2.0 was introduced in January 2019 with 500 MW quota allocation.

NEM 2.0 provided for excess solar PV generated energy to be exported back to the grid on a “one-on-one” offset basis. As a result, the 500 MW quota under NEM 2.0 was fully subscribed by 31 December 2020. NEM 2.0 boosted Malaysia's solar PV industry, leading to higher sales of solar PV systems. Commercial and industrial customers found operational costs declining due to savings in electricity costs.

Subsequently, NEM 3.0 was launched in December 2020 with 500 MW quota allocation. In January 2024, the Government announced that NEM 3.0 will continue with additional quota allocations. Presently, the total quota allocation for NEM 3.0 is 1,550 MW. The NEM 3.0 quota offer period will run until December 2024 or until all quotas are allocated, whichever comes first.

The Government is committed to transforming its energy landscape from fossil fuels to a cleaner energy source, pledging to reduce its economy-wide carbon intensity by targeting reductions in Greenhouse Gas (GHG) emission and becoming a carbon neutral nation by 2050. The introduction of the Malaysia Renewable Energy Roadmap (MyRER) further supports decarbonisation of the electricity supply sector with aims to increase the share of committed renewable energy installed capacity from the current 23.0% in 2020 to a target of 31.0% in 2025 and 40.0% by 2035.

The Government launched the National Energy Policy 2022-2040 (“NEP”) which provides details for the energy sector encompassing affordability, sustainability, and energy security as well as optimising economic opportunities in line with trends in sectoral developments. A roadmap is included on how the country can achieve the NEP's Low Carbon Aspiration 2040 initiative with an annual contribution of RM13.0 billion to gross domestic product (“GDP”), potentially creating more than 207,000 new job opportunities and attracting RM9.2 billion in investments. One of the main areas under the NEP is unlocking the potential of solar resources with increasing capital access for solar energy distribution, with rooftop aggregation, and promoting the economic benefits of distributed solar with peer-to-peer (P2P) and virtual power purchase agreements. To facilitate RE100 corporations (global companies that have committed to 100% renewable energy utilisation) and those companies with similar green-consciousness to achieve their environmental, social and governance (ESG) and sustainability commitments, the Government introduced the Corporate Green Power Programme (“CGPP”) as a platform for the purchase of renewable energy virtually through the virtual power purchase agreements with mutually agreed terms and conditions from solar energy generators. A total of 600 MW was allocated for CGPP, and eligible companies need to enter into Corporate Green Entry Agreements.

The Government plans to tile the roofs of residential properties with solar panels, amongst other incentives to encourage the use of renewable energy, under the newly launched National Energy Transition Roadmap (“NETR”). In every home, the Government intends to give households the option to lease out their rooftops in return for a monthly income that could lower their electricity bills and put more cash in their pockets. The Government's vision is to see solar panels installed nationwide including atop homes, mosques, halls and factories. The Government is taking the lead by allocating RM80.0 million for solar panels to be installed on the rooftops of government buildings. The focus for this initiative is on large scale housing developments, and working with property developers is an initiative that can be rolled out commercially without government funding. Phase 1 of the NETR also entails the setting up of five centralised large scale solar parks with 100 MW capacity each, to be co-developed by Tenaga Nasional Berhad. Tenaga Nasional Berhad will also develop 2.5 gigawatt (GW) of hybrid hydro-floating solar PV projects at its hydro dams.

**8. IMR REPORT (Cont'd)**

NETR outlines several key observations for Malaysia's electricity supply mix as the nation progresses along this pathway, among which include:

- Renewable energy will constitute the majority share of installed capacity by 2050. However, the contribution of renewable energy to the total generation mix will be comparatively lower than fossil fuels, particularly natural gas. This reflects the inherent low-capacity factor associated with solar, compared against the high-capacity factor of gas; and
- The ambition to achieve 70.0 % renewable energy share of installed capacity by 2050 is expected to be achieved, predominantly driven by solar PV installation. Significant solar capacity growth is required in the next three decades, with 59 GW of installed capacity by 2050.

In March 2024, the Government introduced an incentive program known as the Solar for Rakyat Incentive Scheme ("SolaRIS") to encourage the installation of solar PV systems in residential properties. SolaRIS supports the Government's goal of increasing renewable energy capacity in the electricity supply system to 70.0% by the year 2050 and reducing carbon emissions. The launch of SolaRIS is expected to increase the adoption of solar generation among the public under the NEM Programme. A cash rebate of up to RM4,000 will be given to residential customers who submit their NEM application to SEDA from 1 April 2024 onwards and successfully commission their solar PV system installations with Tenaga Nasional Berhad. In March 2024, the Government agreed to approve an additional quota of 100 MW under the NEM Programme, which will increase the allocated quota to 350MW in order to expand the public's involvement in renewable energy generation. As SolaRIS is expected to encourage the adoption of solar generation among residential users, these residential users will require the services of EPCC contractors to undertake the installation of residential solar PV systems. As such, the introduction of SolaRIS is expected to support demand for industry players that are involved in the installation of residential solar PV systems. Further in November 2024, SEDA announced the extension of NEM 3.0 with an additional quota allocation of 350 MW comprising 50 MW for the residential segment and 300 MW for the commercial and industrial segment. The NEM 3.0 quota offer period will run until 30 June 2025 or until all quotas are allocated, whichever comes first.

Commercial and industrial customers also benefit from Government incentives relating to investments in solar PV systems. Under Budget 2020, the Government had announced the extension of Investment Tax Allowance (ITA) for the purchase of green technology assets and Income Tax Exemption ("ITE") on the use of green technology services and systems. The ITE is also extended to commercial and industrial users undertaking solar leasing activities. The objectives of the incentives are:

- to encourage investments in green technology industry on a project basis either for business purpose or own consumption and the adoption of green technology by selected service / system providers;
- to encourage companies to acquire / purchase assets that have been verified as green technology assets by the Malaysian Green Technology and Climate Change Centre and these assets are listed under MyHijau Directory; and
- to widen the coverage of green services to include solar leasing activity.

Malaysia's green technology tax incentives include:

**Green Investment Tax Allowance (Assets)**

Companies that acquire qualifying green technology assets and listed under MyHIJAU Directory for their own use / consumption qualify for incentives for the acquisition of a range of solar components, including transformers, solar thermal systems and collectors and batteries, subject to verification made by the Malaysian Green Technology and Climate Change Centre.

**Green Investment Tax Allowance (Projects)**

Companies that undertake qualifying green technology projects for business or own consumption qualify for green investment tax allowance of 100% of qualifying capital expenditure incurred on green technology projects for three years from the date of first qualifying capital expenditure incurred. This allowance can be offset against 70.0% of statutory income for each year of assessment. Unutilised allowance can be carried forward until they are fully absorbed.

**Green Income Tax Exemption (Services)**

Green technology service provider companies that are listed under the MyHIJAU Directory qualify for green income tax exemption of 70.0% on statutory income for qualifying green services where the period of incentive is for three years starting from assessment year of the first invoice related to green technology services issued and the date of the first invoice shall not be earlier than the date of application received by the Malaysian Investment Development Authority ("MIDA").

**8. IMR REPORT (Cont'd)****Green Income Tax Exemption (Leasing)**

Green technology service provider companies that are listed under the registered solar PV investor directory qualify for green income tax exemption of 70.0% on statutory income for solar leasing activity for a period of up to ten years of assessment. This incentive will be considered based on tiers as follows:

Capacity	Incentive period
> 3 MW to ≤ 10 MW	5 years
> 10 MW to ≤ 30 MW	10 years

Source: MIDA

Effective from 1 January 2024 to 31 December 2026, the Green Investment Tax Allowance (Projects) for own consumption will be merged with the Green Investment Tax Allowance (Assets) and will fall under the purview of the Malaysian Green Technology and Climate Change Corporation. Separately, the application period for the Green Investment Tax Allowance for business purposes and Green Income Tax Exemption for solar leasing incentives has been extended until 31 December 2026.

These policies have supported the development of solar power as a significant source of renewable energy in Malaysia, thereby benefitting industry players that are involved in the EPCC of solar PV systems.

**Long term economic growth supports investments in solar PV systems and facilities**

Malaysia's economy grew by 3.7% in 2023 despite facing challenges stemming from weak external demand, disruptions in commodity production and higher cost of living. Growth was mainly supported by resilient domestic demand and recovery in tourism activities. On the external front, exports declined due to subdued global demand, lower commodity prices and shifts towards services spending. Additionally, improving labour market conditions coupled with supportive policy measures helped household spending, especially among the vulnerable households affected by higher cost of living. Private sector capital spending drove overall investment activity, particularly in information technology and electrical and electronics (E&E). In tandem with external trade performance, export-oriented industries saw some moderation in growth. Nonetheless, all sectors continued to expand in 2023.

The Malaysian economy is projected to grow between 4.0% to 5.0% in 2024, underpinned by continued expansion in domestic demand and improvement in external demand. Growth will be driven by resilient domestic expenditure, with additional support from the expected recovery in exports. Tourism is expected to improve further, while the implementation of new and ongoing multi-year projects by both the private and public sectors would support investment activity. Nevertheless, domestic growth remains subject to downside risks from both external and domestic factors. External factors include a weaker-than-expected global growth and further escalation of geopolitical conflict. Domestically, more severe shocks on commodity production and the implementation of subsidy rationalisation could also weigh on the growth outlook, although this could be partially offset by targeted cash assistance from the Government. Greater spillover from the technology upcycle, stronger-than-expected tourism activity, and faster implementation of existing and new investment projects would provide upside risks to the domestic growth.<sup>2</sup>

Economic growth is a key driver for investments in utilities, as a robust utility infrastructure supports economic activities and attracts foreign and domestic investments. PROVIDENCE anticipates that the investments in solar PV systems will continue in tandem with economic development, as electricity is an important driver for the economic growth of a nation.

**Population growth and urbanisation promotes investments in solar PV systems and facilities**

Based on a projection by the United Nations Department of Economic and Social Affairs ("DESA"), it is estimated that Malaysia's population, similar to the rest of the world, will increase exponentially within three decades. According to the World Population Prospects: The 2017 Revision, the nation's population is expected to reach almost 33 million people in 2020, with numbers projected to rise to more than 40.0 million in 2050. The same trend has been projected for the nation's urbanisation rate, which stands at 75.0%. DESA, in its World Urbanisation Prospect: The 2014 Revision, projected that Malaysia was expected to register an urbanisation rate of 80.0% in 2020, and between 85.0% and 90.0% by 2050. In 2022, Malaysia's population stood at 32.7 million. According to the Key Findings of Population and

<sup>2</sup> Economic and Monetary Review 2023, Bank Negara Malaysia

## 8. IMR REPORT (Cont'd)



Housing Census of Malaysia 2020 published by the Department of Statistics Malaysia in December 2022, Malaysia's urbanisation rate increased to 75.1% in 2020 from the 70.9% in 2010.<sup>3</sup>

The increase in urbanisation will bring changes and challenges unless it can be supported by robust utility infrastructure for electricity services. This will ensure that Kuala Lumpur and other cities will continue to experience growth and remain competitive. Thus, investments in renewable energy electricity infrastructure to support population growth and urbanisation will benefit industry players that are involved in the EPCC of solar PV systems.

### **Growing demand for electricity stimulates investments in solar PV systems and facilities**

Electricity is a crucial element in the development process as well as economic growth of a country. Shortage of electricity supply may negatively affect the development progress of the country, and possibly limit its potential growth. Malaysia's consumption of electricity increased from 132,199.0 gigawatt hours ("GWh") in 2015 to 172,819.8 GWh in 2022. Regionally, Peninsular Malaysia remains as the primary consumer of electricity in Malaysia, consuming close to 80.0% of the electricity sold.<sup>4</sup>

The consumption of electricity is a key driver for the electricity supply industry, and spurs investments in generation, transmission and distribution infrastructure. Over the longer term, the demand for electricity is expected to recover and exhibit growth at a healthy pace as a result of future economic growth, supportive Government policies, as well as population growth. As Malaysia strives to diversify its sources of fuel for the generation of electricity with a strong focus on renewable and sustainable fuels, industry players that are involved in the provision of EPCC services for solar PV systems and facilities are expected to benefit.

### **Foreign investment and domestic investment growth support investments in solar PV systems and facilities**

Malaysia recorded a total of RM329.5 billion worth of approved investments in the services, manufacturing and primary sectors in 2023 across 5,101 projects. From the total investments approved, foreign investments accounted for RM188.4 billion or 57.2%, while domestic investments accounted for RM141.1 billion or 42.8%. The services sector accounted for the largest share of the total investments in 2023, amounting to RM168.4 billion (51.1%), followed by the manufacturing sector with RM152.0 billion (46.1%) and the primary sector with RM9.1 billion (2.8%). Foreign investments comprised 34.4%, 84.5% and 22.0% of approved investments in the services, manufacturing and primary sectors respectively. During the year, the services sector included the information and communications (RM63.7 billion), real estate (RM61.0 billion), utilities (RM11.1 billion), distributive trade (RM11.1 billion) and support services (RM10.5 billion) segments. Malaysia's manufacturing sector, which attracted RM152.0 billion in approved investments, saw an 80.3% increase compared to 2022 (2022: RM84.3 billion). The electrical and electronics (RM85.4 billion), machinery and equipment (RM22.6 billion), chemicals and chemical products (RM8.9 billion), non-metallic mineral products (RM8.8 billion), transport equipment (RM7.1 billion) and plastic products (RM4.1 billion) industries collectively made up 89.5% of total approved investments for the manufacturing sector in 2023.<sup>5</sup>

Malaysia aims to attract quality investments to drive economic growth and achieve its aspirations of becoming a high-income nation. Foreign and domestic investments also play an important role in supporting Malaysia's move to become a high-income technology-based economy. As such, investments in electricity infrastructure and renewable energy are also crucial to support the investment prospects of Malaysia for foreign investors and will bode well for industry players that are involved in the EPCC of solar PV systems and facilities.

### **Decline in equipment and construction costs make solar PV systems a more favourable renewable energy option**

Since 2010, the average levelised cost of electricity ("LCOE") of solar PV has significantly decreased and by 2019, was comparable to the average LCOE of conventional coal and gas generation. Solar PV costs

<sup>3</sup> Department of Statistics Malaysia. Latest available statistics as at 25 November 2024

<sup>4</sup> Malaysia Energy Statistics Handbook 2020, Energy Commission Malaysia

<sup>5</sup> Malaysia Resilient Ascent – Securing Historic RM329.5 billion in Investments, Generating Close to 130,000 Jobs in 2023, MIDA

**8. IMR REPORT (Cont'd)**



have dropped by approximately 82.0%. The decrease in renewable energy cost for solar PV can be attributed to the following reasons:

- Competitive procurement of renewable power through auctions and quota system to promote competition among project developers;
- Economies of scale and technology innovation due to:
  - increased scale in manufacturing of key components such as solar PV modules and inverters;
  - reduction in manufacturing cost of all components as manufacturing shifted to low-cost countries;
  - maturing learning curve for construction as EPCC service providers become increasingly efficient and expand to new markets, bringing best practices in project engineering and construction; and

Typically, renewable energy sources that do not rely on commercial feedstock do not have marginal cost. In this regard, resources such as solar and hydro can achieve a low LCOE. The lower LCOE for solar PV makes it a viable renewable energy option for homeowner as well as commercial and industrial owners. Greater adoption of solar PV systems by homeowner as well as commercial and industrial owners due the favourable LCOE will support demand for solar PV EPCC services.

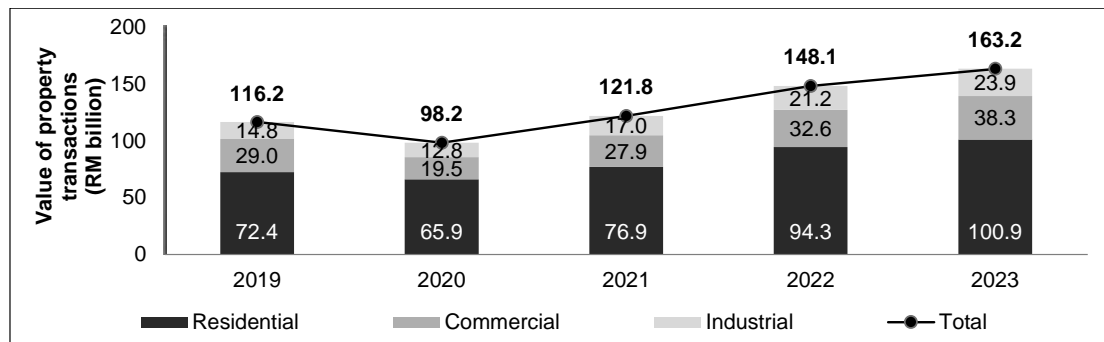
**Recovery and growth in the residential, commercial and industrial property markets support demand for solar PV systems**

Between 2019 and 2023, residential, commercial and industrial property transactions rose from RM116.2 billion to RM163.2 billion at a CAGR of 8.9%. From this, residential property transactions rose from RM72.4 billion to RM100.9 billion at a CAGR of 8.7%. Comparatively, commercial property transactions rose from RM29.0 billion to RM38.3 billion at a CAGR of 7.2% while industrial property transactions rose from RM14.8 billion to RM23.9 billion at a CAGR of 12.7%.

In 2020, all economic sectors registered a contraction in growth. While the COVID-19 pandemic containment measures aided Malaysia’s efforts to rein in the outbreak, the tighter operating procedures (such as operating hours, capacity limit on premise and activity restrictions), mobility restrictions and supply-chain disruptions affected economic activity. Additionally, most industries also faced weaker demand conditions both domestically and externally, which further weighed on production and business activities. As a result, residential and commercial property transactions were affected in 2020. In 2021, the property market in Malaysia began showing signs of recovery, mainly supported by the implementation of various stimulus packages under Pelan Jana Semula Ekonomi Negara (PENJANA) and Prihatin Rakyat Economic Stimulus Package (PRIHATIN), as well as measures under Budget 2021 which sustained consumer confidence and spending.

Growth in the property market in 2022 was supported by the implementation of various government initiatives and assistance, improving labour market conditions and higher tourist arrivals. Several initiatives which were outlined under Budget 2022 contributed to improving property market activities lifting the imposition of Real Property Gains Tax on the disposal of properties in the 6<sup>th</sup> year onwards by Malaysian citizens, permanent residents and other than companies, as well as guarantees of up to RM2.0 billion to banks via Skim Jaminan Kredit Perumahan in assisting gig works, small entrepreneurs and farmers in obtaining home financing. Property market growth in 2023 was supported by the implementation of various government initiatives and assistance as well as improving labour market conditions. Several initiatives outlined under Budget 2023 also boosted property market activities.

**Residential, commercial and industrial property transactions in Malaysia**



Source: National Property Information Centre (NAPIC), PROVIDENCE analysis

**8. IMR REPORT (Cont'd)**

For 2024, the economy is projected to grow within the range of 4.0% to 5.0%. The growth is envisaged to be broad-based, led by the services sector as intermediate and final services groups are anticipated to rise further driven by sustained domestic consumption and improved export activities. The retail trade, accommodation and restaurants as well as communication segments are expected to increase in line with consumption trend, while the wholesale trade segment and transport and storage subsector will benefit from higher trade-related activities. In 2024, the real estate segment is projected to improve owing to the increase in non-residential and residential property transactions.

Collectively, these developments are expected to bode well for industry players offering solar PV EPCC services.

**INDUSTRY RISKS AND CHALLENGES*****Technical capabilities and industry track record***

EPCC for rooftop projects require a specific level of skill and experience. Project principals would seek to hire companies with proven track record to execute such works. While the fundamentals of electricity generation, transmission and distribution technology have remained constant over the years, skilled engineers and technicians are able to carry out improvements in order to enhance delivery and efficiency, while optimising system performance. Such skill can only be gained through hands-on experience. Due to the level of technicality of this field, industry players bidding for EPCC projects are expected to possess skills and experience in various areas including planning, design, development of solar PV systems; supply, delivery and installation of solar PV module and balance of systems; as well as the associated mechanical and electrical works.

Industry players who have the required technical capabilities are able to build industry track record, which cannot be easily replicated by a new entrant.

***Product / service substitution and reliance and vulnerability to imports***

There are no direct substitutes for the provision of EPCC services. EPCC services for solar PV facilities in Malaysia are typically performed by local industry players. EPCC industry players are dependent, to a certain extent, on the imports of solar equipment such as solar PV modules, inverters and balance of systems components. Industry players are also exposed to fluctuations in solar PV module pricing arising from raw materials pricing and availability.

**COMPETITIVE LANDSCAPE**

The solar PV systems EPCC services industry is competitive and comprises industry players that are involved in one or more of the following business activities:

- engineering and design from project initiation to detailed system design, including designing solar PV array, balance of systems as well as interconnection to the power grid;
- procurement of all relevant systems, equipment, including solar PV modules and balance of systems;
- civil and structural construction, mechanical and electrical works, installation and integration of equipment and systems, and interconnection to the utility grid; and
- testing and commissioning of individual equipment, as well as the entire solar PV system once all equipment have been installed and prior to interconnection to the utility grid.

Northern Solar Holdings Berhad is principally involved in the EPCC of solar PV systems, generation of renewable energy as well as operations and maintenance of solar PV equipment and systems.

In the FYE 31 March 2022, Northern Solar Holdings Berhad achieved cumulative solar PV systems installed capacities of 10.0 MW under its EPCC of solar PV systems segment. When compared against the latest publicly available total installed capacity for solar PV systems and facilities of 1,933 MW in 2022, Northern Solar Holdings Berhad secured a market share of 0.5%. Subsequently in FYE 31 March 2023, Northern Solar Holdings Berhad achieved cumulative solar PV systems installed capacities of 25.7 MW under its EPCC of solar PV systems segment. When compared against the latest publicly available total installed capacity for solar PV systems and facilities of 1,933 MW in 2022, Northern Solar Holdings Berhad secured a market share of 1.3%.

## 8. IMR REPORT (Cont'd)



The following sets out the latest available financial performance of selected industry players that are involved in the provision of solar PV systems EPCC services in Malaysia with revenues ranging between RM20.0 million and RM180.0 million:

Industry player	Latest available FYE	Revenue <sup>f</sup> (RM)	Gross profit / loss (RM)	Gross profit / loss margin (%)	Profit / Loss before tax (RM)	Profit / Loss after tax (RM)	Profit / Loss after tax margin (%)
Coara Solar Sdn Bhd	31 December 2023	42,182,190	34,378,879	81.5	-11,543,381	-11,543,381	-27.4
COEE Engineering Sdn Bhd	31 October 2023	43,537,202	7,702,509	17.7	6,851,668	5,311,984	12.2
Ditrolic Sdn Bhd	30 April 2023	32,797,769	-6,283,583	-19.2	-16,805,347	-15,532,289	-47.4
Dynasynergy Technology Sdn Bhd	31 December 2023	48,950,125	8,321,232	17.0	3,280,580	2,302,965	4.7
EI Power Technologies Sdn Bhd	31 December 2023	42,066,547	8,599,431	20.4	6,106,198	4,488,357	102.9
Eleaps Sdn Bhd	30 June 2023	41,735,678	1,617,467	3.9	4,176,482	4,176,482	10.0
Gsparx Sdn Bhd <sup>b</sup>	31 December 2023	51,460,745	14,708,427	28.6	4,856,681	3,725,507	7.2
Hasilwan (M) Sdn Bhd	31 December 2021	65,576,935	6,044,121	9.2	1,299,780	904,027	1.4
JS Solar Sdn Bhd	31 March 2024	140,384,578	15,330,804	10.9	9,235,418	6,399,351	4.6
Kejuruteraan Elektrik KB Sdn Bhd	31 March 2023	62,564,319	10,283,224	16.4	973,546	696,014	1.1
Malaysian Solar Resources Sdn Bhd	31 December 2023	23,633,123	9,753,129	41.3	318,045	1,169,900	5.0
Maqo Engineering Sdn Bhd	31 August 2023	20,968,097	4,003,961	19.1	2,144,381	1,640,841	7.8
Micro Energy Holdings (M) Sdn Bhd	31 December 2023	35,393,211	9,181,343	25.9	738,416	368,764	1.0
NCL Energy Sdn Bhd	31 March 2023	33,115,478	2,935,256	8.9	1,082,123	816,673	2.5
Northern Solar Holdings Berhad	31 March 2024	77,974,073	21,585,677	27.7	12,714,405	10,088,506	12.9
Pekat Solar Sdn Bhd <sup>c</sup>	31 December 2023	136,890,197	17,539,937	12.8	1,013,943	974,945	0.7
Plus Xnergy Services Sdn Bhd	31 March 2023	179,790,237	29,824,772	16.6	6,680,792	5,789,706	3.2
Solarvest Energy Sdn Bhd <sup>d</sup>	31 March 2023	142,328,579	21,185,088	14.9	8,564,298	6,464,136	4.5
Suria Infiniti Sdn Bhd	30 June 2022	31,528,170	2,186,196	6.9	-148,623	-148,623	-0.5
Tera Va Sdn Bhd <sup>e</sup>	31 March 2024	64,604,199	18,221,428	28.2	8,453,995	6,282,747	9.7

Notes:

<sup>a</sup> The selected industry players were identified from publicly available sources, such as SEDA's Registered PV Service Provider Directory, the internet and published documents

<sup>b</sup> Subsidiary of Tenaga Nasional Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad

<sup>c</sup> Subsidiary of Pekat Group Berhad which is listed on the ACE Market of Bursa Malaysia Securities Berhad

<sup>d</sup> Subsidiary of Solarvest Holdings Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad

<sup>e</sup> Subsidiary of Boilermach Holdings Berhad which is listed on the Main Market of Bursa Malaysia Securities Berhad

<sup>f</sup> Revenues may be derived from businesses other than the provision of solar PV systems EPCC services

Latest available as at 25 November 2024

Source: SEDA, various annual reports, Companies Commission of Malaysia, PROVIDENCE analysis

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## **9. RISK FACTORS**

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**NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER, IN ADDITION TO THE OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP BEFORE INVESTING IN OUR SHARES.**

### **9.1 RISKS RELATING TO OUR BUSINESS AND OUR OPERATIONS**

#### **9.1.1 Our revenue is project-based and our historical financial performance may not be indicative of our future financial performance**

Our EPCC projects are non-recurring in nature and are secured on a project-by-project basis. Our Group's ability to compete for and secure sizeable contracts is one of the main contributors to our success as well as ongoing growth and future profitability. Revenue contribution from the EPCC of solar PV systems accounted for almost all of our total revenues in FYE 2022, FYE 2023, FYE 2024 and FPE 2025 respectively.

We cannot guarantee that we will be able to continue to secure new contracts after the completion of the existing awarded contracts and that we will always be able to maintain similar levels of profitability every year. In addition, the number and scale of projects, as well as the amount of revenue that we are able to derive therefrom are affected by a series of factors including but not limited to changes in our customers' businesses, economic downturn and lack of funds on the part of project owners. Consequently, our revenue may vary significantly from period to period depending on the actual volume of our business and the progress achieved in the projects we secure. Therefore, we cannot guarantee or reasonably forecast our financial performance as we are unable to guarantee the number or value of projects we may secure in the future.

It is critical for our Group to secure new contracts which are similar or larger in value or number of projects on a continual basis to maintain competitiveness in the solar PV industry. In the event that we are unable to secure new contracts or obtain contract value or number comparable to existing ones, our financial performance and results of operations will be materially impacted. Therefore, the historical financial performance and financial condition of our Group may not be indicative of our future financial performance. Nonetheless, in relation to our EPCC projects, our Group has an order book of approximately RM82.4 million as at LPD, which is expected to be billed up to FYE 2025. Moving forward, we will continue to participate in more tender exercises and grow our order book to sustain the operations of our Group.

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## **9. RISK FACTORS (Cont'd)**

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### **9.1.2 Our business and financial performance may be affected in the event of delay or inability to complete projects on a timely basis**

Our projects are subject to timelines for us to adhere to. In the event of any delays in the timeline of a project, such delays would usually result in project cost overruns, which attract negative publicity and legal uncertainties such as potential LAD claims from our customers.

Our revenue is recognised based on percentage of completion and billings are based on actual work performed and certified by our customers. Thus, any delays or postponement in projects may influence our resource allocation for the execution of subsequent projects and delay our revenue recognition. Any form of delay in completing the projects will therefore affect our billings, revenue, operational cash flow and financial performance. We may be required to pay our suppliers and subcontractors regardless of such delays if the works have been performed, and as such, it would affect our cash flow.

The timely completion of projects undertaken by our Group is dependent on external factors inherent in the renewable energy industry including, amongst others, the timely receipt of requisite licenses, permits or approvals from regulatory authorities, performance of any subcontractors appointed, safety and site conditions, availability of materials, equipment and/ or labour, adverse weather conditions, economic downturn and changes to government policies. Any adverse developments in respect of these factors can lead to interruptions or delays in completing a project, which may result in our customers imposing LAD claims on us as stipulated in our contracts and our reputation, financial performance and operational cash flows would be materially affected.

As at LPD, we have not experienced any LAD claims from our customers.

### **9.1.3 We are subject to the risks of defects liability claims from customers**

The nature of our business is subject to risks of defects liability claims by our customers due to defective workmanship for the EPCC of solar PV systems.

Our EPCC contracts normally require defects liability period during which we are responsible for rectifying all defective works, if any. The defects liability period is generally 12 to 24 months after the date of acceptance or handover. During the defects liability period, we are liable for all the repair or rectification works including those carried out by our subcontractors in accordance with the terms of the contract for any defective workmanship.

For commercial and industrial EPCC projects, our customers typically withhold 5.0% of the contract sum as retention funds to safeguard against any defects or non-completion of works. Our customers may utilise the remaining retention sum to remedy the defects if the rectification is not carried out within the agreed period. As such, we may not be able to recover the retention sum if it has been fully utilised for remedy of defective works or non-fulfilment of certain requirements. As at LPD, we have not received any defects liability claims from our customers.

In the event that there are any significant claims raised by our customers against us for defects liability or any default or failure in relation to our works, we may incur significant costs in rectifying such defects and in such event our reputation, financial position and profitability may be materially affected.

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**9. RISK FACTORS (Cont'd)**

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**9.1.4 Our EPCC projects depend on the timely supply of solar equipment and components at acceptable prices and quality**

Our operations depend on our ability to obtain sufficient supply of solar equipment and components at acceptable prices, in satisfactory quality and in a timely manner. We are exposed to the price fluctuations in solar equipment and components and other materials that we use for our EPCC business, which represents a significant portion of our cost of sales. In FYE 2022, FYE 2023, FYE 2024 and FPE 2025, the purchase of project materials for EPCC of solar PV systems accounted for approximately RM12.1 million, RM26.5 million, RM40.5 million and RM17.3 million, representing 70.7%, 79.3%, 71.8% and 71.6% of our total cost of sales respectively.

We typically specify the brands, models and types of equipment and components to procure based on the agreed design and specifications. For projects which require large quantities of solar equipment and components, we will enter into purchase and supply agreements with the specified manufacturers/suppliers for selected solar equipment and components, such as solar PV modules and inverters. In the case of solar PV modules, the price shall be maintained throughout the duration of the agreement if there is no change in the module pricing according to the published weekly overseas module spot price. Our suppliers will renegotiate with us on a periodic basis, depending on module spot prices, for the pricing of the remaining volume of solar PV modules which have not been delivered to us. We may absorb some increase in price if the price fluctuation is not significant. In the event the price fluctuation is significant, we will pass the increased cost to our customers by applying for a variation order.

The other types of solar equipment and components such as mounting structures, inverters, solar PV monitoring systems and cables are procured on purchase order basis according to the quantity required. As we do not have exclusive long-term contracts with our suppliers, we may not be able to obtain sufficient solar equipment and components in a timely manner to meet our project delivery schedule. As a result, if we are unable to purchase the solar equipment and components from those suppliers upon agreed terms or in a cost-effective manner, we may experience delays in our project delivery and incur substantial cost.

As at LPD, due to prudent project budgeting, we have not experienced any material price fluctuations and/or quality issues in our supply of equipment and components which resulted in a material adverse impact on our financial performance or require us to pass on the increased costs to our customers, and we have also not faced material shortages of equipment and materials. Any shortages, quality issues or fluctuations in price that occurs in the future which we are not able to pass on to our customers may materially affect our business operations and financial performance. In addition, any failure to obtain sufficient supply in satisfactory quality and in a timely manner could also materially affect our business operations and financial performance.

**9.1.5 Our business is subject to certain regulatory registrations, approvals, licenses and permits**

As a solar PV service provider and owner of solar PV systems, we are required to obtain and hold valid approvals, permits and licences such as the Registration of Solar Photovoltaic Service Provider and the Registration of Photovoltaic Investor issued by SEDA and other approvals, permits and licences as set out in Section 6.7. We leverage on existing registrations, approvals, licenses and permits to continue our core business operations. We must comply with the restrictions and conditions imposed by the relevant authorities for us to maintain the validity of such approvals, permits and licenses. Please refer to Section 6.10 for further details on our Group's previous non-compliances.

## 9. RISK FACTORS (Cont'd)

In the event we fail to comply with the applicable requirements or any required conditions, our registration, approvals, licenses and permits may be cancelled or suspended. Delay in renewing such registrations, approvals, licenses and permits upon expiry may also result in temporary suspension or restriction of our business operations. Therefore, any revocation and/or failure to obtain renewals for such registrations, approvals, licenses and permits which are required for us to continue business activities, will have a material impact on our ability to continue business operations.

### 9.1.6 We depend on our Managing Director, Executive Director and key senior management for our continued success

Our Group's continued success, future business growth and expansion will depend to a significant extent upon the abilities and continued efforts of our Managing Director, Executive Director, key senior management and employees. Our Managing Director and Executive Director, Lew Shoong Kai and Chew Win Hoe have been actively involved in our Group's operations since the commencement of our Group's business. Our Managing Director and Executive Director are responsible for providing strategic direction of our Group's business growth. They are assisted by our key senior management, who also have knowledge and experience in our business operations and the solar PV industry. Our key senior management are responsible for executing and implementing our Group's business operations and business strategies to drive future growth.

The loss of any of our Managing Director, Executive Director and key senior management simultaneously or within a short period of time may potentially create an unfavourable impact on our Group's business operations, if there is a lack of succession planning, timely replacement or inability to retain qualified personnel. As such, our ability to retain and also attract competent and experienced personnel in the solar PV industry is crucial for our continued success, future business growth and expansion.

Competition for qualified personnel in the renewable energy sector is intense due to the rapidly growing solar PV industry. In an effort to mitigate such risk, we have also taken appropriate measures such as providing adequate compensation, incentives, training and development programmes, as well as rewarding our employees for their contribution to our success. However, any failure to retain such key employees or to hire additional qualified employees with the requisite industry knowledge could materially impact our business operations, financial performance and ability to achieve our business objectives.

### 9.1.7 Error or inaccurate estimation of project duration and costs will affect our profitability and our financial performance

Our contracts with customers normally have a fixed and pre-determined value throughout the contract period in accordance with the scope of works that we tendered for. In pricing a tender or quotation, we estimate the project costs based on numerous factors including but not limited to:

- (a) scope of works;
- (b) material and labour requirements and costs;
- (c) project complexity;
- (d) time required for completing a project;
- (e) historical fees we charged for similar projects; and
- (f) prevailing market conditions.

Incorrect estimations of our project costs may result in cost overruns and hence will affect our profitability and financial performance. During FYE 2022, FYE 2023, FYE 2024, FPE 2025 and up to LPD, we have not faced any project cost overruns.

## 9. RISK FACTORS (Cont'd)

If the actual costs to complete the projects significantly deviate from the estimated costs when the tenders or quotations were submitted, we may be bound by the contract to undertake the project at a loss and hence our business operations as well as financial performance and profitability may be adversely affected. Our Group may endeavor to enter into variation orders to pass on the increased cost to customers, but our customers are not obliged to accede which may result in our Group to carry out the project at the originally agreed cost. We may not be able to complete the project on time or we may be subject to cost overruns due to certain events that are not within our control, such as timing required to obtain the necessary work permits from local authorities and adverse weather conditions.

### 9.1.8 We cannot assure you that our insurance coverage is adequate for our operations and able to cover all losses and/ or liabilities arising from potential claims

Pursuant to the terms of the contracts awarded by our customers, we are to procure and maintain insurance policies relevant for commercial and industrial EPCC projects, namely contractor all risks and workmen's compensation.

We are aware of the adverse consequences arising from the inadequate insurance coverage that could potentially affect our business, operations and financial performance. We have also purchased business insurance policies, to protect our business, office furniture and equipment against unexpected losses or damage due to break-ins or loss of monies and policies to insure our vehicles.

Although we have procured and maintain the relevant insurance policies for our projects, we may receive claims from our customers, subcontractors or other parties in respect of various matters concerning our business operations from time to time. There is no assurance that our current insurance policies will sufficiently protect us against all potential liabilities arising from any claims or losses.

Further, our insurance coverages are subject to exclusions and limitations of liability both in amount and with respect to the insured events. The outcome of any claim is subject to the relevant parties' negotiation and the result of claims may be unfavourable to us. If we are held liable for uninsured losses or the amounts of claims for insured losses exceed the limit of our insurance coverage, our business and financial performance will be impacted.

As at LPD, we have not encountered any events that resulted in any insurance claims that materially affected our business and financial condition.

### 9.1.9 We are dependent on our subcontractors

We depend on our subcontractors for the provision of civil and structural works as well as M&E works, which we have not and do not intend to carry out by ourselves.

In FYE 2022, FYE 2023, FYE 2024 and FPE 2025, our subcontracting costs represented approximately 15.9%, 9.3%, 17.2% and 18.0% of our total cost of sales, respectively. However, such costs may vary from year-to-year due to the volume of projects on hand as well as the demand for such services to complement our project capabilities.

We adopt a stringent assessment in selecting subcontractors, which includes evaluating our project requirements, the subcontractors' past track record, their qualifications and certifications acquired, strength of manpower, pricing and ability to meet our project delivery schedule. Please refer to Section 7.14 for further details on our quality control assurance and procedures.

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**9. RISK FACTORS (Cont'd)**

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Nonetheless, the engagement of subcontractors may expose us to certain risks, including but not limited to, difficulties in overseeing the performance of subcontractors effectively, possibilities of subcontractors failing to complete their contracted scope of works, onsite safety, non-compliance to regulatory requirements, or inability to hire suitable subcontractors in a timely manner and within our budget. The occurrence of the aforementioned risks may result in incidences onsite, disputes and litigation, all of which may have impact on our profitability, financial performance and operations.

As our subcontractors do not have direct contractual relationships with our customers, we are liable for the risks of our subcontractors' non-performance, poor quality of works, defects, delays or non-compliance caused by them. As a main contractor, we are further held responsible by the regulatory authorities for the overall construction activities that take place onsite. In addition, if the cost required to rectify the defects caused by our subcontractors are significant, it may have an impact on our financial performance. We may be liable for the costs of remedial works, which in turn would increase our costs for the projects as well as delay in our project delivery. We would also typically state in the contracts that our subcontractors shall observe and comply with all the relevant rules and regulations during the course of their execution of works.

We withhold 10.0% of the awarded sub-contract value as retention sum. In the event the subcontractors fail to meet the project requirements such as quality issues concerning substandard works or non-performance, we may utilise such retention sum to engage other subcontractors to complete the rectification works. Consequently, we may need to incur significant time, cost and resources to carry out rectification works. This in turn would affect the project delivery schedule and accordingly, we would be entitled to claim against such subcontractor for LAD, costs and expenses incurred by us.

As at LPD, we have not encountered any claims from our customers due to non-performance or defects of works by our subcontractors. Although we endeavour to maintain the quality of our works including our subcontractors works, there is no assurance that the works carried out will always be to our customers' satisfaction, expectations and requirements.

**9.1.10 Our contracts are subject to early termination**

In line with industry practice, our contracts with customers ordinarily contain clauses which could give rise to a right of early termination by our customer or us, in the event of, amongst others, suspension of works, our persistent failure to comply with the terms and conditions contained in the contracts, failure for payment of our works as per the payment schedule, and in situations of insolvency faced by our customers or us.

In the event we experience any early termination of our contracts, the loss of revenue and/or costs incurred arising from such termination may have an adverse impact on the financial condition and prospects of our Group. If our Group is at fault, we may also be exposed to the risks of legal claims, liabilities and compensation to our customers. This could have a negative impact on our financial condition and reputation.

As at LPD, our Group has not experienced any events which resulted in the termination of our contracts.

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**9. RISK FACTORS (Cont'd)**

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**9.2 RISKS RELATING TO OUR INDUSTRY****9.2.1 The renewable energy and solar PV industries are dependent on government policies, incentives and supportive regulatory framework**

Demand for solar energy depends to a large extent on government incentives which aim to promote greater use of renewable energy. The development of solar energy will be facilitated by favourable government policies, incentives and regulatory framework.

In recent years, the renewable energy and solar PV industries are rapidly growing as a result of support and encouragement towards the development of renewable energy. The Government has initiated incentive programmes to promote the sustainable growth in the renewable energy and solar PV industries as well as attractive pricing mechanism to encourage solar farm investors and homeowners to deploy solar PV systems. Please refer to Section 8 for further details.

Accordingly, the scope and degree of these government incentives are largely influenced by a given country's political and policy developments in relation to the use and development of solar energy. A significant reduction in the scope or discontinuation of government incentive programmes would have a material impact on the demand for our services. We may be affected by any adverse changes in government policies, incentives and supportive mechanism relating to the renewable energy and solar PV industries. Therefore, there is no assurance that adverse changes in government policies, incentives and supportive regulatory framework will not affect our business operations and financial performance in the future.

**9.2.2 We face competition from other industry players**

The renewable energy and solar PV industries are rapidly growing and we face competition from domestic competitors that may be capable of offering similar services. Some of these competitors may have more established relationships with their customers, longer operating histories, be equipped with better resources and technical knowledge as compared to us, thereby allowing them to offer more compelling value propositions. Furthermore, these competitors may adapt to changes in the industry more promptly and efficiently.

We may face competition pressures from existing or new competitors who adopt aggressive pricing strategies. If we are not able to compete effectively and efficiently or are not able to adapt to changes in competitive landscape, our business operations and financial performance will be materially impacted.

There can be no assurance that we will be able to compete effectively with current and new entrants into the renewable energy and solar PV industries in the future and that the level of competition will not intensify in the future.

**9.2.3 We are subject to economic, political and/or regulatory risks in Malaysia**

Our principal market is Malaysia. Our business, prospects, financial condition and results of operations may be affected by any adverse developments, changes and / or uncertainties in the economic, political and legal environments that are beyond our control in Malaysia. These risks include unfavourable changes in political conditions, economic conditions, interest rates, government policies and regulations, import and export restrictions, duties and tariffs, civil unrests, methods of taxation, inflation and foreign exchange controls. All of these changes are beyond our control.

Any adverse developments in one or more of the abovementioned conditions may cause disruptions in the delivery and completion schedules of projects, which may consequently cause a decline in our revenue, or may cause a decline in demand for our Group's solutions.

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## **9. RISK FACTORS (Cont'd)**

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As such, there is no assurance that any adverse political, regulatory or economic developments, would not materially affect our business, financial performance and prospects of our Group.

### **9.2.4 We may not be able to adapt to technological developments and industry standards in the solar PV industry**

The solar PV industry is technology-intense and dynamic in technological advances to improve system features, such as efficient power generation and energy storage system, improved aesthetics and enhanced solar monitoring systems.

Our Group's success depends on our continued ability to:

- timely adapt to technology developments in the solar PV industry;
- continuously improve our technical knowledge in the solar PV industry;
- continuously meet the evolving standards, including conformity with new operational standards; and
- continuously enhance the features and develop new functionalities of solar PV systems.

With the development of technology in the solar PV industry, new models/ types of solar equipment and components and associated peripheral systems (information technology) can better meet the energy-saving requirements and enhance our operational and management efficiency. Although we endeavour to keep pace with technological advances in a cost-effective manner and timely basis, we may encounter practical difficulties in upgrading or enhancing our services with the new technology. As such, we may require adequate time to study the technology and improve our technical knowledge.

There is no assurance that we are able to anticipate trends in technological developments and industry standards or are able to adequately upgrade our capabilities to develop and enhance our services.

### **9.2.5 We face competition from other sources of renewable energy**

Although solar energy is one of the popular renewable energy resources, we may face competition from other alternative renewable energy such as wind, biogas, biomass, small hydropower and geothermal resources.

In addition, competition from such renewable energy companies may intensify if the technology used to generate electricity from such other renewable energy sources becomes more sophisticated and cost-effective, or if the government strengthens its support for such other renewable energy sources. The costs from generating this alternate renewable energy may decrease, driven by improving technologies, economies of scale, increasingly competitive supply chains, growing technical experience as well as government subsidies and incentives. As a result, the other forms of renewable energy will be more attractive to investors and consequently may have an adverse effect on our business operations and financial performance.

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## **9. RISK FACTORS (Cont'd)**

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### **9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES**

#### **9.3.1 There is no prior market for our Shares**

Prior to our Listing, there was no public trading for our Shares. The listing of our Shares on the ACE Market does not guarantee that an active market for our Shares will develop or continue to be developed upon or subsequent to our Listing.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the ACE Market upon or subsequent to our Listing.

#### **9.3.2 Our Listing is exposed to the risk that it may be aborted or delayed**

Our Listing may be aborted or delayed should any of the following occur:

- (a) the selected investors fail to subscribe for their portion of our IPO Shares;
- (b) our Underwriter exercises its rights under the Underwriting Agreement to discharge itself from its obligations therein; and
- (c) we are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.0% of our total number of Shares for which listing is sought must be held by a minimum number of 200 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing.

If any of these events occur, investors will not receive any Shares and we will return in full without interest, all monies paid in respect of the Application within 14 days, failing which the provisions of Section 243(2) of the CMSA will apply.

If our Listing is aborted and/or terminated, and our Shares have been allotted to the investors, a return of monies to the investors could only be achieved by way of cancellation of share capital as provided under Sections 116 or 117 of the Act and its related rules.

Such cancellation requires the approval of shareholders by special resolution in a general meeting, with sanction of the High Court of Malaya or with notice to be sent to the Director General of the Inland Revenue Board and ROC within 7 days of the date of the special resolution and us meeting the solvency requirements under Section 117(3) of the Act.

There can be no assurance that such monies can be recovered within a short period of time in such circumstances.

#### **9.3.3 The trading price and trading volume of our Shares following our Listing may be volatile**

The trading price and volume of our Shares may fluctuate due 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 variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our Shares.



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**9. RISK FACTORS (Cont'd)**

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**9.4 OTHER RISKS**

**9.4.1 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after our IPO**

Our Promoters will collectively hold approximately 61.6% of our enlarged share capital upon Listing. Because of the size of their shareholdings, our Promoters will likely have a deciding vote (i.e. to approve or reject) on the outcome of certain matters requiring the vote of shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities.

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