
6. INFORMATION ON OUR GROUP

6.1 OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 1 June 2018 as a private limited company under the name of Sudut Swasta Holding Sdn. Bhd.. On 4 July 2019, our Company's name was changed to PLYTEC Holding Sdn. Bhd. and was subsequently converted to a public limited company on 8 September 2022.

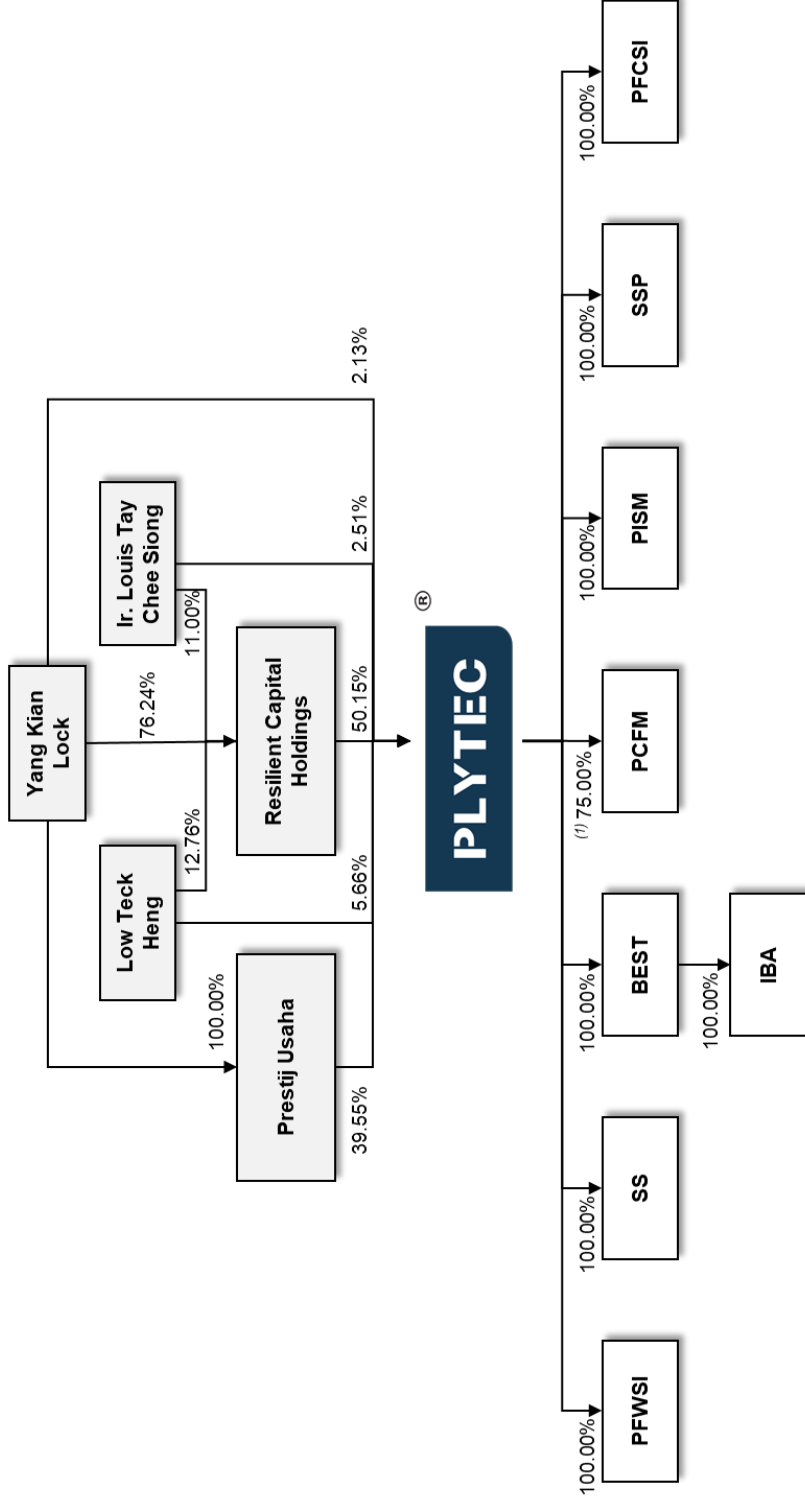
Our Company is principally an investment holding company and through our subsidiaries, we are involved in the provision of construction engineering solutions and services as well as trading and distribution of core and general building materials. Further details of the principal activities of our subsidiaries are disclosed in Section 6.4 of this Prospectus.

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6. INFORMATION ON OUR GROUP (cont'd)

6.2 OUR GROUP

As at the LPD, the structure of our Group are as follows:

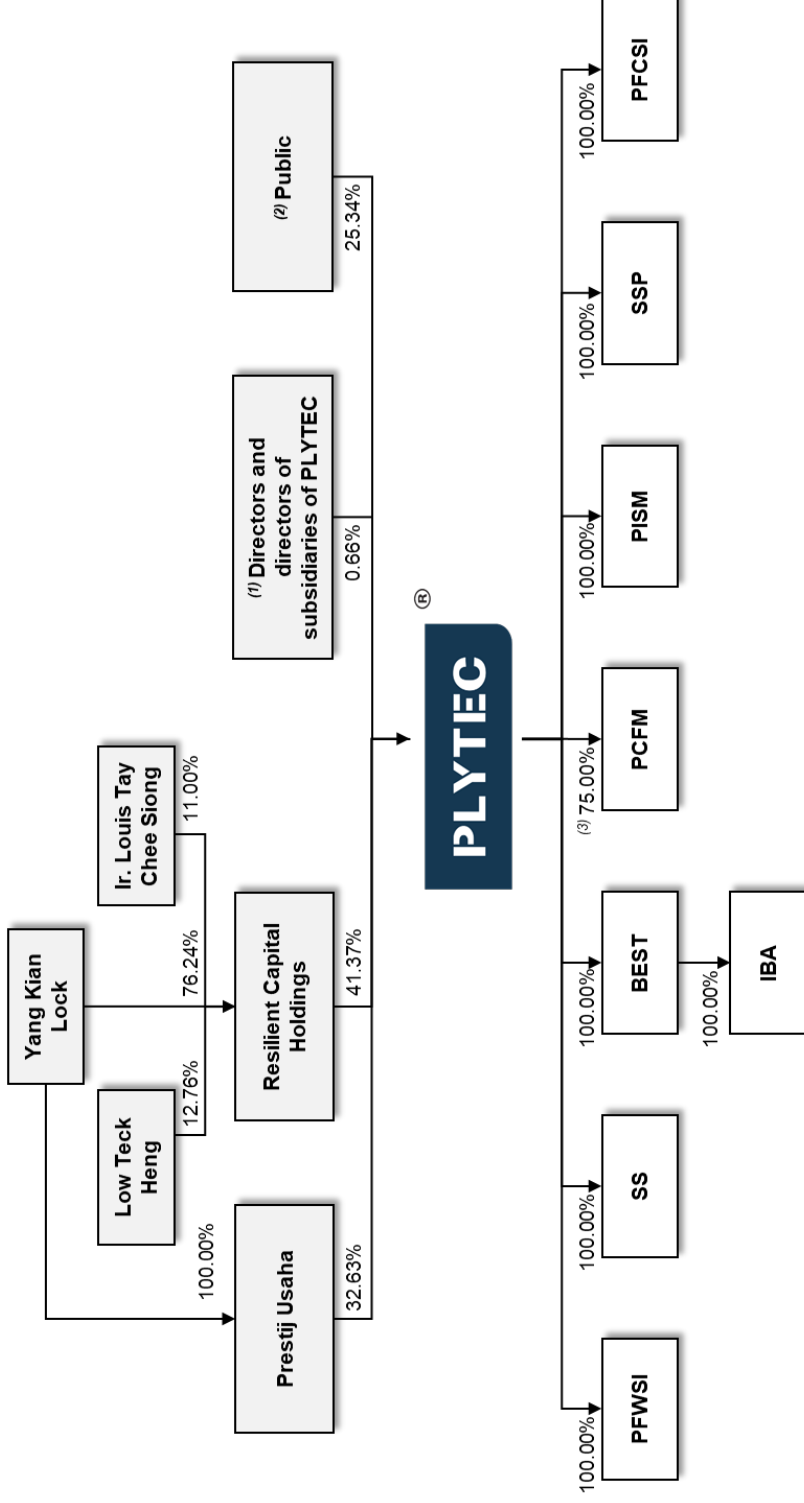


Note:

(1) 25.00% equity interest in PCFM is held by Cheong Chew Yoke.

6. INFORMATION ON OUR GROUP (cont'd)

The structure of our Group after the IPO is as follows:



Notes:

- (1) Comprising Pink Form Allocations to our eligible Directors and directors of subsidiaries of PLYTEC who are not deemed as public shareholders. Further details of our Pink Form Allocations are set out in Section 4.4.2 of this Prospectus.
- (2) Comprising the Malaysian Public and Bumiputera investors as set out in Sections 4.4.1(ii)(a) and 4.4.1(ii)(b) of this Prospectus, selected investors as set out in Section 4.4.1(iii)(b) of this Prospectus and Pink Form Allocations to our eligible employees (save for the eligible Directors and directors of subsidiaries of PLYTEC) as well as persons who have contributed to the success of our Group as set out in Section 4.4.2 of this Prospectus. These shareholders are deemed as public shareholders.
- (3) 25.00% equity interest in PCFM is held by Cheong Chew Yoke.

6. INFORMATION ON OUR GROUP (cont'd)

For information purposes, our Company had on 2 September 2021 completed the disposal of 2,500 ordinary shares in PCFM to Cheong Chew Yoke, who is the brother-in-law of Ir. Louis Tay Chee Siong. The equity participation of Cheong Chew Yoke is an opportunity for our Group to tap on his technical strength and experience in precast construction design and production, which strategically complements our Group's expertise. The designations of Ir. Louis Tay Chee Siong and Cheong Chew Yoke within our Group are as follows:

Name	Designation
Ir. Louis Tay Chee Siong, Promoter	<ul style="list-style-type: none"> • Non-Independent Executive Director • Chief Operating Officer • Director of all subsidiaries of PLYTEC
Cheong Chew Yoke, Substantial shareholder of PCFM	<ul style="list-style-type: none"> • Director of PCFM

6.2.1 Formation of our Group

The formation of our Group was executed through the incorporation and acquisitions of several subsidiaries over the years. The Company was incorporated on 1 June 2018 by Yang Kian Lock. On 24 December 2018, our Company entered into an agreement to acquire PFCSI, SS and PFWSI. The agreement entails the following:

- PLYTEC to acquire 500,000 ordinary shares in PFCSI, representing the entire equity interest in PFCSI from Yang Kian Lock, Low Teck Heng and Tan Ching Sin (unrelated party) for a total purchase consideration of RM6,391,788;
- PLYTEC to acquire 3,000,000 ordinary shares in SS, representing the entire equity interest in SS from Yang Kian Lock, Low Teck Heng and Tan Ching Sin (unrelated party) for a total purchase consideration of RM25,753,276; and
- PLYTEC to acquire 8,000,000 ordinary shares in PFWSI, representing the entire equity interest in PFWSI from Yang Kian Lock and Ir. Louis Tay Chee Siong for a total purchase consideration of RM17,845,335.

Pursuant to the above internal reorganisation, a total of 99,980,798 new Shares were issued on 4 January 2019 and the reorganisation was completed on 26 March 2019. Summary of the internal reorganisation is as follows:

Subject company	Vendor(s)	No. of shares acquired by the Company	No. of Shares issued	Issue Price per Share	Purchase Consideration (RM)	Basis for Purchase Consideration
PFCSI	Yang Kian Lock	250,000	6,391,788	0.50	6,391,788	⁽¹⁾ Adjusted NA
	Low Teck Heng	175,000	4,474,252	0.50		
	Tan Ching Sin	75,000	1,917,536	0.50		
	Total	500,000	12,783,576			
SS	Yang Kian Lock	1,500,000	25,753,276	0.50	25,753,276	⁽²⁾ Adjusted NA
	Low Teck Heng	1,050,000	18,027,293	0.50		
	Tan Ching Sin	450,000	7,725,983	0.50		
	Total	3,000,000	51,506,552			
PFWSI	Yang Kian Lock	6,400,000	28,552,536	0.50	17,845,335	⁽³⁾ Adjusted NA
	Ir. Louis Tay Chee Siong	1,600,000	7,138,134	0.50		
	Total	8,000,000	35,690,670			
		Grand Total	99,980,798		49,990,399	

6. INFORMATION ON OUR GROUP (cont'd)

Notes:

- (1) Based on the audited NA of PFCSI as at 31 December 2016 of RM3,908,854 and after adjusting for revaluation surplus of land and buildings of RM4,282,934 less dividend declared in FYE 2017 of RM1,800,000, subsequent to 31 December 2016.
- (2) Based on the audited NA of SS as at 31 December 2016 of RM18,573,623 and after adjusting for revaluation surplus of land and building of RM7,179,653, subsequent to 31 December 2016.
- (3) Based on the audited NA of PFWSI as at 31 December 2016 of RM14,845,335 and after adjusting for additional paid-up capital from shareholders of RM3,000,000, subsequent to 31 December 2016.

The internal reorganisation was undertaken to consolidate all the subsidiaries under PLYTEC with a view of preparing for the Listing. The consolidation exercise encompasses all the assets including material properties of the Group namely Puchong Land 1 owned by SS, Puchong Land 2 owned by PFCSI (at the point of its acquisition before it was subsequently transferred to PFWSI on 15 March 2022) and Olak Lempit Land owned by PFWSI.

Subsequent to the internal reorganisation, the following allotment and acquisition/disposal of Shares took place among the shareholders:

Subject company	Nature of restructuring / issuance	Date of allotment / transfer	Transferor	Transferee / Allottee	No of shares allotted / transferred by transferor	Cash Consideration (RM)	Eventual no. of shares held by transferee / allottee	%
PLYTEC	Allotment	13 August 2019	-	Yang Kian Lock	11,399	4,644	60,711,999	60.71
			-	Low Teck Heng	3,647	1,486	22,505,192	22.51
			-	Ir. Louis Tay Chee Siong	1,156	471	7,139,290	7.14
			-	Tan Ching Sin	-	-	9,643,519	9.64
			Total	16,202	6,601	100,000,000	100.00	
PLYTEC	Transfer	3 October 2019	Tan Ching Sin	Yang Kian Lock	9,643,519	4,821,760	70,355,518	70.35
			-	Low Teck Heng	-	-	22,505,192	22.51
			-	Ir. Louis Tay Chee Siong	-	-	7,139,290	7.14
			Total	9,643,519	4,821,760	100,000,000	100.00	
PLYTEC	Transfer	7 October 2019	Low Teck Heng	Yang Kian Lock	10,450,600	5,225,300	79,913,273	79.91
			-	Low Teck Heng	-	-	12,054,592	12.06
			Yang Kian Lock	Ir. Louis Tay Chee Siong	892,845	446,423	8,032,135	8.03
			Total	11,343,445	5,671,723	100,000,000	100.00	

On 1 September 2022, Yang Kian Lock, Low Teck Heng and Ir. Louis Tay Chee Siong had completed the transfer of their 50,151,380 Shares, representing their collective shareholdings of approximately 50.15% equity interest in PLYTEC to Resilient Capital Holdings, an investment holding company wholly-owned by them. On even date, Yang Kian Lock had completed the transfer of his 39,545,600 Shares, representing approximately 39.55% equity interest in PLYTEC to Prestij Usaha, an investment holding company wholly-owned by him.

Kindly refer to Section 4.3.1 of this Prospectus for further information on the above Shares Transfer to Resilient Capital Holdings and Shares Transfer to Prestij Usaha.

The following are details on formations and acquisitions of each of the subsidiaries of our Group:

6. INFORMATION ON OUR GROUP (cont'd)

PFWSI

PFWSI was incorporated on 10 February 2012 by Yang Kian Lock and Low Teck Heng.

Since the incorporation of PFWSI on 10 February 2021, PFWSI has undergone a series of shareholding restructuring up until the LPD, details of which are as follows:

Nature of restructuring / issuance	Date of allotment / transfer	Transferor	Transferee / Allottee	No of shares allotted / transferred by transferor	Cash Consideration (RM)	Eventual no. of shares held by transferee / allottee	%
Allotment of new shares	10 February 2012	-	Yang Kian Lock	5,000	5,000	5,000	50.00
		-	Low Teck Heng	5,000	5,000	5,000	50.00
		Total		10,000	10,000	10,000	100.00
Transfer	1 July 2013	-	Yang Kian Lock	-	-	5,000	50.00
		Low Teck Heng	Chew Swee Kang (unrelated party)	5,000	5,000	5,000	50.00
		Total		5,000	5,000	10,000	100.00
Allotment	16 August 2013	-	Yang Kian Lock	45,000	45,000	50,000	50.00
		-	Chew Swee Kang	25,000	25,000	30,000	30.00
		-	Ir. Louis Tay Chee Siong	20,000	20,000	20,000	20.00
		Total		90,000	90,000	100,000	100.00
Allotment	24 February 2014	-	Yang Kian Lock	200,000	200,000	250,000	50.00
		-	Chew Swee Kang	120,000	120,000	150,000	30.00
		-	Ir. Louis Tay Chee Siong	80,000	80,000	100,000	20.00
		Total		400,000	400,000	500,000	100.00
Allotment	6 October 2014	-	Yang Kian Lock	250,000	250,000	500,000	50.00
		-	Chew Swee Kang	150,000	150,000	300,000	30.00
		-	Ir. Louis Tay Chee Siong	100,000	100,000	200,000	20.00
		Total		500,000	500,000	1,000,000	100.00
Transfer	1 July 2016	-	Yang Kian Lock	-	-	500,000	50.00
		Chew Swee Kang	Lim Kar Eng (unrelated party)	300,000	300,000	300,000	30.00
		-	Ir. Louis Tay Chee Siong	-	-	200,000	20.00
		Total		300,000	300,000	1,000,000	100.00
Allotment	14 November 2016	-	Yang Kian Lock	2,000,000	2,000,000	2,500,000	50.00
		-	Lim Kar Eng	1,200,000	1,200,000	1,500,000	30.00
		-	Ir. Louis Tay Chee Siong	800,000	800,000	1,000,000	20.00
		Total		4,000,000	4,000,000	5,000,000	100.00
Allotment	16 June 2017	-	Yang Kian Lock	1,500,000	1,500,000	4,000,000	50.00
		-	Lim Kar Eng	900,000	900,000	2,400,000	30.00
		-	Ir. Louis Tay Chee Siong	600,000	600,000	1,600,000	20.00
		Total		3,000,000	3,000,000	8,000,000	100.00
Transfer	27 February 2018	Lim Kar Eng	Yang Kian Lock	2,400,000	2,400,000	6,400,000	80.00
		-	Ir. Louis Tay Chee Siong	-	-	1,600,000	20.00
		Total		2,400,000	2,400,000	8,000,000	100.00

6. INFORMATION ON OUR GROUP (cont'd)

On 26 March 2019, Yang Kian Lock and Ir. Louis Tay Chee Siong completed the disposal of their entire shareholdings in PFWSI to PLYTEC for a total purchase consideration of RM17,845,335.

SS

On 22 September 1997, SS was incorporated by two third-party shareholders, Au Hien Kean (unrelated party) and Ooi Poh Khum (unrelated party). It remained dormant after its incorporation and was not involved in any business activities.

On 9 March 1999, our Group Managing Director, Yang Kian Lock and two business partners, Low Teck Heng and Tan Ching Sin, acquired SS to venture into trading and distribution of building materials. SS commenced operation in March 1999 from a rented shop lot located at Pusat Bandar Puchong, Selangor in trading and distribution of engineering wire mesh products and gradually expanded our product range to also include timber and plywood products. Since the incorporation of SS on 22 September 1997, SS has undergone a series of shareholding restructuring up until the LPD, details of which are as follows:

Nature of restructuring / issuance	Date of allotment / transfer	Transferor	Transferee / Allottee	No of shares allotted / transferred by transferor	Cash Consideration (RM)	Eventual no. of shares held by transferee / allottee	%
Allotment of new shares	22 September 1997	-	Au Hien Kean	1	1	1	50.00
		-	Ooi Poh Khum	1	1	1	50.00
			Total	2	2	2	100.00
Transfer	9 March 1999	Au Hien Kean	Yang Kian Lock	2	2	2	100.00
		Ooi Poh Khum					
			Total	2	2	2	100.00
Allotment	9 March 1999	-	Yang Kian Lock	149,998	149,998	150,000	50.00
		-	Low Teck Heng	105,000	105,000	105,000	35.00
		-	Tan Ching Sin	45,000	45,000	45,000	15.00
			Total	299,998	299,998	300,000	100.00
Allotment	8 May 2001	-	Yang Kian Lock	100,000	100,000	250,000	50.00
		-	Low Teck Heng	70,000	70,000	175,000	35.00
		-	Tan Ching Sin	30,000	30,000	75,000	15.00
			Total	200,000	200,000	500,000	100.00
Allotment	19 July 2001	-	Yang Kian Lock	125,000	125,000	375,000	50.00
		-	Low Teck Heng	87,500	87,500	262,500	35.00
		-	Tan Ching Sin	37,500	37,500	112,500	15.00
			Total	250,000	250,000	750,000	100.00
Allotment	15 January 2002	-	Yang Kian Lock	125,000	125,000	500,000	50.00
		-	Low Teck Heng	87,500	87,500	350,000	35.00
		-	Tan Ching Sin	37,500	37,500	150,000	15.00
			Total	250,000	250,000	1,000,000	100.00
Allotment	27 January 2003	-	Yang Kian Lock	250,000	250,000	750,000	50.00
		-	Low Teck Heng	175,000	175,000	525,000	35.00
		-	Tan Ching Sin	75,000	75,000	225,000	15.00
			Total	500,000	500,000	1,500,000	100.00

6. INFORMATION ON OUR GROUP (cont'd)

Nature of restructuring / issuance	Date of allotment / transfer	Transferor	Transferee / Allottee	No of shares allotted / transferred by transferor	Cash Consideration (RM)	Eventual no. of shares held by transferee / allottee	%
Allotment	1 June 2005	-	Yang Kian Lock	250,000	250,000	1,000,000	50.00
		-	Low Teck Heng	175,000	175,000	700,000	35.00
		-	Tan Ching Sin	75,000	75,000	300,000	15.00
		Total		500,000	500,000	2,000,000	100.00
Allotment	6 June 2014	-	Yang Kian Lock	500,000	500,000	1,500,000	50.00
		-	Low Teck Heng	350,000	350,000	1,050,000	35.00
		-	Tan Ching Sin	150,000	150,000	450,000	15.00
		Total		1,000,000	1,000,000	3,000,000	100.00

On 26 March 2019, Yang Kian Lock, Low Teck Heng and Tan Ching Sin completed the disposal of their entire shareholdings in SS to PLYTEC for a total purchase consideration of RM25,753,276.

BEST

BEST was incorporated on 11 January 2013 by two third-party shareholders, Ahmad Rosli bin Sarman (unrelated party) and Nor Azli bin Mohamad Azizan (unrelated party) under the name of Ply Tec Consulting Engineering Sdn. Bhd. The third-party shareholders were the former employees of SS and Impian CT. There was no objection to these ex-employees using the Ply Tec name as our Group was not yet in place at the time and hence a single umbrella brand name had yet to be adopted. The ex employees used the Ply Tec name for easier market penetration in the segment in which they operated.

BEST commenced its operations in January 2013 to provide design consultancy and architecture works. In April 2017, BEST began the provision of BIM, a process using computer software to plan, design and construct digital representation of structures and buildings using 3D model.

Since the incorporation of BEST on 11 January 2013, BEST has undergone a series of shareholding restructuring up until the LPD, details of which are as follows:

Nature of restructuring / issuance	Date of allotment / transfer	Transferor	Transferee / Allottee	No of shares allotted / transferred by transferor	Cash Consideration (RM)	Eventual no. of shares held by transferee / allottee	%
Allotment of new shares	11 January 2013	-	Ahmad Rosli bin Sarman ⁽¹⁾	1	1	1	50.00
		-	Nor Azli bin Mohamad Azizan ⁽²⁾	1	1	1	50.00
		Total		2	2	2	100.00
Allotment	7 May 2013	-	Ahmad Rosli bin Sarman ⁽¹⁾	89,999	89,999	90,000	90.00
		-	Nor Azli bin Mohamad Azizan ⁽²⁾	4,999	4,999	5,000	5.00
		-	Ab Rahim bin Abdullah (unrelated party)	5,000	5,000	5,000	5.00
		Total		99,998	99,998	100,000	100.00

6. INFORMATION ON OUR GROUP (cont'd)

Nature of restructuring / issuance	Date of allotment / transfer	Transferor	Transferee / Allottee	No of shares allotted / transferred by transferor	Cash Consideration (RM)	Eventual no. of shares held by transferee / allottee	%
Transfer	6 November 2015	Ahmad Rosli bin Sarman ⁽¹⁾	Ab Rahim bin Abdullah ⁽³⁾	90,000	90,000	95,000	95.00
		-	Nor Azli bin Mohamad Azizan ⁽²⁾	-	-	5,000	5.00
		Total		90,000	90,000	100,000	100.00
Transfer	3 July 2017	Ab Rahim bin Abdullah ⁽³⁾	Ir. Han Liang Kwang ⁽⁴⁾	92,500	92,500	92,500	92.50
		Nor Azli bin Mohamad Azizan ⁽²⁾	Yoong Lai Yee (<i>unrelated party</i>)	5,000	5,000	5,000	5.00
		-	Ab Rahim bin Abdullah ⁽³⁾	-	-	2,500	2.50
		Total		97,500	97,500	100,000	100.00
Allotment	9 April 2018	-	Ir. Han Liang Kwang ⁽⁴⁾	138,750	138,750	231,250	92.50
		-	Yoong Lai Yee	7,500	7,500	12,500	5.00
		-	Ab Rahim bin Abdullah ⁽³⁾	3,750	3,750	6,250	2.50
		Total		150,000	150,000	250,000	100.00
Transfer	17 June 2019	Ab Rahim bin Abdullah ⁽³⁾	Ir. Han Liang Kwang ⁽⁴⁾	6,250	6,250	237,500	95.00
		-	Yoong Lai Yee	-	-	12,500	5.00
		Total		6,250	6,250	250,000	100.00
Transfer	7 January 2020	Ir. Han Liang Kwang ⁽⁴⁾	PFWSI	250,000	250,000	250,000	100.00
		Yoong Lai Yee					
Total				250,000	250,000	250,000	100.00
Allotment	8 January 2020	-	PFWSI	1,250,000	Otherwise than cash - Capitalisation of the amount owing to PFWSI	1,500,000	100.00
		Total		1,250,000	-	1,500,000	100.00

Notes:

- (1) Ahmad Rosli bin Sarman was the former Head of Technical Department at SS from 7 March 2011 until 30 April 2012 before joining PFCSI from 1 May 2012 until 31 March 2013. He incorporated Ply Tec Consulting Sdn Bhd together with Nor Azli bin Mohamad Azizan on 11 January 2013 and became the shareholder and director of the company. They had established Ply Tec Consulting Sdn Bhd to provide design consultancy and architecture works which were complementary to the services required by SS at the time. He ceased to become the director of Ply Tec Consulting Sdn Bhd on 5 November 2015 and sold his shares in the company to Ab Rahim bin Abdullah on 6 November 2015.
- (2) Nor Azli bin Mohamad Azizan was the former employee of Impian CT from 15 July 2012 until 31 March 2013. He incorporated Ply Tec Consulting Sdn Bhd together with Ahmad Rosli bin Sarman on 11 January 2013 and became the shareholder and director of the company. He ceased to become the director Ply Tec Consulting Sdn Bhd on 22 May 2017 and eventually sold his 5,000 shares in the company on 3 July 2017 to Yoong Lai Yee.

6. INFORMATION ON OUR GROUP (cont'd)

- (3) *Ab Rahim bin Abdullah was a technical executive at PFCSI from 18 September 2012 until 31 March 2013 before joining Ply Tec Consulting Sdn Bhd from 1 April 2013 until 28 February 2015. He joined PFWSI on 1 March 2015 until 30 June 2018. While he was an employee of PFWSI, he acquired 90,000 shares in Ply Tec Consulting Sdn Bhd from Ahmad Rosli bin Sarman on 6 November 2015. He continued his role as assistant manager at PFWSI until 30 June 2018 and sold 92,500 shares in BEST on 3 July 2017 to Ir. Han Liang Kwang. He sold the balance 2,500 shares in BEST to Ir. Han Liang Kwang on 17 June 2019. He joined SS as assistant manager from 1 July 2018 until 30 June 2020 before joining BEST on 1 July 2020 until 31 December 2020 as assistant manager. He is presently an assistant manager at SS which he re-joined on 1 January 2021.*
- (4) *Ir. Han Liang joined PFWSI as head of engineering in September 2016. He was appointed as director of BEST in May 2017, and subsequently acquired 92,500 ordinary shares in BEST from Ab Rahim bin Abdullah in July 2017.*

On 7 January 2020, our Group via PFWSI acquired 250,000 ordinary shares in BEST and its wholly-owned subsidiary, IBA, representing the entire equity interest in BEST from Ir. Han Liang Kwang and Yoong Lai Yee for a total purchase consideration of RM250,000. Such consideration was arrived based on the paid-up capital of BEST as at 31 December 2019 of RM250,000 despite the net liabilities of RM1.71 million as we recognised the potential of BEST to generate profits in the near future.

On 8 February 2021, BEST was acquired by PLYTEC from PFWSI for a total cash consideration of RM1,500,000. Such consideration was arrived based on the paid-up capital of BEST as at 31 December 2020 of RM1,500,000.

PCFM

PCFM was incorporated by PLYTEC on 10 November 2020 as a wholly-owned subsidiary of PLYTEC to venture into the provision of specialised engineering services concentrating on the implementation of IBS construction and related accessories.

On 2 September 2021, PLYTEC completed the disposal of 2,500 ordinary shares, representing 25.00% equity interest in PCFM to Cheong Chew Yoke for a total cash consideration of RM2,500.

Cheong Chew Yoke, a Singaporean aged 50, is a director of PCFM. He graduated with a Bachelor of Engineering in Civil Engineering from the University of Wales Swansea in July 2004. He has more than 18 years of experience working in the construction industry which includes 7 years of experience in precast construction design. These valuable experiences were gained during his tenure with Yongnam Engineering & Construction Pte Ltd where he was actively involved in the construction of a multi-storey ramp up factory with the installation of precast columns in full precast design. In July 2018, he left Yongnam Engineering & Construction Pte Ltd and joined Bim Precast Solution Pte Ltd as a Technical Manager where he specialised in precast construction solutions and services which include 2-dimensional and 3-dimensional precast, machinery and lifting anchor and accessories design. He left Bim Precast Solution Pte Ltd in December 2020 and was appointed as a director of PCFM on 30 December 2021.

The equity participation of Cheong Chew Yoke is an opportunity for our Group to tap on his technical strength and experience in precast construction design and production, which strategically complements our Group's expertise.

Although Cheong Chew Yoke is the brother-in-law of Ir. Louis Tay Chee Siong, he is not a related party (i.e. a person connected to a substantial shareholder or Director of our Company) as he is the brother of the spouse of Ir. Louis Tay Chee Siong. Accordingly, he does not fall within the definition of a "family member" of Ir. Louis Tay Chee Siong under the Listing Requirements. As such, transactions between our Group and Cheong Chew Yoke are not deemed as related party transactions.

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

PISM

PISM was incorporated by PFWSI and Yang Kian Lock on 24 March 2017, under the name of Ply Tec IBS System MFG Sdn. Bhd. with the former holding 90.00% equity interest while Yang Kian Lock holds the remaining 10.00% to venture into the manufacturing, supply and export of construction temporary works equipment. The company subsequently changed its name to PISM on 31 July 2019 and commenced its operations in April 2021.

Subsequently on 19 July 2019, Yang Kian Lock disposed his 200 shares in PISM to PFWSI for a total cash consideration of RM200. On 13 August 2019, 2,498,000 shares in PISM were allotted to PFWSI for a total cash consideration of RM2,498,000.

On 8 February 2021, PFWSI disposed its entire shareholdings in PISM to PLYTEC for a total cash consideration of RM2,500,000. Such consideration was arrived based on the paid-up capital of PISM as at 31 December 2020 of RM2,500,000.

SSP

SSP was incorporated by PLYTEC on 26 November 2018 as a wholly-owned subsidiary of PLYTEC as our real-estate management arm to manage properties owned by our Group.

PFCSI

S & S Plywood & Timber (M) Sdn. Bhd. was incorporated on 7 May 2002 by Yang Kian Lock, Low Teck Heng and Tan Ching Sin and remained dormant after its incorporation as the company was not involved in any business activities. The company subsequently changed its name to Ply Tec Fencing System Industries Sdn. Bhd. on 22 February 2010 and ventured into the provision of perimeter fencing products and subsequently assumed its current name, PFCSI, on 1 August 2019. PFCSI ceased its operations in January 2019 and remains dormant until the LPD. Our Group plans to use PFCSI to venture into a business that is complementary to our principal activities in future. However, there is no immediate business plan drawn as at the LPD.

On 3 March 2010, new shares in PFCSI were issued to Yang Kian Lock (200,000 shares), Low Teck Heng (140,000 shares) and Tan Ching Sin (60,000 shares) for a total cash consideration of RM400,000. On 26 March 2019, Yang Kian Lock, Low Teck Heng and Tan Ching Sin completed the disposal of their entire shareholdings in PFCSI to PLYTEC for a total consideration of RM6,391,788.

IBA

IBA was incorporated by BEST on 9 August 2018 as a wholly-owned subsidiary of BEST. IBA commenced its operations in August 2018.

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6. INFORMATION ON OUR GROUP (cont'd)**6.3 SHARE CAPITAL**

As at the LPD, our issued share capital is RM49,999,999.69 comprising of 500,000,000 Shares.

Details of the changes in our issued share capital since incorporation up to the LPD are as follows:

Date of allotment	No. of Shares allotted	Cash Consideration (RM)	Cumulative no. of Shares	Cumulative issued share capital (RM)
1 June 2018	3,000	3,000.00	3,000	3,000.00
4 January 2019	12,783,576	⁽¹⁾ Otherwise than cash	12,786,576	6,394,788.00
4 January 2019	35,690,670	⁽²⁾ Otherwise than cash	48,477,246	24,240,123.00
4 January 2019	51,506,552	⁽³⁾ Otherwise than cash	99,983,798	49,993,399.00
13 August 2019	16,202	6,600.69	100,000,000	49,999,999.69
1 August 2023	Share Split	Not applicable	500,000,000	49,999,999.69

Notes:

- (1) Being the total consideration of RM6,391,788 paid by our Company to Yang Kian Lock, Low Teck Heng and Tan Ching Sin for the acquisition of 500,000 Shares in PFCSI which represents 100.00% equity interest in PFCSI. For information purposes, the Shares held by Tan Ching Sin were subsequently transferred to Yang Kian Lock on 3 October 2019.
- (2) Being the total consideration of RM17,845,335 paid by our Company to Yang Kian Lock and Ir. Louis Tay Chee Siong for the acquisition of 8,000,000 Shares in PFWSI which represents 100.00% equity interest in PFWSI.
- (3) Being the total consideration of RM25,753,276 paid by our Company to Yang Kian Lock, Low Teck Heng and Tan Ching Sin for the acquisition of 3,000,000 Shares in SS which represents 100.00% equity interest in SS. For information purposes, the Shares held by Tan Ching Sin were subsequently transferred to Yang Kian Lock on 3 October 2019.

There were no discounts, special terms or instalment payment terms given in consideration of the above allotment.

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

Upon the completion of our Listing, our issued share capital will increase to approximately RM90,303,028 comprising 606,060,600 Shares.

As at the LPD, we are not involved in any winding-up, receivership or similar proceedings.

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6. INFORMATION ON OUR GROUP (cont'd)**6.4 DETAILS OF OUR SUBSIDIARIES**

Save as disclosed below, as at the LPD, we do not have any other subsidiaries, joint ventures and associated companies:

Company	Date / Country of Incorporation	Effective Equity Interest (%)	Principal Activities
<u>The Company</u>			
PLYTEC	1 June 2018 / Malaysia	-	Activities of holding companies
<u>The subsidiaries of PLYTEC</u>			
PFWSI	10 February 2012 / Malaysia	100.00	Trading and rental of temporary formworks equipment and safety protection equipment and related transportation services. Involved also in the provision of engineering services
SS	22 September 1997 / Malaysia	100.00	Trading and distribution of building materials and related transportation services
BEST	11 January 2013 / Malaysia	100.00	Provision of BIM and engineering services
PCFM	10 November 2020 / Malaysia	75.00	(a) Trading in prefabricated structural components, lifting and connection accessories (b) Provision of engineering services
PISM	24 March 2017 / Malaysia	100.00	(a) Manufacture, design and assemble of IBS products (b) Provision of warehouse management services
SSP	26 November 2018 / Malaysia	100.00	Investment holding ⁽¹⁾ and property investment
PFCSI	7 May 2002 / Malaysia	100.00	Trading in fencing system (Dormant) ⁽²⁾
<u>The subsidiary of BEST</u>			
IBA	9 August 2018 / Malaysia	100.00	Providing architectural and engineering activities and related technical consultancy and education

Notes:

(1) As at the LPD, SSP is not holding investment in any companies.

(2) PFCSI was previously engaged in trading fencing system and has ceased its operations in January 2019. Our Group plans to use PFCSI to venture into a business that is complementary to our principal activities in future. However, there is no immediate business plan drawn for that at the moment.

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

6.4.1 Information on our subsidiaries

(i) PFWSI

(a) Background and history

PFWSI was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 10 February 2012 and is deemed registered under the Act, under the name of Ply Tec Formwork System Industries Sdn. Bhd. and subsequently changed its name to PLYTEC Formwork System Industries Sdn. Bhd. on 15 October 2019. PFWSI commenced its operations in February 2012.

(b) Principal place of business

The principal place of business of PFWSI is at No. 19, Jalan Meranti Permai 3, Meranti Permai Industrial Park, Batu 15, Jalan Puchong, 47100 Puchong, Selangor.

(c) Principal activities and products/services

PFWSI is principally involved in trading and rental of temporary formworks equipment and safety protection equipment and related transportation services. PFWSI is also involved in the provision of engineering services.

(d) Share capital

As at the LPD, the issued share capital of PFWSI is RM8,000,000 comprising 8,000,000 shares. The changes in PFWSI's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Cash consideration (RM)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative issued share capital (RM)</u>
10 February 2012	10,000	10,000	10,000	10,000
16 August 2013	90,000	90,000	100,000	100,000
24 February 2014	400,000	400,000	500,000	500,000
6 October 2014	500,000	500,000	1,000,000	1,000,000
14 November 2016	4,000,000	4,000,000	5,000,000	5,000,000
16 June 2017	3,000,000	3,000,000	8,000,000	8,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in PFWSI.

(e) Shareholder and director

As at the LPD, PFWSI is our wholly-owned subsidiary and its directors are Yang Kian Lock, Ir. Louis Tay Chee Siong, Chu Wai Lee, Yu, Yi and Tan Kit Lee.

(f) Subsidiary, joint venture or associated company

As at the LPD, PFWSI does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (cont'd)**(ii) SS****(a) Background and history**

SS was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 22 September 1997 and is deemed registered under the Act, under the name of Sudut Swasta Sdn. Bhd.. SS commenced its operations in March 1999.

(b) Principal place of business

The principal place of business of SS is at No. 19, Jalan Meranti Permai 3, Meranti Permai Industrial Park, Batu 15, Jalan Puchong, 47100 Puchong, Selangor.

(c) Principal activities and products/services

SS is principally involved in trading and distribution of building materials and related transportation services.

(d) Share capital

As at the LPD, the issued share capital of SS is RM3,000,000 comprising 3,000,000 shares. The changes in SS's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Cash consideration (RM)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative issued share capital (RM)</u>
22 September 1997	2	2	2	2
9 March 1999	299,998	299,998	300,000	300,000
8 May 2001	200,000	200,000	500,000	500,000
19 July 2001	250,000	250,000	750,000	750,000
15 January 2002	250,000	250,000	1,000,000	1,000,000
27 January 2003	500,000	500,000	1,500,000	1,500,000
1 June 2005	500,000	500,000	2,000,000	2,000,000
6 June 2014	1,000,000	1,000,000	3,000,000	3,000,000

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in SS.

(e) Shareholder and director

As at the LPD, SS is our wholly-owned subsidiary and its directors are Yang Kian Lock, Ir. Louis Tay Chee Siong and Tan Kit Lee.

(f) Subsidiary, joint venture or associated company

As at the LPD, SS does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (cont'd)**(iii) BEST****(a) Background and history**

BEST was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 11 January 2013 and is deemed registered under the Act, under the name of Ply Tec Consulting Engineering Sdn. Bhd. and subsequently changed its name to Ply Tec Advance Engineering Sdn. Bhd., Ply Tec Bim Engineering Solution & Technology Sdn. Bhd. and BIM Engineering Solution & Technology Sdn. Bhd. on 3 November 2016, 29 November 2016 and 20 January 2017, respectively. BEST commenced its operations in January 2013.

(b) Principal place of business

The principal place of business of BEST is at 12A, Jalan Borealis 4, Pusat Komersial Borealis, 14110 Bandar Cassia, Pulau Pinang.

(c) Principal activities and products/services

BEST is principally involved in the provision of BIM and engineering services.

(d) Share capital

As at the LPD, the issued share capital of BEST is RM1,500,000 comprising 1,500,000 shares. The changes in BEST's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Cash consideration (RM)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative issued share capital (RM)</u>
11 January 2013	2	2	2	2
7 May 2013	99,998	99,998	100,000	100,000
9 April 2018	150,000	150,000	250,000	250,000
8 January 2020	1,250,000	⁽¹⁾ Otherwise than cash	1,500,000	1,500,000

Note:

(1) The aforesaid 1,250,000 Shares have been allotted to PFWSI pursuant to the capitalisation of the amount owing to PFWSI.

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in BEST.

(e) Shareholder and director

As at the LPD, BEST is our wholly-owned subsidiary and its directors are Yang Kian Lock, Ir. Louis Tay Chee Siong, Ir. Han Liang Kwang and Tan Kit Lee.

(f) Subsidiary, joint venture or associated company

As at the LPD, save for IBA, BEST does not have any subsidiary, joint venture or associated company.

(iv) PCFM**(a) Background and history**

PCFM was incorporated in Malaysia under the Act as a private limited company on 10 November 2020 under the name of PC Forging Malaysia Sdn. Bhd.. PCFM commenced its operations in January 2021.

6. INFORMATION ON OUR GROUP (cont'd)

(b) Principal place of business

The principal place of business of PCFM is at No. 3, Jalan Perniagaan Setia 1/1, Taman Perniagaan Setia, Setia Business Park II, 81100 Johor Bahru, Johor.

(c) Principal activities and products/services

PCFM is principally involved in trading in prefabricated structural components, lifting and connection accessories as well as provision of engineering services.

(d) Share capital

As at the LPD, the issued share capital of PCFM is RM1,000,000 comprising 1,000,000 shares. The changes in PCFM's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Cash consideration (RM)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative issued share capital (RM)</u>
10 November 2020	10,000	10,000	10,000	10,000
31 January 2022	247,500	247,500	257,500	257,500
31 January 2022	742,500	⁽¹⁾ Otherwise than cash	1,000,000	1,000,000

Note:

(1) The aforesaid 742,500 shares have been allotted to PLYTEC pursuant to the capitalisation of the amount owing to PLYTEC.

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in PCFM.

(e) Shareholder and director

As at the LPD, the shareholders of PCFM are as follows:

<u>Shareholders</u>	<u>Direct</u>	
	<u>No. of shares</u>	<u>(%)</u>
PLYTEC	750,000	75.00
Cheong Chew Yoke ⁽¹⁾	250,000	25.00

As at the LPD, its directors are Yang Kian Lock, Ir. Louis Tay Chee Siong, Cheong Chew Yoke⁽¹⁾ and Tan Kit Lee.

Note:

(1) Cheong Chew Yoke, the substantial shareholder and director of PCFM, is the brother-in-law of Ir. Louis Tay Chee Siong, the Promoter, Executive Director and Chief Operating Officer of our Company. Although Cheong Chew Yoke is the brother-in-law of Ir. Louis Tay Chee Siong, he is not a related party (i.e. a person connected to a substantial shareholder or Director of our Company) as he is the brother of the spouse of Ir. Louis Tay Chee Siong. Accordingly, he does not fall within the definition of a "family member" of Ir. Louis Tay Chee Siong under the Listing Requirements. As such, transactions between our Group and Cheong Chew Yoke are not deemed as related party transactions.

(f) Subsidiary, joint venture or associated company

As at the LPD, PCFM does not have any subsidiary, joint venture or associated company.

6. INFORMATION ON OUR GROUP (cont'd)**(v) PISM****(a) Background and history**

PISM was incorporated in Malaysia under the Act as a private limited company on 24 March 2017 under the name of Ply Tec IBS System MFG Sdn. Bhd. and subsequently changed its name to PLYTEC IBS System MFG Sdn. Bhd.. On 31 July 2019, PISM commenced its operations in April 2021.

(b) Principal place of business

The principal place of business of PISM is at No. 1, Jalan 13, Kawasan Perindustrian Olak Lempit, 42700 Banting, Kuala Langat, Selangor Darul Ehsan.

(c) Principal activities and products/services

PISM is principally involved in manufacture, design and assemble of IBS products as well as provision of warehouse management services.

(d) Share capital

As at the LPD, the issued share capital of PISM is RM2,500,000 comprising 2,500,000 shares. The changes in PISM's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Cash consideration (RM)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative issued share capital (RM)</u>
24 March 2017	2,000	2,000	2,000	2,000
13 August 2019	2,498,000	2,498,000	2,500,000	2,500,000

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in PISM.

(e) Shareholder and director

As at the LPD, PISM is our wholly-owned subsidiary and its directors are Yang Kian Lock, Ir. Louis Tay Chee Siong, Chu Wai Lee, Tan Kit Lee and Yu, Yi.

(f) Subsidiary, joint venture or associated company

As at the LPD, PISM does not have any subsidiary, joint venture or associated company.

(vi) SSP**(a) Background and history**

SSP was incorporated in Malaysia under the Act as a private limited company on 26 November 2018 under the name of Sudut Swasta Property Sdn. Bhd.. SSP has been dormant since its incorporation up to the LPD.

(b) Principal place of business

The principal place of business of SSP is at No. 19, Jalan Meranti Permai 3, Meranti Permai Industrial Park, Batu 15, Jalan Puchong, 47100 Puchong, Selangor.

6. INFORMATION ON OUR GROUP (cont'd)**(c) Principal activities and products/services**

SSP is principally involved in investment holding and property investment.

(d) Share capital

As at the LPD, the issued share capital of SSP is RM500,000 comprising 500,000 shares. The changes in SSP's issued share capital since incorporation are as follows:

<u>Date of allotment</u>	<u>No. of shares allotted</u>	<u>Cash consideration (RM)</u>	<u>Cumulative no. of shares</u>	<u>Cumulative issued share capital (RM)</u>
26 November 2018	3,000	3,000	3,000	3,000
17 July 2019	497,000	497,000	500,000	500,000

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in SSP.

(e) Shareholder and director

As at the LPD, SSP is our wholly-owned subsidiary and its directors are Yang Kian Lock, Ir. Louis Tay Chee Siong and Tan Kit Lee.

(f) Subsidiary, joint venture or associated company

As at the LPD, SSP does not have any subsidiary, joint venture or associated company.

(vii) PFCSI**(a) Background and history**

PFCSI was incorporated in Malaysia under the Companies Act 1965 as a private limited company on 7 May 2002 and is deemed registered under the Act, under the name of S & S Plywood & Timber (M) Sdn. Bhd.. It changed its name to Ply Tec Fencing System Industries Sdn. Bhd. and subsequently, to PLYTEC Fencing System Industries Sdn. Bhd. on 22 February 2010 and 1 August 2019, respectively. PFCSI commenced its operations in February 2010.

(b) Principal place of business

The principal place of business of PFCSI is at No. 19, Jalan Meranti Permai 3, Meranti Permai Industrial Park, Batu 15, Jalan Puchong, 47100 Puchong, Selangor.

(c) Principal activities and products/services

PFCSI was principally involved in trading in fencing system. PFCSI has ceased all business operations in January 2019 and remains dormant until the LPD. Our Group plans to use PFCSI to venture into a business that is complementary to our principal activities in future. However, there is no immediate business plan drawn for that at the moment.

(d) Share capital

As at the LPD, the issued share capital of PFCSI is RM500,000 comprising 500,000 shares. The changes in PFCSI's issued share capital since incorporation are as follows:

6. INFORMATION ON OUR GROUP (cont'd)

Date of allotment	No. of shares allotted	Cash consideration (RM)	Cumulative no. of shares	Cumulative issued share capital (RM)
7 May 2002	100,000	100,000	100,000	100,000
3 March 2010	400,000	400,000	500,000	500,000

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in PFCSI.

(e) Shareholder and director

As at the LPD, PFCSI is our wholly-owned subsidiary and its directors are Yang Kian Lock and Ir. Louis Tay Chee Siong.

(f) Subsidiary, joint venture or associated company

As at the LPD, PFCSI does not have any subsidiary, joint venture or associated company.

(viii) IBA

(a) Background and history

IBA was incorporated in Malaysia under the Act as a private limited company on 9 August 2018 under the name of Integrated BIM Academy (M) Sdn. Bhd.. IBA commenced its operations in August 2018.

(b) Principal place of business

The principal place of business of IBA is at No. 19, Jalan Meranti Permai 3, Meranti Permai Industrial Park, Batu 15, Jalan Puchong, 47100 Puchong, Selangor.

(c) Principal activities and products/services

IBA is principally involved in providing architectural and engineering activities and related technical consultancy and education.

(d) Share capital

As at the LPD, the issued share capital of IBA is RM3,350 comprising 3,350 shares. There is no change in IBA's issued share capital since incorporation, the details of which are as follows:

Date of allotment	No. of shares allotted	Cash consideration (RM)	Cumulative no. of shares	Cumulative issued share capital (RM)
9 August 2018	3,350	3,350	3,350	3,350

As at the LPD, there are no outstanding warrants, options, convertible securities and uncalled capital in IBA.

(e) Shareholder and director

As at the LPD, IBA is our indirect wholly-owned subsidiary through BEST and its directors are Ir. Louis Tay Chee Siong and Tan Kit Lee.

(f) Subsidiary, joint venture or associated company

As at the LPD, IBA does not have any subsidiary, joint venture or associated company.

7. BUSINESS OVERVIEW

7.1 HISTORY OF OUR GROUP

Background

Our Company was incorporated in Malaysia under the Act on 1 June 2018 as a private limited company under the name Sudut Swasta Holding Sdn. Bhd., which was changed to PLYTEC Holding Sdn. Bhd. on 4 July 2019, Our Company converted to a public limited company and adopted the present name on 8 September 2022. Our Company is principally an investment holding company and through our subsidiaries, we are involved in the provision of construction engineering solutions and services as well as trading and distribution of building materials.

Our Company was incorporated by Yang Kian Lock on 1 June 2018. The formation of our Group was executed through the incorporation and acquisitions of several subsidiaries over the years. Kindly refer to Section 6.2.1 of this Prospectus for full details on the formation of our group.

Business and expansion

The history of our Group can be traced back to 1999 when our Group Managing Director, Yang Kian Lock and two business partners, Low Teck Heng and Tan Ching Sin (unrelated party) acquired SS and started our operations in trading and distribution of building materials.

The table below sets out the key events and milestones in the history and development of our business:

Year	Milestones
1999	<ul style="list-style-type: none"> We started our operations in the trading and distribution of building materials in March 1999 from a rented shop lot located at Pusat Bandar Puchong, Selangor. We began mainly with trading and distribution of engineering wire mesh products and gradually expanded our product range to also include timber and plywood products.
2001	<ul style="list-style-type: none"> We leased a vacant land located in Bandar Bukit Puchong Industrial Park, Selangor which was used as a warehouse to store our building materials namely timber and plywood products. The location has a built-up area of approximately 5,000 sq. ft. and increased our holding capacity and inventory on building materials and enabled larger purchases to enjoy bulk discounts from our suppliers.
2002	<ul style="list-style-type: none"> We incorporated S & S Plywood & Timber (M) Sdn. Bhd. It changed its name to Ply Tec Fencing System Industries Sdn. Bhd. on 22 February 2010 and ventured into the provision of perimeter fencing products and subsequently assumed its current name, PFCSI, on 1 August 2019. PFCSI ceased its operations in January 2019 and remains dormant until the LPD. Our Group plans to use PFCSI to venture into a business that is complementary to our principal activities in future. However, there is no immediate business plan drawn as at the LPD. We acquired a piece of vacant land known as the Puchong Land 1, measuring approximately 42,283 sq. ft. to construct our headquarters which included office and warehouse with a total built-up of 22,500 sq. ft. This construction was completed by December 2005.

7. BUSINESS OVERVIEW (cont'd)

Year	Milestones
2006	<ul style="list-style-type: none"> Our operations in Pusat Bandar Puchong and Bandar Bukit Puchong Industrial Park, Selangor were subsequently moved to our headquarter in Puchong Land 1 in April 2006.
2007	<ul style="list-style-type: none"> We acquired the adjacent piece of vacant land known as Puchong Land 2, measuring approximately 33,150 sq. ft. to store our expanding inventory of building material products.
2010	<ul style="list-style-type: none"> We established a branch office in Johor Bahru, Johor.
2011	<ul style="list-style-type: none"> We establish a branch office cum warehouse in Krubong, Melaka. Our Group Managing Director sought to expand into the construction engineering solution segment. He began to travel overseas and studied the different construction methods and technologies adopted by other overseas construction companies. Some of the trade fairs he attended include the BAU Trade Fair in Munich, Germany in 2011 and 2015, the BAUMA (International Trade Fair for Construction Machinery, Building Material Machines, Mining Machines, Construction Vehicles and Construction Equipment) in Munich, Germany in 2013, 2016, 2019 and 2022.
2012	<ul style="list-style-type: none"> PFWSI was incorporated to expand our business into IBS-related solutions and introduced Green Formwork as a reusable formwork in the following year.
2014	<ul style="list-style-type: none"> Green Formwork was registered as an IBS equipment with the CIDB by PFWSI which facilitates the calculation of IBS score in construction projects.
2016	<ul style="list-style-type: none"> We expanded into the South East Asian market by marketing formwork systems to Thailand and Myanmar via appointed exclusive distributors, namely NJ Formtech Co., Ltd. And KP Formwork Co., Ltd. We became a council member of the China Formwork & Scaffold Association for a period of two years. We remained as ordinary member of the China Formwork & Scaffold Association in subsequent year and ceased to become a member since 2019. We purchased a piece of vacant land measuring approximately 871,231 sq. ft. known as the Olak Lempit Land to expand our temporary works business.
2017	<ul style="list-style-type: none"> PISM was incorporated under its former name, Ply Tec IBS System MFG Sdn. Bhd. to venture into the manufacturing, supply and export of construction temporary works equipment.

7. BUSINESS OVERVIEW *(cont'd)*

Year	Milestones
2018	<ul style="list-style-type: none"> ● We began construction of a workshop, warehouse and a temporary office building at the Olak Lempit Land which was completed in the same year. The workshop is used for refurbishing and prolonging the serviceable lifespan of temporary works equipment that are returned to us once a project is completed. The warehouse stores the refurbished temporary works equipment as well as new ones from our suppliers. The remaining vacant area is demarcated for our Group's future expansion strategy into the manufacturing segment. As at the LPD, we have utilised 223,565 sq. ft. of the Olak Lempit Land. ● We incorporated SSP as our real-estate management arm where it manages properties owned by our Group. ● Our Directors namely, Yang Kian Lock, Ir. Louis Tay Chee Siong and Ir. Han Liang Kwang were appointed as working group members for Building & Construction Technology Field by the Technological Association Malaysia, a Technological Expert Panel member appointed by the Malaysian Board of Technologists. They are appointed to perform peer review and professional membership assessment for the Malaysian Board of Technologists in the fields of building and construction. In the same year, IBA was accredited by the Malaysian Board of Technologists as an Approved Training Provider engaged in providing courses related to BIM and construction engineering activities. ● PFWSI was appointed as a national committee member by CIDB for the publishing and revisions of CIS relating to temporary works and productivity measurement, namely CIS 22, CIS 23 and CIS 30. PFWSI was also appointed to the working group by the Department of Standards Malaysia for the adoption of MS EN 1065 and MS BS 5975. ● Our Directors, Yang Kian Lock and Ir. Louis Tay Chee Siong were also appointed by the MPC as members of the Nexus Governing Committee under the PSPN for adoption of digital transformation as best practices.
2019	<ul style="list-style-type: none"> ● We signed a memorandum of understanding with Tunku Abdul Rahman University College to assist in the development of BIM courses and provide technical knowledge and industry practices to students.
2020	<ul style="list-style-type: none"> ● Our Group began to explore higher value activities such as digital solutions that enhance client's value in project and construction management. We acquired BEST and its subsidiary IBA, via PFWSI. ● We scaled down our trading and distribution of building materials operations in Johor and Melaka. Subsequently, we ceased our warehousing operations, due to a further reassessment of our business operations in the Johor and Melaka's markets. This was prompted by factors such as low profit margins and higher operating costs. The gradual scaling down of our operations has resulted in decrease of RM27.46 million or 59.23% in revenue contribution from our Melaka and Johor warehouses, from RM46.36 million in FYE 2019 to RM18.90 million in FYE 2020. ● We incorporated PCFM to venture into the provision of specialised engineering services concentrating on the implementation of IBS construction and related accessories.

7. BUSINESS OVERVIEW *(cont'd)*

Year	Milestones
2020 <i>(cont'd)</i>	<ul style="list-style-type: none"> We signed a memorandum of cooperation with CIDB eConstruct Services Sdn. Bhd. where BEST was appointed as an industry facilitator to establish the industry network to promote the use of CIDB's national BIM Library which was introduced to develop the digital ecosystem for the construction industry.
2021	<ul style="list-style-type: none"> We ceased completely our operations at our Johor and Melaka branch offices (cum warehouse) for the trading and distribution of building materials. This is in line with our strategy to centralise our operations from our headquarters. Subsequent to the cessation of the premises, we deploy sales personnel to manage the business in these areas. PISM has been issued with a manufacturing licence to manufacture IBS components (wall, slab and column) at our Olak Lempit Land. Concurrent with the development of our facility at the Olak Lempit Land, we will in due course be submitting an application for the variation, extension and/or amendment of the scope of activities of our current manufacturing licence to include the manufacturing of temporary works equipment ("Proposed Extended Scope") with the intention that approval for such Proposed Extended Scope will be in place prior to the commencement of our Group's production of temporary works equipment (estimated to begin at the end of 2024). The application process involves the submission to MITI of requisite information on the Proposed Extended Scope, including but not limited to details of the extended manufacturing activities and additional project costs, financing, manpower and equipment related to the Proposed Extended Scope. The approval process for the Proposed Extended Scope is estimated to require a period of between 2 to 12 months. We have not commenced any manufacturing activity and we will notify the relevant authority once we commence our manufacturing activities at our Olak Lempit Land. We intend to commence manufacturing as part of our future plans and strategies as detailed in Section 7.17.3 of the Prospectus. We were recognised as an industry specialist in BIM by the University of Nottingham and signed a sponsorship of award agreement with the University of Nottingham, Malaysia where our Group sponsored the "PLYTEC Innovation Award" to winners of a group design project in an effort to encourage students' adoption of BIM.

Awards, certifications and recognitions

The table below lists the major awards, certifications and recognitions accredited to us:

Year	Description
2014	<ul style="list-style-type: none"> PFWSI and its Green Formwork received the New Product Award by ARCHIDEX organised by PAM where it was assessed based on its design and innovation, technological advancements and sustainability factors (restoration, reduction and re-usage of materials)
2015	<ul style="list-style-type: none"> PFWSI awarded the Certificate of Achievement for successfully achieving 4 stars under the SME Competitiveness Rating for Enhancement (Retail and Distributive Trade) by SME Corporation Malaysia

7. BUSINESS OVERVIEW (cont'd)

Year	Description
2016	<ul style="list-style-type: none"> • PFWSI and its self-climbing platform was awarded the New Product Award by ARCHIDEX organised by PAM where it was assessed based on its design and innovation, technological advancements and sustainability factors (restoration, reduction and re-usage of materials) • PFWSI and its Green Formwork was accredited by the CIDB as an IBS equipment under the reusable formwork category which facilitates the calculation of IBS score in construction projects
2018	<ul style="list-style-type: none"> • BEST was accredited with BS EN ISO 19650-1:2018 under the scope “Appointed Party Providing Information Management, Design and Project Management and Project Delivery Digitization using BIM Workflow” by BSI Assurance UK Limited • BEST was also accredited with the BS EN ISO 19650-2:2018 under the scope “Organization and digitization of information about buildings and civil engineering works, including building information modelling (BIM) – Information management using building information modelling. Part 2: Delivery phase of the assets” by BSI Assurance UK Limited • BEST was accredited with PAS 1192-2:2013 under the scope “Information management for the capital/delivery phase of construction projects using building information modelling” by BSI Assurance UK Limited
2019	<ul style="list-style-type: none"> • BEST was recognised by the Malaysia Book of Records as the “First organisation to receive BS EN ISO 19650-2:2018”
2020	<ul style="list-style-type: none"> • PFWSI and its Green Formwork equipment was recognised by the MPC as best practice company under the professional services category for the introduction of equipment that assist construction companies to increase productivity while reducing operational cost and waste generation
2021	<ul style="list-style-type: none"> • BEST received the Star Award and Industry Choice Award by ARCHIDEX organised by PAM for “LiDAR Scan to BIM” services • PFWSI received the Star Award and Industry Choice Award by ARCHIDEX organised by PAM for self-climbing platform
2022	<ul style="list-style-type: none"> • BEST was conferred an IEM (The Institution of Engineers Malaysia) Award in recognition of its contribution to the digital engineering industry in Malaysia • PFWSI's quality management system was assessed and accredited with ISO9001:2015 certification under the scope of “provision of specialised construction method engineering field of temporary works for forming and erection of concrete structures, workplace access and job sites” and “provision of sales and rental of full range product solutions for falsework and access equipment for construction industry”. The quality management system was assessed by BSI Services Malaysia Sdn. Bhd. based on the Malaysian Standard (issued in accordance with the Standards of Malaysia Act 1996) and American National Standards Institute (“ANSI”) National Accreditation Board • PFWSI's OSH management system was assessed and accredited with ISO45001:2018 certification by BSI Assurance UK Limited under the scope of “provision of specialised construction method engineering field of temporary works for forming and erection of concrete structures, workplace access and job site” and “provision of sales and rental of full range product solutions for falsework and access equipment for construction industry”

7. BUSINESS OVERVIEW *(cont'd)*

Year	Description
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- | | |
|-------------------------|---|
| 2022
<i>(cont'd)</i> | <ul style="list-style-type: none"> • PISM's quality management system was assessed and accredited with ISO9001:2015 certification under the scope of "provision of fabrication of falsework, access equipment and IBS Components for construction industry". The quality management system was assessed by BSI Assurance UK Limited based on the Malaysian Standards and ANSI National Accreditation Board • PISM's environmental management system was assessed and accredited with ISO14001:2015 by BSI Assurance UK Limited under the scope of "provision of fabrication of falsework, access equipment and IBS Components for construction industry" • PISM's OSH management system was assessed and accredited with ISO45001:2018 by BSI Assurance UK Limited under the scope of "provision of fabrication of falsework, access equipment and IBS Components for construction industry" |
|-------------------------|---|

As at the LPD, we have grown from a simple building and materials supplier to a group of companies offering an array of construction engineering solutions and services (on top of the supply of the building materials) throughout building construction lifecycle with focus on industrialisation and digitalisation.

We also collaborate with industry participants such as Government agencies, higher learning institutions, industry players and learned societies in encouraging the adoption of BIM to drive the industrialisation and digitalisation of the country's construction industry.

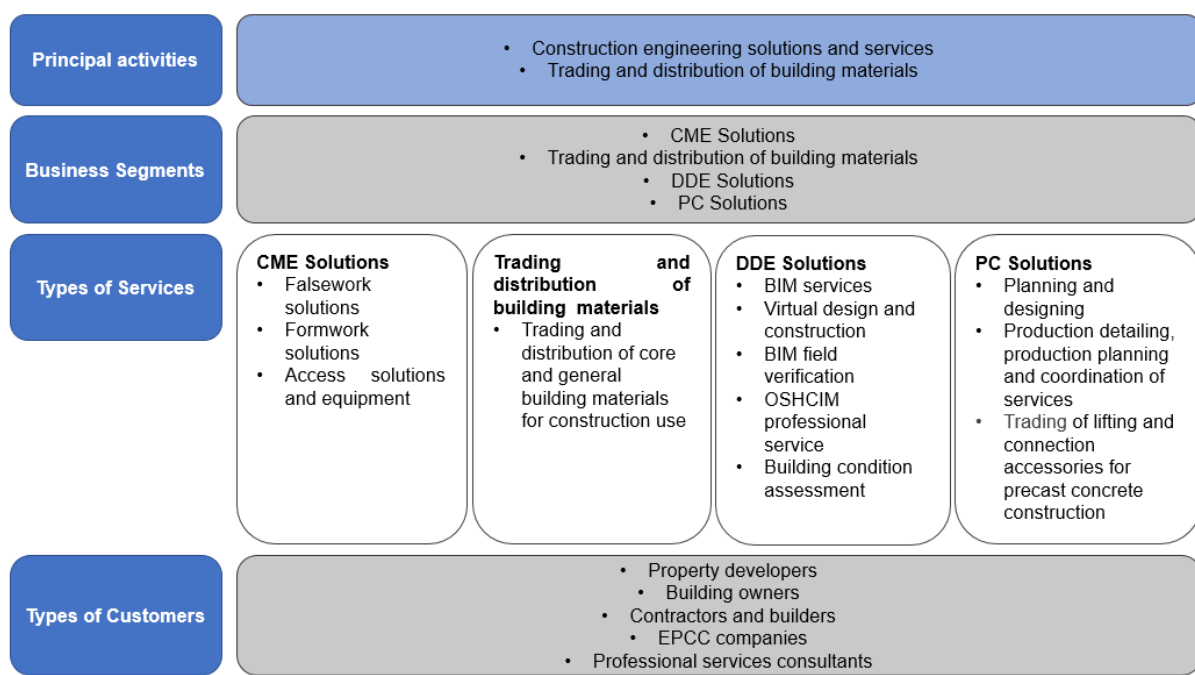
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7. BUSINESS OVERVIEW (cont'd)

7.2 PRINCIPAL ACTIVITIES OF OUR GROUP

Our Group is principally involved in the provision of construction engineering solutions and services and the trading and distribution of core and general building materials for construction projects. Our construction engineering solutions and services include CME Solutions, DDE Solutions and PC Solutions that are aimed at increasing the efficiency and safety in construction activities via the adoption of industrialisation practices, supported by digitalisation of construction processes.

Our business model is depicted as follows, with the types of services arranged in accordance to their GP contribution to our Group:



Our CME Solutions focus on the provision of new and refurbished temporary works equipment for sale and rental together with the provision of solutions that support the forming and safe erection of concrete structures. Our solutions include supply of temporary works equipment with engineering design and technical support which enables the use and safe erection of temporary works during construction, on-site monitoring and coordination of work as well as training on the safe use and procedural control practices.

We also trade and distribute building materials for construction projects. Categorized into core and general products, the former includes engineering wire mesh, perimeter fencing, plywood and K21 Mobile House while general products consist of among others, floor tiles, sanitary wares, cement, steel bars and Pecaform.

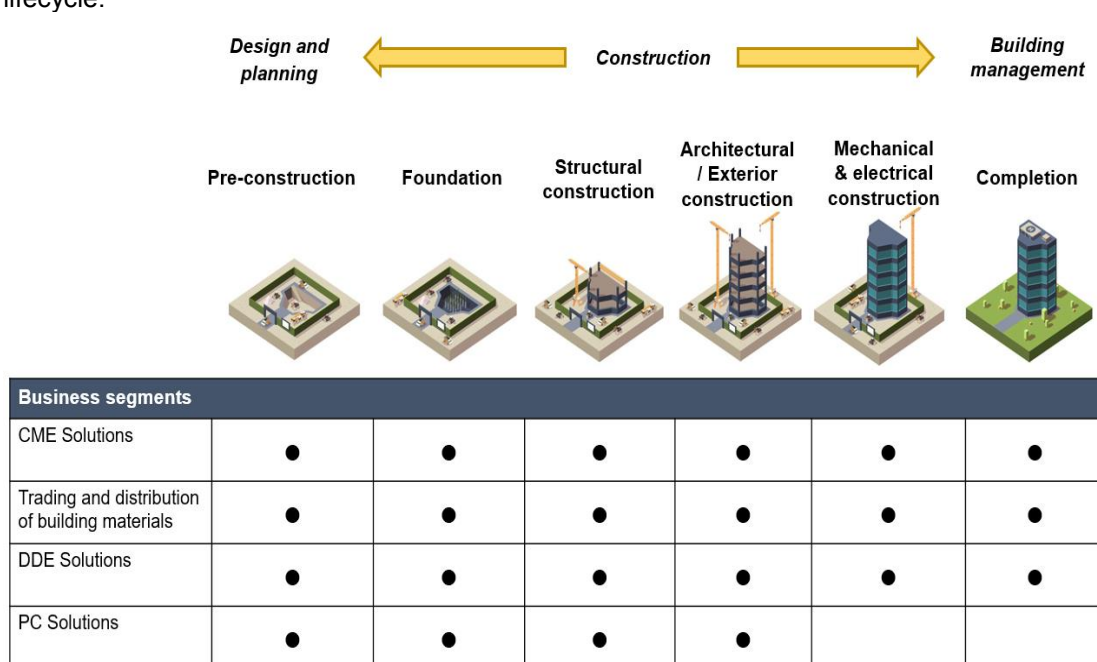
Our DDE Solutions involve the provision of digital designs and engineering solutions. Our offering of BIM, a process to create digital representation of structures, buildings and services using 3D model, can be applied in various stages of the construction lifecycle. It promotes close collaboration and coordination between project professionals. Our services also include virtual design and construction, field verification, OSHCIM professional service and building condition assessment.

Leveraging on our design and engineering experience, we also provide PC Solutions. It is a series of services and accessories that enable the use of prefabricated components in construction. Our offering in this segment includes the planning, designing, production planning and coordination throughout the manufacturing process of prefabricated components. It also extends to cover lifting and connection accessories that facilitates the transporting, lifting and connecting of prefabricated components from plant to construction site.

7. BUSINESS OVERVIEW (cont'd)

Our Group’s construction engineering solutions and services are targeted at various participants of the construction industry, ranging from property developers to building owners, to contractors and builders, EPCC companies as well as professional services consultants. We participate in project bidding independently and do not subcontract from other temporary works service providers.

Our Group’s construction engineering solutions and services can be applied to the entire construction lifecycle of a project from pre-construction, construction and to post-construction stages. The diagram below summarises our business segments’ presence in the construction lifecycle:



The following subsections further describe our business segments, arranged in accordance to their GP contributions to our Group. CME Solutions and the trading and distribution of building materials are two of the main GP contributors to our Group. DDE Solutions is one of the newer segments in our Group and have become the highest growing segment during the financial years under review, while PC Solutions is a new segment established to further extend our solutions in implementation of IBS construction.

7.2.1 CME Solutions

Our Group, via PFWSI, specialises in the construction method engineering field of temporary works for the forming and safe erection of concrete structures. Temporary works are the parts of a construction project that are needed to enable the permanent works to be built where it supports or protects either an existing structure or permanent works during construction. It is required to control stability of the construction works in terms of strength and deflections due to effects of loading from structural, geotechnical, wind and hydraulic effects within defined limits. Temporary works equipment refers to falsework, formwork and access solutions. Provision of new and refurbished temporary works equipment for sale and rental is done together with the provision of solutions that support the forming and safe erection of concrete structures. The sale and rental of temporary works equipment is not offered in isolation without solution services. The solution refers to construction method engineering of temporary works which comprises:

- (i) method feasibility study for selections of temporary works system;
- (ii) temporary work designer service to design the temporary work in compliance to engineering code of practice and regulations;
- (iii) provision of temporary works equipment;
- (iv) site coordination and training services;
- (v) liaison services to authorities and project consultants;

7. BUSINESS OVERVIEW (cont'd)

- (vi) service of Professional Engineers for Temporary Works (PETW) as required by DOSH and BEM; and
- (vii) refurbishment services for clients' equipment.

Our construction method engineering area of specialisation are construction falsework, formwork as well as access solutions and equipment. Falsework is a temporary structure used to support the construction of a permanent structure, material, plant, equipment and facilitate workers' access and movement. While formwork is a temporary structure that is erected and assembled to mould concrete into the required dimensions and/or support structural elements. Access solutions and equipment refer to equipment such as platforms and ladders that enable the workers to access working areas in the construction site.

The wide-ranging types of temporary works equipment as well as unique building designs and project requirements require us to work closely with our clients, from selecting the appropriate temporary works equipment to be used to design the plans for erection and to provide customisation in order to suit the building design, if necessary. These project requirements are characterised by, amongst others, the building structural configuration, construction sequence, schedule, budget, IBS Scoring, site management scheme and engineering control procedures.

Our provision of temporary works equipment is supported by a series of engineering solutions to enable the safe use of the equipment. These solutions provide the required engineering control in accordance with the approved code of practice to the entire construction lifecycle processes of temporary works including feasibility study, design development, review of design, products regulatory compliance and physical implementation (site coordination and training). Safe use of the temporary works equipment can only be achieved by applying these engineering controls collectively for any project.

Our scope of responsibilities includes providing the services of a Temporary Works Designer under the context of BS 5975 (Code of Practice for Temporary Works Procedures) of CIDB such as establishing a document that defines all the parameters of temporary works requirement and engineering design including modelling and calculation as well as appointment of an independent design checker with the qualification of professional engineer in temporary works to review and endorse the work of its Temporary Works Designer for quality assurance and compliance. We also provide project engineer to customer to monitor, advise and coordinate the installation/erection of temporary works equipment. Our project engineer assists the Temporary Works Coordinator to bridge the design and code of practices to the work team. The project engineer also provides training to the work team on the safe use of the equipment and procedural control practices of temporary works.

The new and refurbished temporary works equipment that we supply are available for outright purchase and/or rental for a period between 6 to 18 months inclusive of the engineering design, professional and technical support mentioned above. Based on analysis of recent completed projects, the average rental period for the formwork equipment including Green Formwork and Deck Formwork is 13 months; falsework equipment including Heavy Duty Modular Shoring and Cross Lock Shoring is 9.8 months; and Aluminium Formwork and self-climbing platform is 13 months.

For information, the percentage of revenue from sales and rental of the temporary works equipment within the CME Solutions segment for the Financial Years/Period Under Review are as follows:

	FYE 2020		FYE 2021		FYE 2022		FPE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
CME Solutions										
• Sales	23,766	54.15	33,694	66.55	46,562	68.75	14,424	62.46	5,755	27.22
• Rental	20,122	45.85	16,932	33.45	21,163	31.25	8,671	37.54	15,384	72.78
	43,888	100.00	50,626	100.00	67,725	100.00	23,095	100.00	21,139	100.00

7. BUSINESS OVERVIEW (cont'd)

In addition, the percentage of revenue from sales and rental of the temporary works equipment arising from new and refurbished temporary works equipment are summarised as follows:

	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	%	%	%	%	%
CME Solutions					
Sales (% of sales revenue)					
• New	75.52	59.83	64.57	82.73	73.08
• Refurbished	24.48	40.17	35.43	17.27	26.92
Rental (% of rental revenue)					
• New	20.21	22.46	28.46	6.68	38.76
• Refurbished	79.79	77.54	71.54	93.32	61.24

Most of our sales of temporary works equipment are contributed by sales of new temporary works equipment (between 59.83% to 82.73%) as compared to refurbished temporary works equipment (17.27% to 40.17%) over the Financial Years/Period Under Review. As for rental of temporary works equipment, it is mainly contributed by refurbished temporary works equipment owned by our Group (61.24% to 93.32%) as compared to new temporary works equipment (6.68% to 38.76%) over the Financial Years/Period Under Review.

We had over the years, purchased temporary works equipment to build our stockpile of rental assets. As at 31 May 2023, our rental asset was worth RM61.44 million comprising RM26.48 million of formworks, RM23.28 million of falseworks and RM11.68 million of access equipment and solutions, based on annual depreciation rate ranging from 12.50% to 20.00%. Over the Financial Years/Period Under Review, the annual repair and maintenance/refurbishment costs amounted to RM3.22 million, RM4.78 million, RM6.71 million and RM3.48 million. The useful life of our temporary works equipment range from 5 to 8 years, where the average number of years used stood at 2.92 years, with average number of remaining useful life at 3.88 years.

Our Group occasionally rent falsework equipment and aluminium formwork from vendors to supplement the demand of projects when our stock level is insufficient. We do not rent out our stock to other temporary works service providers.

Our CME Solutions are provided in compliance with the codes of practice for all concrete elements from “tip to toe” of a building structure, comprising footing and ground beam, column and wall, podium slab and beam, transfer floor structure and typical floor structure of a building. Its engineering products and services strictly adhere to the industry standards and regulations including:

- CIDB CIS 18:2018 (Manual For IBS Content Scoring System (IBS score));
- CIDB CIS 22:2021 (Safe use of scaffolding in construction);
- CIDB CIS 23:2021 (Safe use of falsework in construction);
- CIDB CIS 24:2018 (IBS Manufacturing & Product Assessment & Certification); and
- DOSH's Guidelines for safe use of self-climbing platform.

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7. BUSINESS OVERVIEW (cont'd)

The picture below highlights our CME Solutions used in different segments of a high-rise building:



Note: Pecaform is a general product that our Group distributes under our trading and distribution of building materials segment and used as part of our CME Solutions segment.

(a) Falsework Solutions

The equipment under falsework solutions that we offer are as follows:

<u>Equipment/ Solution</u>	<u>Description</u>
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Heavy Duty Modular Shoring	This modular shoring system is a type of temporary structure that can be erected as stacking tower or multiple grid structure to suit the actual dimensional and loading requirements. It is widely adopted as shoring solutions for use in transfer floor structure in the construction of high-rise buildings, bridges and outer heads in infrastructure projects.
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Crab Lock Modular Shoring	A multi-function prefabricated modular steel falsework which provides a solution as scaffold and shoring system to meet temporary works requirements at construction sites. It is a hybrid system that is tested and certified in compliance with MS1462-3 (Scaffold) and EN12813 (falsework).
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7. BUSINESS OVERVIEW (cont'd)

Equipment/ Solution Description



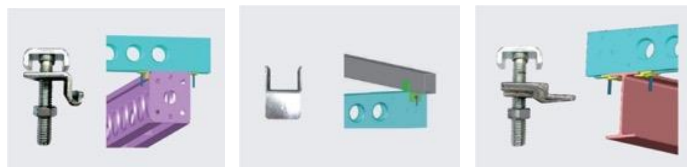
Cross Lock Shoring

A simple multi-function shoring system that is widely used as support system for formwork in construction projects as well as scaffolding. It is available in various lengths and consist of two main components, namely tabular standard vertical with collars of cross-lock plate and tabular horizontal with ledger ends.



Top/Base Beam

Top beam is a wooden beam replacement made of high strength and anti-rust galvanised steel which is able to handle a high load capacity. It is used at an upright position as the main or secondary bearer.

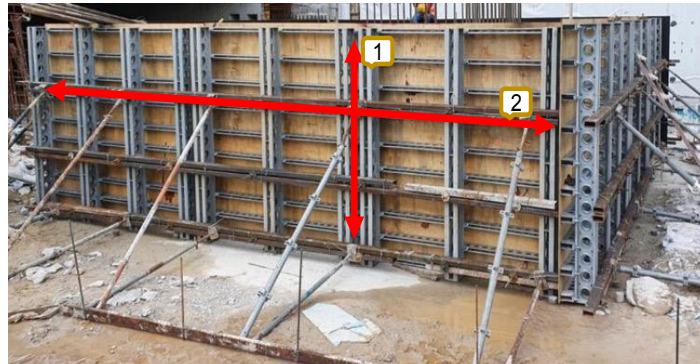


Base beam is a multi-purpose modular shoring system made from galvanised steel with high durability and reusability. The system is used to support various formwork for columns, walls, beams, slabs or bridges.



7. BUSINESS OVERVIEW (cont'd)

Equipment/ Solution	Description
	The picture below showcases top beams and base beams being used as formwork support.



Notes:
 (1) Top beam
 (2) Base beam

Heavy Duty Modular Shoring and Crab Lock Modular Shoring are similar to generic falsework equipment available in Malaysia. Heavy Duty Modular Shoring and Crab Lock Modular Shoring are compatible in term of module sizes to the local variance. However, we design Heavy Duty Modular Shoring and Crab Lock Modular Shoring with upgraded strength and quality. For example, a typical tower ultimate capacity per leg of the local variance is between 120 to 140 kilonewton, whereas it is more than 180 kilonewton for Heavy Duty Modular Shoring. These falsework equipment are marketed under PLYTEC brand name as well as "WONDER" brand name as specified in sub-section "Partnership with Wan Technology" in Section 7.2.1 of this Prospectus.

(b) Formwork Solutions

The equipment under formwork solutions that we offer are as follows:

Equipment/ Solution	Description
Green Formwork	<p>The Green Formwork is a modular panel and prop concrete formwork where the modular panel is assembled from steel frame structure with a bamboo plywood surface. The Green Formwork is an integration of these modular panels with adjustable telescopic props as shoring. The adjustable telescopic prop is an innovative prop head design which allows stripping of the modular panels without disengaging the prop-to-concrete support contact.</p> <p>It provides a systematic and modular formwork solution to the construction of beam and slab concrete elements and is generally suited for big-span flat slab structure. It requires minimal number of workers, in teams of three to four persons, to erect the formwork.</p> <p>Green Formwork is a simple and reusable IBS formwork that comprises only few basic components and has the advantage to deliver shorter use-cycle in concrete construction due to its early-stripping mechanism.</p>

7. BUSINESS OVERVIEW (cont'd)

Equipment/ Solution Description



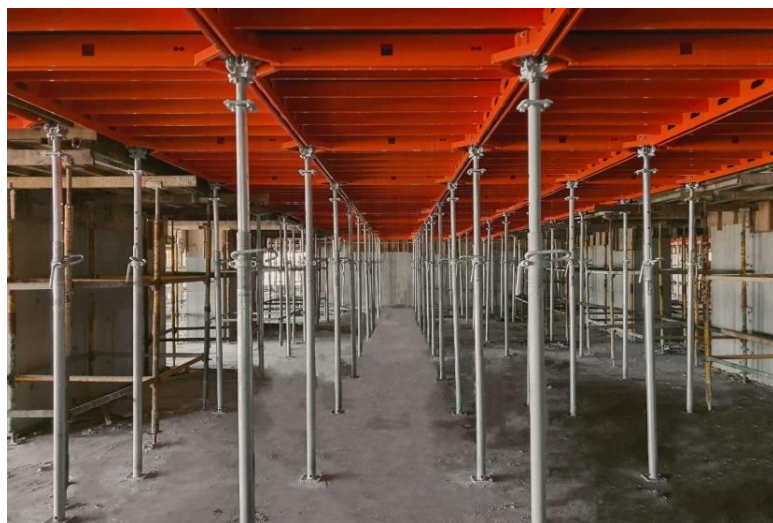
Deck Formwork

The Deck Formwork is a modular panel and prop concrete formwork. The Deck Formwork is an improvement product of the Green Formwork. The frame of the formwork panel is made up of lightweight aluminium instead of steel to enhance its durability and maintainability. The Deck Formwork is also innovated with new ancillary components to complement the flexibility and robustness of the system to suit a variety of projects and designs.

Similar to the Green Formwork system, the Deck Formwork is an integration of the modular panels with adjustable telescopic props as shoring. The adjustable telescopic prop is an innovative prop head design which allows stripping of formwork panels without disengaging the prop-to-concrete support contact.

It provides a systematic and modular formwork solution to the construction of beam and slab structural elements and is generally suited for big-span flat slab structure. It requires minimal number of workers, in teams of three to four persons, to erect the formwork.

As the Deck Formwork is a simple and reusable formwork that comprises only few basic components, it has the ability to shorten concrete construction cycle as a result of its early-stripping mechanism.



7. BUSINESS OVERVIEW (cont'd)

Equipment/ Solution	Description
Aluminium Formwork and accessories	A one-cast system which allows monolithic pouring of wall, slabs, beams, stairs, window hoods and various decorative features in exact accordance with architects' and engineers' design. Instead of the conventional timber panels, this system uses panels that are made out of aluminium which is more durable and has greater recyclable value. Every panel is also engineered to be high strength and lightweight with accessories used includes pins, stripping bars and wedges.



(c) Access solutions and equipment

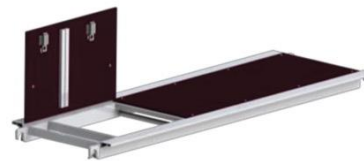
The equipment/product under access solutions and equipment that we offer are as follows:

Equipment/ Solution	Product/ Description
Self-climbing platform	Self-climbing platform is a self-climbing perimeter protective screen (with working platform), equipped with controlled, synchronized climbing mechanism to prevent workers and objects falling when working at a height. It is a temporary work comprises an assembly of modular metal components that is attached onto the permanent structure of construction to provide high standard safe access to works that optimises workman productivity. It is a more intensively designed access solutions compared to scaffolding and other falseworks. It requires certain level of knowledge and competencies to supervise, install, inspect, use and dismantle.

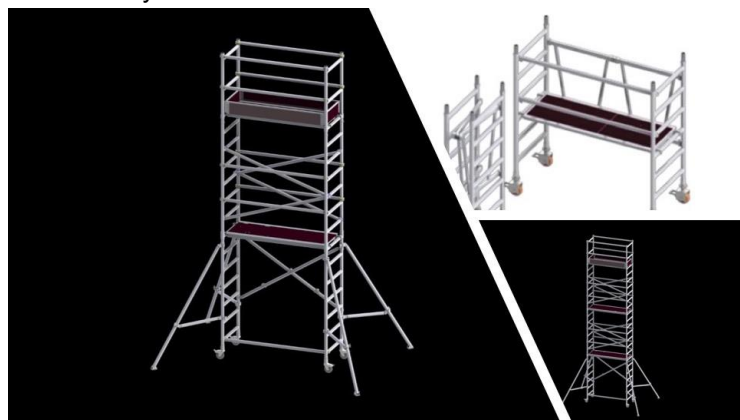


7. BUSINESS OVERVIEW (cont'd)




Equipment/ Product/ Solution	Description
Aluminium Kwikstage	Aluminium Kwikstage is a modular staging system that is designed and produced from high strength aluminium. It is used as scaffolding access solutions that is supplied either via sales or rental together with the services outlined in Section 7.2.1 of this Prospectus.



Mobile Access Tower	Mobile Access Tower is an access equipment that is lightweight, easy-to-assemble system used as mobile access platform that is ideal for work at multiple heights such as installation and maintenance work. The tower could be rapidly assembled by only one person. It is tested and complies with EN 1004 Class 3 requirements, with adoption of 3T (Through the Trapdoor) method to enhance safety of the users.
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7. BUSINESS OVERVIEW (cont'd)

Equipment/ Solution	Product/ Description
Wonder Steps	<p>Access equipment that consists of a variety of ladders. These ladders are designed to be robust, lightweight and versatile to cater to variety of users and applications. We currently offer ladders which include single section ladder, 2-section combination ladder, 3-section combination ladder, telescopic ladder, platform step ladder, platform ladder, orchard ladder, steep ladder, step stool and work platform ladder. The pictures below show some examples of Wonder Steps ladders that we offer:</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>2-section combination ladder</p> </div> <div style="text-align: center;">  <p>Telescopic ladder</p> </div> <div style="text-align: center;">  <p>Orchard ladder</p> </div> </div>

The temporary works equipment that we supply are sourced from our pool of suppliers who possess the necessary certifications and experience in manufacturing these equipment. For clarity, we do not enter into long-term contracts with the suppliers but instead, we purchase temporary works equipment based on our internal planning and inventory holding.

Partnership with Wan Technology Co., Limited (“Wan Technology”)

We are an exclusive partner of Wan Technology, a company incorporated in Hong Kong that is involved in the manufacturing and selling of access equipment and falsework systems for the construction industry marketed under the “WONDER” brand. Pursuant to an exclusive marketing and distribution agreement dated 1 July 2021 (as supplemented by a supplemental agreement dated 29 December 2022 entered into between PFWSI and Wan Technology) (collectively referred to as “**Marketing Agreement**”), and a supplemental letter dated 3 July 2023 entered into between Wan Technology and PFWSI, Wan Technology and PFWSI have agreed on, among others, the following:

- (i) PFWSI has been granted by Wan Technology the right to develop, produce, market, distribute and sell its products under the brand name of “WONDER”, which consist of:
 - (a) Wonderdeck Formwork;
 - (b) Wonder Aluminium Kwikstage;
 - (c) Wonder Crab Lock Modular Shoring (WCL48);
 - (d) Heavy-duty Modular Shoring System (WH60);
 - (e) Wall & Column Formwork System (W100);
 - (f) Aluminium Adjustable Props (AMP/AHP);
 - (g) Wonder Aluminium Ringlock (WAR); and
 - (h) Wonder Joists and Girders (WJG)

collectively known as “**WONDER**”-branded products”;
- (ii) Wan Technology is the owner of the “WONDER” brand name, trademarks and patents and trade secrets and shall manufacture the products based on purchase orders and requirements of PFWSI;
- (iii) Wan Technology has given the right to PFWSI to manufacture, produce, market, sell and distribute the “WONDER”-branded products;
- (iv) To facilitate the implementation of its future plan in establishing its own manufacturing plant. In this regard, Wan Technology has in the Marketing Agreement agreed to provide

7. BUSINESS OVERVIEW (cont'd)

PFWSI with necessary information and technical specifications as may be required for manufacturing activities to be undertaken by PFWSI; and

- (v) It is acknowledged that based on their existing designs, none of the products are presently capable of industrial design or patent registration as they have been derived from existing publicly available industrial designs and do not exhibit the requisite elements of novelty and hence no royalties or other costs are payable in respect of such designs. However, if any design which is capable of industrial design or patent registration is developed as a result of the partnership or collaboration between Wan Technology and PFWSI, the Wan Technology agrees that PFWSI shall be vested with the full rights to all such intellectual property rights, and any industrial design or patent registration shall be vested in and extended to PFWSI free of any charge.

The Marketing Agreement has been entered into to create synergy (as both parties seek to leverage on the strength of each other, being PFWSI in the marketing, management of supply chain and provision of related engineering services, whereas Wan Technology's strength lies in manufacturing) in growing and complementing both parties' capabilities and capacities to jointly compete in the global market. The Marketing Agreement is effective commencing 1 July 2021 and shall expire and cease to have any force or effect upon the expiration of the "WONDER" trademark or upon the expiry of a period of 15 years from 1 July 2021, whichever is the later.

We are not dependent on Wan Technology and the Marketing Agreement in view that Wan Technology owns the "WONDER" brand as:

- (i) the revenue contribution and purchases from the sale of "WONDER"-branded products over the Financial Years/Period Under Review is minimal as illustrated below:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023
Sales revenue (RM'000)	-	-	1,580	-
Percentage over the Group's CME Solution segment sales revenue (%)	-	-	3.39	-
Percentage over the Group's total CME Solutions segment revenue (%)	-	-	2.33	-
Purchases (RM'000)	(1)168	(1)142	(1)1,631	-
Percentage over the Group's CME Solutions segment purchases (%)	1.37	0.91	7.03	-

Note:

- (1) Mainly comprise purchases from Wan Technology of spare parts and accessories for Heavy Duty Modular Shoring (WH60) and Wonderdeck Formwork rental assets which are expensed off.

The revenue contribution from rental of products under "WONDER" brand name over the Financial Years/Period Under Review is illustrated below:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023
Rental revenue (RM'000)	380	469	2,794	2,081
Percentage over the Group's CME Solutions segment rental revenue (%)	1.89	2.77	13.20	13.53
Percentage over the Group's total CME Solutions segment revenue (%)	0.87	0.93	4.12	9.84

The above rental revenue has been illustrated assuming the Marketing Agreement has been effective since 1 January 2019 to illustrate the contribution of such sales over the Financial Years/Period Under Review.

7. BUSINESS OVERVIEW (cont'd)

We acquired the “WONDER”-branded products as part of our falsework and formwork equipment to be made available for rental and rent out the products to our third party customers. The falsework and formwork equipment is owned by us. We are able to continue renting out the acquired falsework and formwork equipment “WONDER”-branded products without any restriction should the Marketing Agreement for whatever reason, is terminated. Such falsework and formwork equipment rented to our third party customers form part of our line-up of equipment made available for rental and are also not marketed or rented to our third party customers under the “WONDER” brand name.

- (ii) PFWSI is not restricted from selling any products which are not identical to and in direct competition with the “WONDER”-branded products and the “WONDER” trademark and patents and is able to work with other suppliers and has the right to source and produce, directly or indirectly, non-“WONDER”-branded products having the same use/purpose as the “WONDER”-branded products that PFWSI currently sources from Wan Technology from alternative local and overseas suppliers;
- (iii) PFWSI has the right to market products under the PLYTEC brand name instead of the “WONDER” brand name for the products listed in the Marketing Agreement within the ASEAN region, being the current principal market of PLYTEC. For clarity, such right to market under PLYTEC brand name within the ASEAN region covers all “WONDER”-branded products sourced from Wan Technology and any “WONDER”-branded products that shall be manufactured and produced by PLYTEC (i.e. “WONDER” brand name products may be rebranded and marketed and sold under the PLYTEC brand name instead of the “WONDER” brand name); and
- (iv) once our future plan as stated in Section 7.17.2 in this Prospectus, i.e., to venture upstream into the manufacturing of falsework equipment, is realised, we will potentially be able to design, develop and produce Heavy Duty Modular Shoring, Crab Lock Modular Shoring as well as aluminium telescopic adjustable props without continued use of the “WONDER” brand or the “WONDER” trademark and patents.

Notwithstanding this, we intend to honour the terms and spirit of the Marketing Agreement i.e. to market the products under the “WONDER” brand name where we see fit, as part of our marketing strategy.

Wan Technology had via a letter dated 15 March 2023 acknowledged the “WONDER Steps” trademark (which are in the process of being registered by PISM) belong exclusively to PLYTEC, being the holding company of PISM. The revenue and GP from the sale of WONDER Steps over the Financial Years/Period Under Review are as follows:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	-	40	-	-
GP	-	17	-	-

Based on the above, there is no impact to our Group in view of the current use of brand name of “WONDER Steps” trademark due to the mentioned acknowledgement by Wan Technology and the immaterial revenue.

7. BUSINESS OVERVIEW (cont'd)**(a) Fabrication workshop cum warehouse**

Our Group operates a fabrication workshop cum warehouse on the Olak Lempit Land measuring approximately 801,911 sq. ft.. The workshop is used to refurbish temporary works equipment returned to us once a project is completed in order to prolong the serviceable lifespan to ensure it can be used in future projects. The refurbishment service is also extended to our customers at their request. We also carry out customisation of the non-standard dimension formwork pieces, namely the one-cast Aluminium Formwork and self-climbing platform solutions, at the workshop. The warehouse stores the returned, refurbished and new temporary works equipment.

**Notes:**

- (1) Storage zone
- (2) Cleaning zone
- (3) Painting zone
- (4) Return zone
- (5) Repairing zone
- (6) Processing zone
- (7) Return zone
- (8) Loading zone
- (9) Site office
- (10) Workers quarters

The fabrication workshop/warehouse is divided into various zones. The return zones keep all the returned temporary works equipment from our customers. The returned temporary works equipment are then inspected at the processing zone before cleaning at our cleaning zone. Equipment that requires repairs will be sent to the repairing zone and then subsequently to the painting zone for painting, if required. Finally, the refurbished temporary works equipment will be kept at the storage zone. For clarity, the storage zone will also be used to keep new temporary works equipment where our Company has the policy to maintain certain inventory of these equipment so that we could supply to our customers immediately when required. The yard also includes a loading zone for mobilising our temporary works equipment, site office for administrative work and workers' quarters.

7. BUSINESS OVERVIEW (cont'd)

Cleaning and repair



Depending on the state of the temporary works equipment, they may be subject to a series of repair processes which includes the following:

- (i) cleaning to remove all the dirt and cement residue;
- (ii) repairing of the surface damage such as dents and bended parts;
- (iii) replacing the plywood used on the formwork equipment due to damages sustained during removal process;
- (iv) welding of equipment to repair cracks. Once completed, the welded temporary works equipment will be inspected to ensure the conditions are at satisfactory condition for its next use and then will be sent for surface protection treatment where touch up of damaged paint will be carried out; or
- (v) coating of the formwork surface with concrete debonding agent before its next use.

Painting



The painting of temporary works equipment is applicable to falsework modules, formwork frames and self-climbing platform components. The cleaned and repaired formwork and falsework equipment may be repainted in order to protect the surface against corrosion and restore its appearance. Further, we also provide artwork service to paint and display customer's company logo on the surface of the self-climbing platform equipment.

7. BUSINESS OVERVIEW (cont'd)Storage

The refurbished temporary works equipment will be stored at our warehouse in the storage yard alongside new temporary works equipment received from our suppliers. When orders are received from our customers, the temporary works equipment will be mobilised from the warehouse to identified construction sites.

(e) Past and present projects

The following table details selected CME Solutions projects (with contract value above RM1.00 million) that we have participated in since 2019, detailing the types of services provided by us:

Past Projects

Year	Client	Project and scope	Contract value (RM'000)	Year completed
2019	AVE Engineering Sdn. Bhd.	Sales of self-climbing platform for the construction of 1 block of serviced apartment and 1 block of affordable serviced apartments in Hulu Langat, Selangor.	3,350	2020
	Taghill Projects Sdn. Bhd.	Sales of self-climbing platform for the construction of 1 block of serviced apartment, including one floor of common facilities and 1 storey basement carpark in Kelana Jaya, Selangor.	3,050	2021
	Johawaki Construction Sdn. Bhd.	Sales of self-climbing platform and Aluminium Formwork system for the proposed demolition and rebuilding of commercial development with 2 blocks of serviced apartment in Bangsar, Kuala Lumpur.	4,449	2021

7. BUSINESS OVERVIEW (cont'd)

Past Projects				
Year	Client	Project and scope	Contract value (RM'000)	Year completed
2019 (Cont'd)	Nestcon Builders Sdn. Bhd.	Rental of Green Formwork system and Aluminium Formwork for the construction of 2 blocks of serviced apartment with 6 storey car parking podium, 1 level basement car park, common facilities in Kelana Jaya, Selangor.	2,158	2022
	Crest Builders Sdn. Bhd.	Sales of Green Formwork system for the construction of a mixed development with 2 blocks of serviced apartment and SoHo (Small office, Home office), with 3 storey podium with retail and offices and food centre, 6 storey car parking podium, common facilities and 2 storey sub-basement parking in Petaling Jaya, Selangor.	3,526	2020
	Pembinaan Tuju Setia Sdn. Bhd.	Sales of self-climbing platform for construction of 2 blocks of service apartment with related facilities in Puchong, Selangor.	4,800	2022
	Kenwingston Sdn. Bhd.	Rental of self-climbing platform and Heavy Duty Modular Shoring for the construction of mixed development, which include 1 block of commercial building, 3 blocks of service apartment and common facilities in Setapak, Kuala Lumpur.	3,006	2022
	TCS Construction Sdn. Bhd.	Sales of self-climbing platform for the construction of 2 blocks of apartment suites in Setapak, Kuala Lumpur.	3,230	2021
2020	Alphazen Contract Sdn. Bhd.	Sales of self-climbing platform for the construction of 2 blocks of apartments in Petaling, Kuala Lumpur.	3,700	2021
2021	China State Construction Sdn. Bhd.	Rental of Heavy Duty Modular Shoring, K21 Mobile House and Aluminium Formwork for the construction of a paper recycling complex in Kuala Langat, Selangor.	3,568	2022
	Knight Auto Sdn. Bhd.	Rental of Green Formwork and self-climbing platform for the construction of 2 blocks of affordable flats and 1 block of apartment, including 8 storey car parking podium, commercial units and security huts and electrical substation in Mukim Batu, Kuala Lumpur.	5,551	2023

7. BUSINESS OVERVIEW (cont'd)**Past Projects**

Year	Client	Project and scope	Contract value (RM'000)	Year completed
2022	Eng Han Engineering Sdn. Bhd.	Sales of Aluminium Formwork for the construction of 1 block of affordable apartments in Ari Permaisuri, Kuala Lumpur.	1,251	2022
	Metrasys Sdn. Bhd.	Sales of Green Formwork and Cross Lock Shoring for the construction of Hospital in Lawas, Sarawak.	1,179	2022
	Setiakon Builders Sdn. Bhd.	Sales of Green Formwork and rental of Aluminium Formwork for the construction of 1 block of affordable apartments in Tropicana Metropark, Subang, Selangor.	2,683	2023
	STK Bina Sdn. Bhd.	Sales of Green Formwork and Aluminium Formwork for the construction of 1 block of affordable apartment in Shah Alam, Selangor.	7,488	2023

Present projects

Year	Client	Project and scope	Contract value (RM'000)	Expected year of completion
2020	Nestcon Builders Sdn. Bhd.	Sales of Green Formwork, Aluminium Formwork and Heavy Duty Modular Shoring for the construction of a mixed development project including 2 blocks of apartments with common facilities and retail units in Kuchai Jaya, Kuala Lumpur.	3,182	2023
	Eng Han Engineering Sdn. Bhd.	Sales of Green Formwork, self-climbing platform and rental of Aluminium Formwork for the construction of 1 block of affordable apartments in Setapak, Kuala Lumpur.	9,719	2023
2021	Nestcon Builders Sdn. Bhd.	Rental of Green Formwork and Aluminium Formwork for the construction of 1 apartment block, 1 hotel and commercial block in Mukim Petaling, Kuala Lumpur.	2,677	2023
	Siab Construction Sdn. Bhd.	Sales of self-climbing platform and rental of Deck Formwork for the construction of 2 blocks of service apartments, common facilities, 8 storey car parking podium in Mukim Batu, Kuala Lumpur.	4,450	2023

7. BUSINESS OVERVIEW (cont'd)

Present projects				
Year	Client	Project and scope	Contract value (RM'000)	Expected year of completion
2021 (Cont'd)	Beaks Construction Sdn. Bhd.	Sales of self-climbing platform and rental of Heavy Duty Modular Shoring and Crab Lock Modular Shoring for the construction of 3 blocks of affordable apartments in Brickfields, Kuala Lumpur.	9,425	2023
2022	IJM Construction Sdn. Bhd.	Rental of self-climbing platform for the construction of 2 blocks of affordable apartments in Jalan Segambut, Mukim Batu, Kuala Lumpur.	3,000	2024
	IJM Construction Sdn. Bhd.	Rental of self-climbing platform and Deck Formwork for the construction of 2 blocks of affordable apartments in Bukit Kiara, Kuala Lumpur.	3,212	2024
	Siab Construction Sdn. Bhd.	Rental of table formwork for the construction of 2 storey warehouse in Bandar Bukit Raja, Mukim Kapar, Klang, Selangor.	1,332	2023
	Orangebeam Construction Sdn. Bhd.	Rental of table formwork for the construction of 2 storeys warehouse in Bandar Bukit Raja, Mukim Kapar, Klang, Selangor.	3,431	2023
2023	Beaks Construction Sdn. Bhd.	Sales of self-climbing platform for the construction of 2 block apartment in Bandar Kuala Lumpur, Kuala Lumpur	1,300	2023
	Fajarbaru Builder Sdn. Bhd.	Sales of self-climbing platform for the construction of 2 block of apartments in Jalan Mas, Mukim Petaling, Kuala Lumpur.	2,275	2023
	Fajarbaru Builder Sdn. Bhd.	Rental of Aluminium Formwork for the construction of 2 block of apartments in Jalan Mas, Mukim Petaling, Kuala Lumpur.	3,750	2024
	Shui Xing Design & Build Sdn. Bhd.	Rental of Heavy Duty Modular Shoring for the construction of 1 block 'Cargo' in Kawasan perindustrian Pasir Gudang, Mukim Plentong, Johor.	2,312	2024
	Binastra Ablebuild Sdn. Bhd.	Sales of self-climbing platform the construction of 3 block of commercial apartment in Jalan Puchong Utama 2, Taman Puchong Utama, Puchong, Mukim Petaling, Selangor.	2,600	2023
	LSH Global Enterprise Sdn. Bhd.	Rental of self-climbing platform for the construction of 2 block affordable apartments in Bandar Georgetown, Daerah Timur Laut, Pulau Pinang.	1,880	2024

7. BUSINESS OVERVIEW (cont'd)

Present projects

Year	Client	Project and scope	Contract value (RM'000)	Expected year of completion
2023 (Cont'd)	Ave Engineering Sdn. Bhd.	Sales of self-climbing platform for the construction of 1 block service apartment in Mukim Kajang, Daerah Hulu Langat, Selangor.	1,200	2023
	Inta Bina Sdn. Bhd.	Sales of self-climbing platform for the construction of 1 block service apartment in Mukim Setapak, Kuala Lumpur.	1,500	2023
	Taghill Projects Sdn Bhd	Sales of self-climbing platform for the construction of 2 block service apartment in Seksyen 54, Mukim Bandar Kuala Lumpur, Kuala Lumpur.	1,072	2023

7.2.2 Trading and distribution of building materials

We are also involved in the trading and distribution of building materials for construction projects, particularly for the erection of permanent structures and buildings. These building materials consist of four core products, namely engineering wire mesh, perimeter fencing, plywood and K21 Mobile House as well as general products such as floor tiles, sanitary wares, cement, steel bars and Pecaform that are used in various stages of construction activities.

The table below summarises the types of building materials that we distribute:

(a) Core Products

Type	Description
Engineering wire mesh	Used as a reinforcement material in concrete. It is available in standard and custom apertures for different needs. We also provide value added customisation service, such as bending where engineering wire mesh is bent into various angles, shapes and sizes according to its customer's intended designs and specifications.
Perimeter Fencing	Polyvinyl coated galvanised iron fencing, galvanised steel wire and chain link fencing used for perimeter fencing.



7. BUSINESS OVERVIEW (cont'd)

Type	Description
Plywood	Standard plywood used in construction activities as boarding materials.



K21 Mobile House	A set of prefabricated components that is installed onsite to form a mobile house with specifications. It is built in exact dimensions with light weight modular materials which eases installation and can be dismantled and reinstalled in another location. It complies with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990. It is suitable to use as site office, workers' quarters and retail unit.
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(b) General Products

Type	Description
Floor tiles	Ceramic tiles used for interior finishes.



Sanitary wares	Various types of sanitary wares.
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7. BUSINESS OVERVIEW (cont'd)

Type	Description
Cement	Various types of masonry concrete for construction use.



Steel bars	High tensile and cut-to-length steel bars are commonly used for sub-structure works in a reinforced concrete building or structure.
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We provide value-added fabrication service such as bar cutting and bending according to our customer's specifications.

Pecaform	A prefabricated cast-in type formwork for substructure concrete elements. It is made of steel wire mesh reinforced with polyethylene sheets to both sides of the mesh.
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It is light weight, flexible and structurally strong but versatile to work with straight or curve shapes. It is ready to be assembled on site with minimal labour and are formed to shapes with the use of tie-wire. The strength and versatility of Pecaform makes it ideal for applications such as footings and bases, ground beams, special shapes or curves, void formation, penetration, recesses and safety screens.



Other general products	Other general products consist of roofing tiles, concrete spun piles, bricks, steel hollow section, door, timber, polyvinyl chloride pipes, polyethylene sheets and etc.
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7. BUSINESS OVERVIEW *(cont'd)*

7.2.3 DDE Solutions

We also offer a range of digital design and engineering solutions delivered with the integration of digital smart solutions and engineering constructability analytic services. Our DDE Solutions include the various aspects of BIM, a process to plan, design and construct 3D digital replicate of built asset.

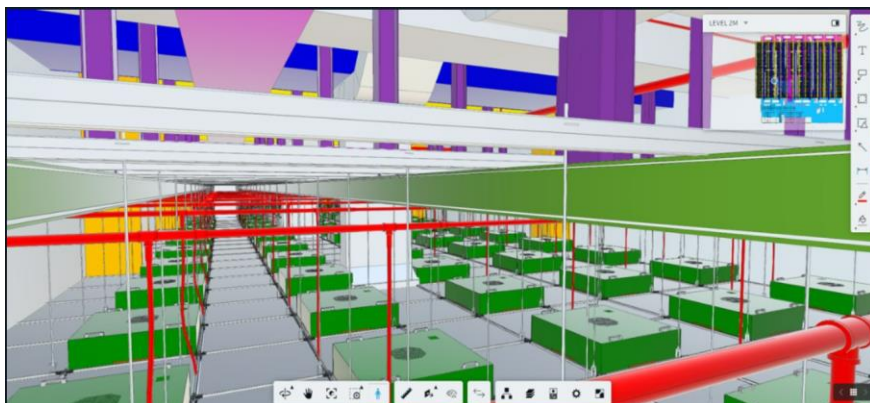
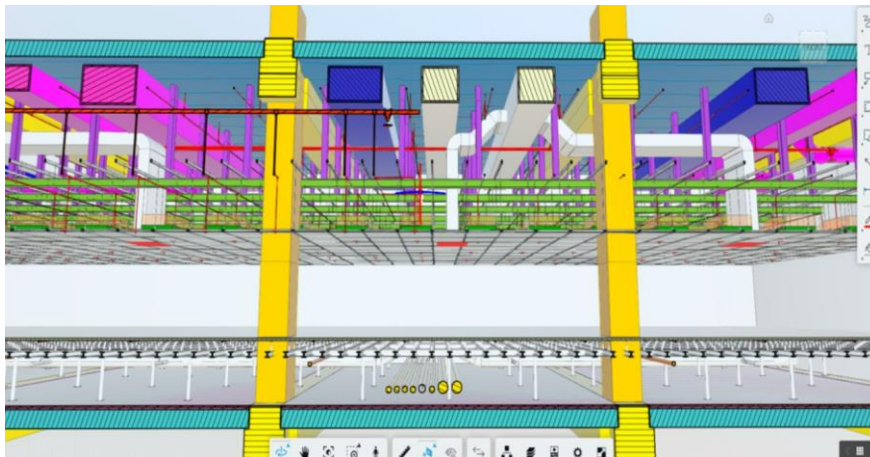
We provide BIM specialist services to streamline work processes and to connect through real time digital data, innovation and technology across built asset life cycle from planning, design, construction, fabrication to facilities management to deliver better project outcomes.

(a) BIM service

BIM services cover modelling and constructability analysis of all building services, namely architectural, civil and structural, mechanical and electrical processes as well as infrastructural works.

The integration of digital build contents and processes with BIM model enables the simulation and scrutinisation of the physical and functional characteristics of the built asset.

3D realistic visualisation from BIM model allows designer to detect design conflicts and improve crossed discipline coordination at early stage to optimise design efficiency as well as to deliver quality and cost-effective built asset timely and safely.



7. BUSINESS OVERVIEW (cont'd)

(b) Virtual design and construction

Virtual design and construction is the management of integrated multi-disciplinary performance models of design-construction. It uses information from BIM to visualise and simulate the project's design, execution and operation phase. Through virtual design and construction, we facilitate the scrutiny and the review of construction plans by construction and building companies prior to the commencement of the actual construction work. We provide virtual design and construction to formulate building sequence, planning and scheduling as well as drawing of project's critical paths during construction.

The picture below showcases a mock-up of a building using virtual design and construction:



(c) BIM field verification

It is an application of LiDAR laser technology to capture actual built conditions of the built asset as well as to provide fast, easy and accurate quality assurance checks and work progress validation. With LiDAR, we compare the actual construction against BIM model to identify any deviation before they impact the project schedule and budget. Accurate digital replica of the completed works creates information of the built asset for facility management.

The BIM field verification involves the following:

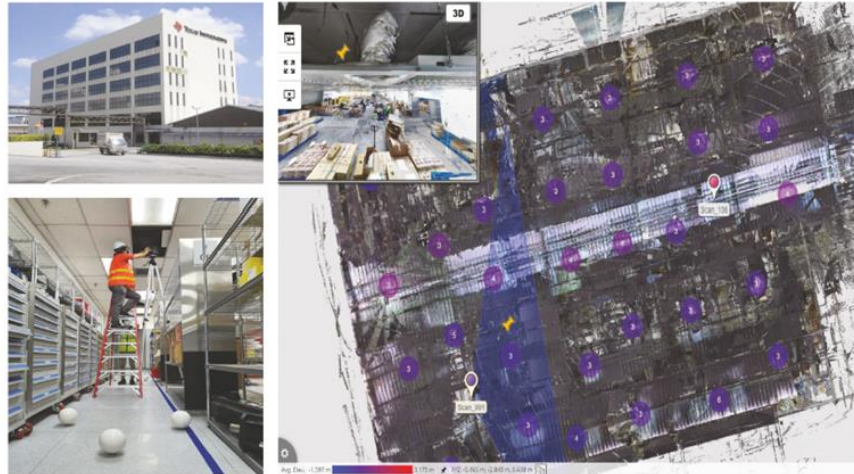
- **Precise As-Built generated from BIM**

As-Built are record drawings and construction documentation that indicates the actual content configuration at a completion stage. By maintaining and updating high level of definition of BIM model, the As-Built are now auto-generated from the model.

- **LiDAR scanning**

Carrying out field verification with the use of LiDAR laser scanning which helps in delivering high-quality accurate data for BIM. With LiDAR laser scanning, BIM is able to visualise building better, which could increase the accuracy in cost estimations and mitigate the building construction risks.

7. BUSINESS OVERVIEW (cont'd)



- **Augmented Reality or Mixed Reality**

The ability to conduct verification with the use of augmented reality software and devices which allow inspectors to cross-check the actual built structure against the BIM model.

(d) OSHCIM professional service

OSHCIM is a set of guidelines that provides practical guidance to the clients, designers and contractors on the management of safety and welfare when carrying out construction projects based on principle of prevention. With the use of BIM technology, we are able to detect and identify potential hazards in a construction project and propose revised designs to eliminate safety and health risk before they occur.

Among the tools involved in the implementation of these guidelines include:

- Compliance criteria – check the safety criteria and follow health and safety rules;
- Fabrication and prefabrication – builders to incorporate or adopt off-site fabrication and prefabricated components for improved safety and controlled working environment;
- Scenario planning – the virtually constructed asset allows builders and project professionals to explore possible risk areas that could harm worker's health and safety. Technologies such as virtual reality and simulations are used to better predict possible hazards and investigate possible accidents;
- Clash detection – detection of possible collision and mitigate them before they occur. This is performed using sending and tracking technology to detect and reduce possible construction injuries and working fatalities; and
- BIM visual communication – enables all project stakeholders to visualise how to complete construction works without risking workers' lives and is a key component used in enhancing worker safety training.

(e) Building condition assessment

Building condition assessment is a service to determine if a building is safe for occupation and to assess possible hazards, defects and any failure of the building. These assessments are generally required by building owners, house owners or building management. Building condition assessment is also conducted to monitor the conditions of the building's equipment, predict deterioration and forecast the building's future performance and valuation.

7. BUSINESS OVERVIEW (cont'd)

Various information is collected which include amongst others, photo taking of building conditions and measurements of building's dimensions. Data collected will be evaluated and a report will be produced at the end of the process with the detailed condition, defects and hazards noticed as well as proposed recommendations.

(f) Past and present projects

The following table details selected DDE Solutions projects (with contract value above RM0.50 million) that we have participated since 2019:

Past projects

Year	Client	Project and scope	Contract value (RM'000)	Year completed
2020	Johawaki Construction Sdn. Bhd.	BIM services for building services (architectural, civil and structural, mechanical and electrical systems), BIM execution plan and common data environment.	699	2023
2021	IAQ Solutions Sdn. Bhd.	BIM services for building services (architectural, civil and structural, mechanical and electrical systems).	515	2022
	Tialoc Malaysia Sdn. Bhd.	BIM services for building services (architectural, civil and structural, mechanical and electrical systems).	1,450	2022
	Exyte Malaysia Sdn. Bhd.	BIM services for building services (architectural, civil and structural, mechanical and electrical systems and process systems).	644	2022
2022	Tialoc Malaysia Sdn. Bhd.	BIM services for building services (architectural, civil & structural, mechanical, electrical and process systems).	1,792	2023
	Exyte Services (Malaysia) Sdn. Bhd.	BIM services for building services (architectural, civil & structural, mechanical, electrical and process systems).	1,150	2023
	Poly M&E Industries Sdn. Bhd.	BIM services for building services (architectural, civil & structural, mechanical, electrical and process systems).	1,138	2023

Present projects

Year	Client	Project and scope	Contract value (RM'000)	Expected year of completion
2021	Meinhardt EPCM Sdn. Bhd.	LiDAR scan to BIM model of building services (architectural, civil and structural, mechanical and electrical systems). BIM model of building services (architectural, civil and structural, mechanical and electrical systems).	580	2023

7. BUSINESS OVERVIEW (cont'd)**Present projects**

Year	Client	Project and scope	Contract value (RM'000)	Expected year of completion
2022	Cahaya Jauhar Sdn. Bhd.	BIM services for building services (architectural, civil and structural, mechanical and electrical systems), BIM execution plan and common data environment.	780	2026
2023	Exyte Services (Malaysia) Sdn. Bhd.	BIM services for building services (architectural, civil & structural, mechanical, electrical and process systems).	575	2023
	Pay Dev Sdn Bhd	Professional consultancy services (C&S, M&E inclusive of IBS, BIM and OSHCIM)	2,520	2027

7.2.4 PC Solutions

Our services extend to include a range of specialised engineering services to facilitate the implementation of IBS construction. Leveraging on our expertise in BIM technologies, we act as “project delivery partner” and provide design planning, design development and coordination, precise production detailing and scheduling based on the concept of modularisation delivery system and design for manufacturing and assembly, primarily for precast concrete elements. We also distribute a range of lifting and connection accessories that are utilised during the concrete casting stage to facilitate lifting and joining of the precast concrete elements.

We also supply industrial equipment solutions, which include design and manufacturing of customised equipment for prefabrication production including turntable and lifting frame.

Our Group, via PCFM, provides a range of PC solutions, which include:

(a) Planning and designing

Prior to the manufacturing of the precast concrete elements, the elements need to be designed in accordance with the clients’ construction drawings. In designing the precast concrete elements, we consider various factors such as the function of the elements (for e.g., flooring, solid walls, walls with window openings and columns), the load that the elements have to support during and after construction and finally the installation of the elements during construction.

With the use of software such as Tekla Structure Designer and Autodesk BIM360, we provide virtual design and construction, which consist of real-time BIM collaboration and design coordination based on integrated process and workflow in project life cycle, in order to design the precast concrete elements. This includes designing the shape and size of the elements to fit the clients’ construction drawings while also supporting specific loads during and after construction. We also plan and design how the precast concrete elements are to be lifted and transported as well as joined together to form a single unit during construction. This includes calculating the force needed to lift the precast concrete elements and determining the appropriate lifting and connection accessories to be embedded into the element during the concrete casting stage.

7. BUSINESS OVERVIEW *(cont'd)*

(b) Production detailing, production planning and coordination of services

After finalising the design of the precast concrete elements, detailed drawings of the precast concrete elements including the dimensions of the elements are prepared for the production.

Our solutions cover production detailing and production planning activities, taking into consideration the off-site manufacturing and installation required on site. We also support digital procurement with accurate quantity take-off based on constructible BIM, which can be translated into prefabrication detailing, a specialised prefabrication design and detailing generated from constructible BIM model to achieve accurate and efficient production.

(c) Lifting and connection accessories for precast concrete construction

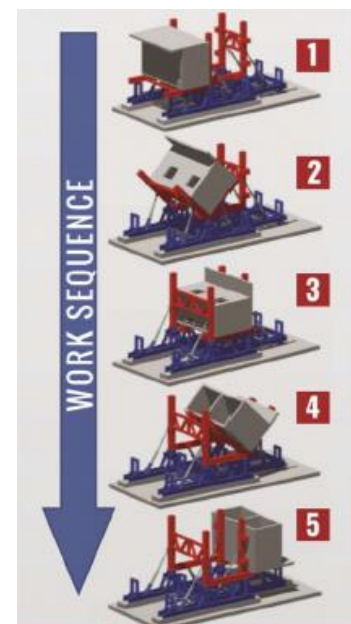
We distribute various lifting and connection accessories for precast concrete construction such as round recess former, slot lifting clutch, cone anchor and cable lifting loop. These accessories are embedded into the precast concrete element during the fabrication process to facilitate the lifting of the elements during production, transportation and installation of multiple elements together as to form a single unit.

We also supply industrial equipment solutions, which include design of the customised equipment for prefabrication production including turntable and lifting frame. The picture below shows the work sequence of a turntable:



Turntable

A device that turns 3D elements 180 degrees for easier listing and installation



7.3 COMPETITIVE STRENGTHS

Our competitive strengths which provide us with the platform to grow our business are as follows:

7.3.1 Comprehensive construction engineering solutions and services throughout construction project lifecycle

We pride ourselves in our ability to provide a diverse range of construction engineering solutions and services based on the principles of construction industrialisation and adoption of digital technologies. This is in line with the construction industry's roadmap to achieve greater productivity and efficiency and enhance safety aspects while upholding environmental responsibilities to ensure sustainable practices are adopted.

7. BUSINESS OVERVIEW *(cont'd)*

We are cognisant of the need to achieve the objectives and steered our business direction to address the hurdles in the construction industry.

Our temporary works equipment and solutions are used and provided during the structural construction stages to provide support to structures. Its modular nature increases efficiency and productivity. In addition, it can be used to accommodate various designs and conditions, made possible by our meticulous maintenance of temporary works inventory to achieve the desired inventory mix based on market demands. Our temporary works equipment and solutions also include access equipment which provides building support and safety measures to workers.

Our business also includes the trading and distribution of general building materials of core products that complements our construction engineering solutions, such as engineering wire mesh, perimeter fencing, plywood and K21 Mobile House.

Our services also include DDE Solutions with focus on BIM services, which include amongst others, project modelling and design, virtual design and construction, health and safety aspects as well as value engineering throughout a construction project lifecycle.

Our support in the IBS continues with PC Solutions that provide design and planning of modular prefabricated components and the accessories required to lift and install them on site.

Since we embarked on diversifying our service offering in 2012, we have steered our growth towards a comprehensive suite of construction engineering services that are synergistic to our overall operations. Our involvement in a construction project may entail either the whole project lifecycle or selected areas which require our specialisations. Our successful adaptation to modern construction methods and digital technologies driven by our key management team has provided us with the avenue to provide solutions that increase productivity, efficiency and safety levels for projects we undertake in the construction industry.

7.3.2 Diverse range of equipment/products and solutions supported by a substantial and varied inventory mix

As a provider of construction engineering solutions and services and as a trader and distributor of building materials, we hold a substantial inventory of our equipment/products, such as temporary works equipment and building materials. We believe this will provide us with the advantage of securing orders and meeting customer's demand for immediate supply of equipment/products.

We keep a diverse range of temporary works equipment to facilitate the best-optimised design solutions. Leveraging on our workforce, sizeable warehouse and workshop facility, we are able to support fast turnover and scale of inventory according to the required designs and related solutions.

In order to ensure that we can maintain an ideal inventory mix of equipment/products across our equipment/product range for our business, we plan and manage our inventory with due consideration to the historical turnover rate of equipment/product, projection of demand based on sales leads and forecast, market trends and fluctuation of raw material prices and stock balance vis-à-vis the refurbishment lead time. For the trading and distribution of building materials segment, we also adopt a similar inventory strategy in order to secure customer orders and meet their demands for prompt supply of products. We also implement a centralised procurement management strategy for our products under the trading and distribution of building materials segment to further improve efficiency.

7. BUSINESS OVERVIEW *(cont'd)*

7.3.3 Experienced key management team

As a service provider, the strength of key management team plays an imperative role in remaining competitive. Our Group is made up of a group of experienced professionals who are qualified in their fields. Our Group Managing Director, Yang Kian Lock, our Chief Operating Officer, Ir. Louis Tay Chee Siong and our Head of Engineering, Ir. Han Liang Kwang, have been in the construction and engineering industry for over 25 years. Yang Kian Lock is a registered Professional Technologist with MBOT since 2019. He is also a member of the Building Materials Distributors Association of Malaysia since 2004 and had served as its President from 2014 to 2018. Ir. Louis Tay Chee Siong is a registered Professional Technologist with MBOT since 2019 and a registered professional engineer with BEM since May 2023. He is a qualified Design For Safety (DFS) Professional and OSHCIM Professional. He is also a certified Construction Manager with CIDB and a chartered engineer with the Engineering Council of United Kingdom. Ir. Han Liang Kwang is a registered professional engineer with practising certificate with BEM since 2015 and is a registered Professional Technologist with MBOT since 2019. He was also awarded the qualification of a BIM Asset Information Professional and BIM Project Information Professional by the BSI Training Academy and was commissioned as a BIM Manager by the CIDB in 2020. Our Group Managing Director, Chief Operating Officer and Head of Engineering are supported by our Chief Financial Officer, Lim Boon Ping, who has 10 years of experience in financial related operations.

We believe our management team is a key contributing factor to the delivery of quality services. Our experience and expertise in the industry has enabled us to execute projects in accordance with the latest construction practices and project specifications, while meeting safety procedures time and cost requirements.

7.3.4 Established track record

Over the years, we have participated under various capacities in many national industrial efforts to uplift performance and modernize construction in Malaysia. Our track record in the industry has earned our Group many recurring and new clients through referrals and recommendations from project professionals and clients. Kindly refer to Section 7.2.1(e) and Section 7.2.3(f) for a list of selected past projects undertaken by our Group.

Our track record in the provision of construction engineering solutions and the use of digital technologies in the delivery of our solutions have also seen our Directors recognised and appointed in various capacities in industry associations, such as:

- (i) the lead of Building & Construction work group by TAM since year 2020;
- (ii) the Engineering Fraternity Group Leader for PSPN 2020 projects by MPC;
- (iii) Committee Member of Program 2 of Strategy Thrust 6 (Empowering OSH with Technology) of the OSH Master Plan 2021 to 2025 (OSHMP25) by DOSH in year 2021; and
- (iv) Committee Member of the Evaluation Panel for the Development of the Professional Training Module for Formwork and Blockwork by CIDB IBS Sdn. Bhd. in year 2021.

Our Group was also appointed as one of the committee members to develop CISs and industry guidelines in relation to temporary works and productivity measurements, including:

- (i) CIS 22:2021 – Safe Use of Scaffolding in Construction (PFWSI);
- (ii) CIS 23:2018 – Safe Use of Falsework and Formwork in Construction (SS);
- (iii) CIS 23:2021 – Safe Use of Falsework in Construction (PFWSI);
- (iv) Review of CIS 24:2018 – IBS Manufacturer & Product Assessment & Certification [IMPACT] (PFWSI);
- (v) CIS 30:2021 – Productivity Measurement of Building Construction Projects (BEST, PCFM and PISM); and
- (vi) Guidelines for Safe Use of Self-Climbing Protective Screen [SCPPS] 2021 – Published by MBAM, CIDB, DOSH and TAM (PFWSI and PISM).

7. BUSINESS OVERVIEW *(cont'd)*

Our Group's use of digital technologies in construction industry was recognised by the construction industry, where our Directors, Yang Kian Lock and Ir. Louis Tay Chee Siong were also appointed by the MPC as members of the Nexus Governing Committee under the PSPN for adoption of digital transformation as best practices.

7.3.5 Adoption of advanced technologies

Our Group adopts new technologies in our operations to drive productivity and efficiency. In an environment where construction projects are increasingly complex and interconnected with increased number of project participants, the adoption of technology will promote greater communication and control of processes and ensure continued competitiveness in the industry.

We use digital smart technologies to offer a suite of BIM related solutions and services, extending from mere BIM services to include virtualisation and value engineering to project management of overall BIM adoption in project lifecycle. The availability of a range of such technologies coupled with our experienced personnel have allowed us to have more opportunities to participate in complex and notable construction projects.

Requirements by the Government to incorporate IBS Components in selected construction projects have encouraged the adoption of IBS systems in construction industry in Malaysia. Our adoption of innovative falsework solutions in our engineering services allows us to capitalise on this trend, by providing prospective clients with solutions that can be easily adopted to carry out construction activities in a sustainable and environmentally friendly manner that could increase productivity and efficiency.

7.3.6 Strict adherence to industry quality standards

We emphasise on adhering to strict compliance of internationally recognised industry standards to ensure high quality solutions are provided consistently to our clients. Our Group currently holds the BS EN ISO 19650-1:2018 (under the scope of "Appointed Party Providing Information Management, Design and Project Management and Project Delivery Digitization using BIM Workflow") and BS EN ISO19650-2:2018 (under the scope of "Organization and digitization of information about buildings and civil engineering works, including building information modelling (BIM) – Information management using building information modelling. Part 2: Delivery phase of the assets") certifications issued by BSI Assurance UK Limited. When the certification was first awarded to BEST in 2018, BEST was the first company in Malaysia to achieve such accreditation which serves as a testament to our continuous commitment in delivering quality deliverables and solutions according to prescribed workflows and processes.

Additionally, our Group's quality management system is currently accredited with ISO 9001:2015 by BSI Assurance UK Limited under several scopes, namely "Provision of specialized construction method engineering field of temporary works for forming and erection of concrete structures, workplace access and job site", "Provision of sales and rental of full range equipment/products solutions for falsework and access equipment for construction industry" and "Provision of fabrication of falsework, access equipment and IBS Components for construction industry". Our environmental management system and OSH management system were also accredited by BSI Assurance UK Limited with ISO14001:2015 and ISO45001:2018, both under the scope of "provision of fabrication of falsework, access equipment and IBS Components for construction industry".

7.3.7 Emphasis on human capital development

We value our employees as one of our most important assets that have been the driving force of our Group's success. The nature of our business coupled with the ever-changing industry have placed the development of human capital as one of our main strategies to remain competitive in the industry. Our personnel are provided with appropriate trainings to familiarise with new technologies that will increase their work efficiency.

Our commitment in this area is as evidenced by our operation of the PLYTEC BIM Centre which provides training and advisory services relating to BIM and construction methods engineering. The centre trains both internal personnel as well as participants from industry partners. We also

7. BUSINESS OVERVIEW (cont'd)

partnered with Government agencies and ministries such as CIDB and Ministry of Works to promote awareness on BIM and the latest technologies to be used in the transformation of construction industry. Our efforts extend to collaborating with higher learning institutions for students to have a real world insights into the latest trends in the construction industry and to introduce BIM to them. Such awareness programs do not only serve as a platform to secure new talents for our workforce but also expose participants to BIM in anticipation of higher adoption of BIM and digital technologies in the future.

7.4 PRINCIPAL MARKETS AND BUSINESS SEGMENTS

Our principal market is Malaysia, which contributed more than 97.00% of our revenue for the Financial Years/Period Under Review. Other markets such as Cambodia, Myanmar, Singapore and Thailand contributed the remaining of our revenue over the same financial years/period. The breakdown of revenue according to our principal markets is as follows:

Country	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Malaysia	112,695	99.04	112,172	99.52	156,439	98.96	60,747	97.07
Others*	1,097	0.96	540	0.48	1,652	1.04	1,834	2.93
Total	113,792	100.00	112,712	100.00	158,091	100.00	62,581	100.00

Note:

* Other countries include Cambodia, Myanmar, Singapore and Thailand.

Further breakdown of our Group's revenue according to our business segments are as follows:

Business Segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
CME Solutions ⁽¹⁾								
- Sales	23,766	20.89	33,694	29.89	46,562	29.45	5,755	9.20
- Rental	20,122	17.68	16,932	15.03	21,163	13.39	15,384	24.58
	43,888	38.57	50,626	44.92	67,725	42.84	21,139	33.78
Trading and distribution of building materials ⁽²⁾	68,436	60.14	57,492	51.01	81,655	51.65	37,523	59.96
DDE Solutions ⁽³⁾	1,468	1.29	2,991	2.65	6,817	4.31	2,844	4.54
PC Solutions ⁽⁴⁾	-	-	1,603	1.42	1,894	1.20	1,075	1.72
Total	113,792	100.00	112,712	100.00	158,091	100.00	62,581	100.00

Notes:

(1) Revenue was derived from sales and rental of temporary works equipment.

(2) Revenue was derived from trading and distribution of building materials of core products (such as engineering wire mesh, perimeter fencing, plywood and K21 Mobile House) and general products (such as floor tiles, sanitary wares, cement, steel bars, Pecaform and other general products).

(3) Revenue was derived from provision of BIM Services.

(4) Revenue was derived from provision of specialised engineering services and supply of lifting and connection accessories.

Notably, our revenue was largely derived from the provision of CME Solutions and the trading and distribution of building materials, where collectively, these two market segments contributed over 93.00% of our revenue for the Financial Years/Period Under Review, whilst the remaining from the provision of DDE Solutions and PC Solutions.

7.5 SEASONALITY

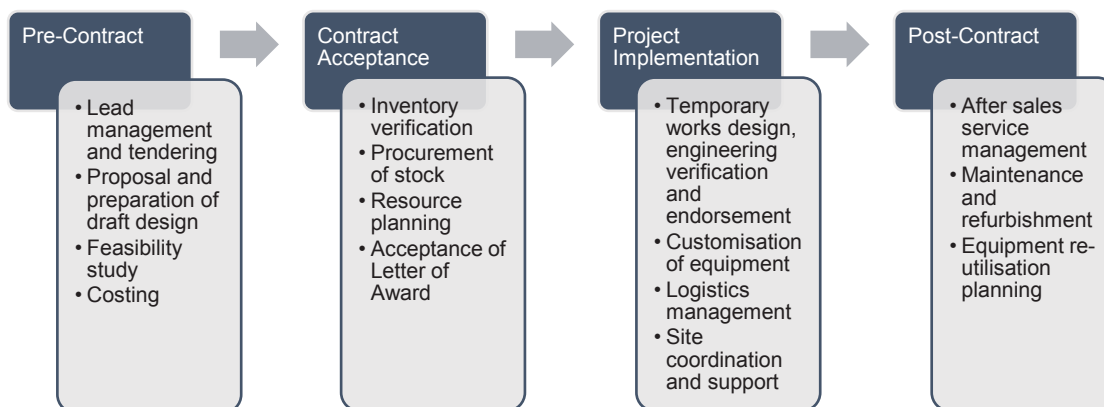
Our operations and sales are not subject to any material seasonality factors. However, the demands for properties and construction services may be affected by factors such as global and local economic conditions and Government policies.

7. BUSINESS OVERVIEW *(cont'd)*

7.6 BUSINESS AND OPERATION PROCESS

The following sub-sections details the general business and operation processes of our Group according to our principal activities segment:

7.6.1 CME Solutions



(i) Pre-contract

We identify potential projects via direct enquiries from project owners and/or contractors, recommendations from project professionals (such as architects and engineers), referrals and invitations from past and existing clients or through tender notices. Once a potential project has been identified, our team will manage the potential lead, attending to their queries with regards to their project requirements. Depending on the type of and nature of the projects proposed, we often participate in various stages of the project lifecycle and secure packages of overall construction lifecycle as an integrated digital delivery partner and provider of engineering services solutions.

We will develop a preliminary scheme of the temporary works design based on the construction implementation plan of the project. This preliminary design shall include value engineering and a feasibility study to select a suitable equipment solution by optimising labour productivity, equipment production yield and compliance with the code of practice, safety and quality. We will then formulate the commercial proposal comprising the bill of quantities and scope of services based on the technical proposal outlined in the preliminary scheme.

The compiled proposal will then be reviewed and checked internally prior to submission to the client. Once submitted, there may be further negotiations and discussions and changes to the design plans before finalisation of the proposal by the client.

(ii) Contract acceptance

Once the client is satisfied with the proposal, they will issue us with a letter of award. Upon receiving and accepting the letter of award, we will undertake an inventory verification to check that we have the necessary types and required amount of temporary works equipment for the project. If we have insufficient stock or require customised temporary works equipment, we will procure them from our suppliers, which will generally take around 2 to 3 months. We will also carry out resource planning and allocate the necessary manpower to coordinate and oversee the project.

7. BUSINESS OVERVIEW *(cont'd)*

(iii) Project implementation

Our scope of responsibilities under the CME Solutions include the provision of a Temporary Works Designer for the design of the temporary works required for the project. The team involved in the project will establish a Design Brief after reviewing construction drawings and consultation with the client. Next, we will perform engineering design including modelling and calculation based on the equipment selected to develop the scheme of temporary works that comply with the Design Brief. Once our Temporary Works Designer for the design of the temporary works for the project has been completed, we will appoint an independent design checker with the qualification of Professional Engineer in Temporary Works to review and endorse the work of our Temporary Works Designer for quality assurance and compliance.

Then, at our fabrication workshop, we will carry out preparation works for the required temporary works equipment, including fabrication and customisation of non-standardised sizes of one-cast aluminium formwork and self-climbing platform components based on the approved design and logistics details which have been confirmed with the client. Once completed, we will deliver the temporary works equipment to the project site in accordance with the predetermined schedule and the subsequent adjustments coordinated with the client based on the actual progress of works.

Once the temporary works equipment is on-site, we will send a project engineer to the site to coordinate and support our client for the erection of temporary works. Our project engineer will coordinate with and provide advice to the client's Temporary Works Coordinator as well as assist the Temporary Works Coordinator to bridge the design and code of practices to the work team. Our project engineer will also provide training to the work team regarding the safe usage and proper erection of temporary works. During the implementation stage, we may also conduct design change review as a result of variation orders. Changes in design are reviewed by client and the appointed independent Professional Engineer in Temporary Works before being approved and carried out.

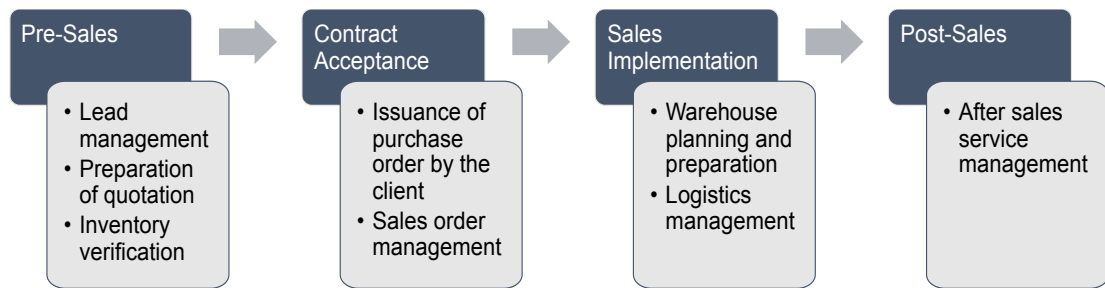
Our client is responsible for sorting, packing and transporting the rented temporary works equipment to our premises upon the completion of temporary works. We will then carry out a condition assessment and a verification of quantities of the returned rented temporary works equipment to determine the quantum of the back charge due to damages or loss, if any.

(iv) Post-contract

Our project contract ends when the delivery of purchased temporary works equipment to the client's project site is completed or when all the components of the rented temporary works equipment are completely returned to our facilities. We will then undertake maintenance and repair, such as cleaning, repairing surface damage and replacement of panels on the returned components to recondition and repurpose the equipment for future projects. For clients that purchase our temporary works equipment, we also offer maintenance, repair and refurbishment of the equipment/products for future projects when requested by our clients. We may also undertake equipment re-utilisation planning with our client, whereby we will determine if the temporary works equipment used in our client's previous project can be re-used and if so, how the temporary works equipment can be adapted to suit our client's next project. We generally warrant the temporary works equipment sold for the performance of the immediate project and a duration of not more than 1 year.

7. BUSINESS OVERVIEW (cont'd)

7.6.2 Trading and distribution of building materials



(i) Pre-sales

Potential leads for our trading and distribution of building materials segment are captured via direct enquiries from contractors and/or project owners, recommendations from project professionals (such as architects and engineers) as well as referrals and invitations from past and existing clients or through tender notices.

When a potential lead is identified, we will engage with them to gather relevant information on the required building materials required for their projects and develop a quotation accordingly. The quotation will be reviewed internally prior to submission to the potential client. We will also carry out inventory verification to determine the availability of building materials required for each quotation.

Under our trading and distribution of building materials segment, we distribute core products, namely engineering wire mesh, perimeter fencing and K21 Mobile House as well as general products, such as floor tiles, sanitary wares, cement, steel bars and Pecaform. Save for engineering wire mesh, we generally maintain inventory for our core products at our facilities. We do not maintain inventory of engineering wire mesh as it is available in standard and custom apertures depending on the needs of the client. For the general products that we distribute, we do not maintain inventory as we will procure them from our suppliers and coordinate for delivery directly to our clients.

(ii) Contract acceptance

Once the building materials and pricing are agreed upon, the client will issue a purchase order to us to confirm the required building materials. After receiving the purchase order from the client, we will carry out sales order management whereby we will procure and prepare the required building materials.

(iii) Sales implementation

For orders of our core products, save for engineering wire mesh, we will proceed to pick, sort and pack the required items in preparation for delivery to our clients. For engineering wire mesh, we undertake scheduling of the engineering wire mesh. This involves detailing the cutting and bending length based on the specifications needed by the client. We then provide the engineering wire mesh schedule to our supplier who will then cut and bend the product in accordance with the detailed specifications. Once the customisation is completed, our supplier will deliver the engineering wire mesh to our customer's specified location.

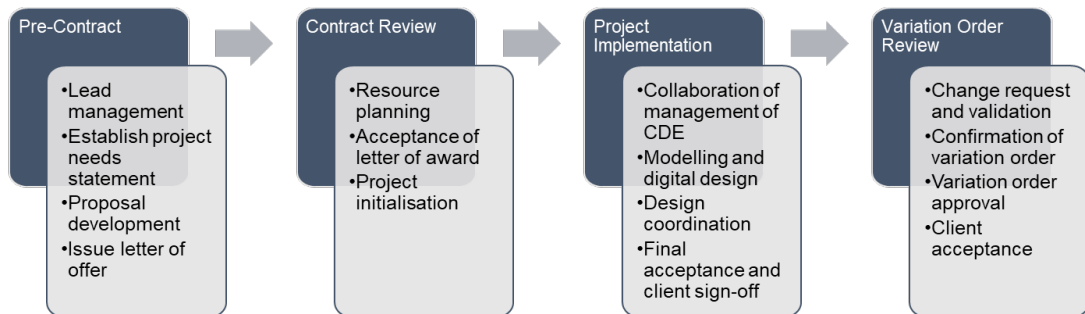
For orders of general products, we will issue a purchase order to our suppliers with details on the required types and quantity of products. Our suppliers will then prepare the products for delivery to our client's project site.

7. BUSINESS OVERVIEW *(cont'd)*

(iv) Post-sales

As a distributor of building materials, we provide after sales service management if required, i.e. re-visit site with client to identify and rectify product issues, hold meeting with clients pertaining to complaint and/or replacement of product if necessary.

7.6.3 DDE Solutions



(i) Pre-contract

We identify potential projects via direct enquiries from project owners and/or contractors, recommendations from project professionals (such as architects and engineers), referrals and invitations from past and existing clients or through tender notices. Once a potential project has been identified, we will commence with an information gathering process based on identified scope of works, which include interviewing the client and project stakeholders with regards to project requirements to formulate the project needs statement. We will then develop the project proposal, which includes the BIM execution plan, based on the project needs statement. There may be further negotiations and discussions with the client in regard to the proposal and scope of works prior to finalisation and the issuance of the letter of offer.

(ii) Contract review

During this stage, we will carry out resource planning to determine and allocate the necessary manpower for the project. We will then accept and sign the letter of award and initiate the start of the project.

(iii) Project implementation

The execution of the project will begin with a kick-off meeting, where we gather project information from other project professionals ranging from architects, engineers, client and builders. We will also create a common data environment to facilitate and manage collaboration between the project professionals.

We will then execute the project into the virtual design and construction phase according to the BIM execution plan, which details the roles and deliverables from each project participants and ensure construction stays on track according to the plan. Generally, we obtain the project design content from the designers and our modelling team will then implement BIM based on the design intent and constructability requirements. The modelling team will then carry out clash analysis on the model to facilitate design coordination with the project team. Clash analysis refers to detection on whether parts of a building are clashing or interfering with one another. Once the BIM model is coordinated satisfactorily, the client will sign off on the design upon final acceptance of the model and design which will then be published for construction.

Over the course of the physical construction implementation, our service to facilitate coordination with BIM continues in order to enrich the information definition of the model based on as-built information. This is to ensure that a digital version, which identically replicates the actual build, is produced at the end of the construction.

7. BUSINESS OVERVIEW *(cont'd)*

(iv) Variation order review

If there are changes to the project after final acceptance and client sign-off, a change request and validation will be issued. Any changes to the design and scope will require the review and approval from project professionals such as architects, engineers, client and builders before it can proceed. The change request will then be confirmed and approved to become part of the updated project design.

Following the execution of the contract, our post contract obligations may include facilitating the project's stakeholders into operational, maintenance and repurposing phases of the built asset with digital information management solutions that link and upkeep the digital information of the build asset.

We are also able to provide clients with professional building condition assessment services, alongside with BIM adoption to prolong the serviceable lifespan of the build asset in compliance with governing authority's requirements, when requested.

7.6.4 PC Solutions



(i) Pre-contract

We identify potential projects via direct enquiries from contractors, recommendations from project professionals (such as architects and engineers) as well as referrals and invitations from past and existing clients. Once a potential lead is identified, our sales team will engage with the potential lead, promoting our services and attending to their queries with regards to their project requirements and the required scope of works. A proposal will then be developed by our team based on the desired scope of works. We will also undertake inventory verification to check that we have the necessary types and amount of lifting and connection accessories required.

(ii) Contract acceptance

The proposal will then be submitted to the client and may be subject to further negotiations and discussions on the proposed solutions. Once the client is satisfied with the proposal, a purchase order will be issued by the client. Depending on the scope of works (such as provision of equipment), we will verify the stock quantity available for the project and if the quantity is below the optimum level, we will procure the additional quantities from our suppliers. During this period, we will also plan our resources for the project, which consist mainly of technical personnel.

(iii) Project implementation

Based on the precast concrete structure design and the production requirements of our client, our team will work together with our client to create a model of the said structure system and each element using virtual design tools such as BIM. Upon finalisation, the model will then be used for design coordination with prefabrication design and detailing generated from constructible BIM model to achieve accurate and efficient production. We will also create shop drawings of the precast concrete elements which provide details on how they shall be manufactured, assembled and installed. In some instances, there may also be design changes to the project due to variation orders. This may affect the types of equipment used or changes to timeline. Any changes to the design and scope will

7. BUSINESS OVERVIEW (cont'd)

require the review and prior approval from project professionals such as project architects, contractors and the client.

For the supply of lifting accessories, our service also includes engineering design and calculation to verify the adequacy of lifting capacity for the selected accessories configuration.

7.7 TECHNOLOGY USED OR TO BE USED

Our Group adopts new technologies to improve project management, coordination and the way construction activities are carried out. As a player offering BIM related services, we utilise a series of design and analytical software applications to deliver these solutions. The table below highlights the material software used in our operations:

Technology	Description/Function
3DS Max / Enscape	Real-time rendering and virtual reality plug-in for architecture, engineering and construction
As-built for Autodesk Revit	Enhancement plug-in to process functionality of scanned data with customised command for modelling and detailing BIM elements
Autodesk BIM360 / Autodesk Construction Cloud	Unified platform and common data environment that manages and facilitates cloud-based workflows, team and data at every stage of construction
Autodesk Collaborate Pro	Design co-authoring and coordination solution that connects to cloud-based worksharing services
Autodesk Navisworks Manage	Comprehensive project review solution that supports coordination, analysis and communication of design intent
Autodesk Recap	Software to process native point cloud data to customise import setting and filter data to manageable sizes to be exported to Revit formats
Autodesk Revit / Civil 3D / Tekla Structure	BIM software that is used to design, engineer and construct multi-discipline 3D virtual models of building and infrastructure-built asset
Faro Focus	Lighting detection and ranging laser scanner to capture accurate, complete and photorealistic 3D representation of any environment or object
Faro Scene	Process and manage scanned data by using real-time, on-site registration, automatic object recognition, scan registration and positioning
Revit Dynamo	A visual programming add-in for Autodesk Revit that enables custom computational design and automation processes
Tekla Structure Designer	Analysis and design software for designing steel and concrete structures

7. BUSINESS OVERVIEW (cont'd)**7.8 MATERIAL INVESTMENT AND DIVESTITURES**

Save as disclosed below, our Group does not have any other material investments and divestitures for the Financial Years/Period Under Review and from 1 June 2023 up to the LPD:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 June 2023 up to the LPD
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Investment costs					
Freehold land and building ⁽¹⁾	-	1,023	10	-	-
Leasehold land	-	-	221	-	-
Leasehold building	-	-	7	-	-
Warehouse building	-	-	171	-	-
Computer and software	94	193	422	74	-
Formwork equipment ⁽²⁾	9,007	10,051	11,996	20,022	9,719
Furniture and fittings	3	10	197	30	-
Motor vehicles	368	-	486	1,613	-
Office and store equipment	99	24	268	30	-
Plant and machinery	371	1	1,065	3	-
Renovation	116	39	271	27	-
Capital work-in-progress ⁽³⁾	965	1,522	695	216	1,444
Total	11,023	12,863	15,809	22,015	11,163
Divestitures proceeds					
Computer and software	-	35	12	-	-
Freehold land and building ⁽¹⁾	110	650	-	-	-
Motor vehicles	195	78	-	96	96
Total	305	763	12	96	96

The above material capital expenditure was for our operations in Malaysia and primarily financed by a combination of bank borrowings and internally generated funds.

Notes:

(1) For the Financial Years/Period Under Review and from 1 June 2023 up to the LPD, our purchase and disposal of freehold land and building is in relation to the properties as follows:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 June 2023 up to the LPD
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Investment costs					
Olak Lempit Land	-	1,023	-	-	-
Kenwingston Square Garden Apartment	-	-	10	-	-
Total	-	1,023	10	-	-
Divestiture Proceeds					
Golden Villa, Klang	110	-	-	-	-
Green Residence, Cheras	-	650	-	-	-
Total	110	650	-	-	-

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7. BUSINESS OVERVIEW (cont'd)

(2) For the Financial Years/Period Under Review and from 1 June 2023 up to the LPD, our purchase of temporary works equipment assets are as follows:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 June 2023 up to the LPD
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Investment costs					
Cross Lock Shoring	1,344	837	1,650	-	2,603
Heavy Duty Modular Shoring	2,828	485	2,973	3,881	3,403
Top/Base beam	-	-	-	-	-
Aluminium Formwork	770	1,334	3,528	3,556	-
Green Formwork	1,359	1,024	772	1,054	-
Deck Formwork	1,270	63	2,909	3,146	695
Self-climbing platform	1,436	5,867	-	8,356	3,018
Others	-	441	164	29	-
Total	9,007	10,051	11,996	20,022	9,719

(3) For the Financial Years/Period Under Review and from 1 June 2023 up to the LPD, the addition of capital work-in-progress as follows:

	FYE 2020	FYE 2021	FYE 2022	FPE 2023	1 June 2023 up to the LPD
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Investment costs					
Temporary stockyard at Olak Lempit Land (Phase 1A)	734	-	-	-	-
Warehouse Olak Lempit	231	378	-	-	-
Construction cost on Olak Lempit Land (Phase 1B, 1C, 1D and Phase 2)	-	1,144	695	216	1,444
Total	965	1,522	695	216	1,444

Kindly refer to Section 12.6.6 of this Prospectus for material commitment of our Group as at the LPD.

7.9 OPERATING CAPACITIES AND OUTPUT

As at the LPD, our Group is not involved in any manufacturing activities. Our capacity and capacity utilisation are limited to the storage of rental assets, which consists of formworks, falseworks and access equipment and solutions. The rental assets are stored at our temporary stockyard with land area of 223,565 sq. ft. at Phase 1A of Olak Lempit Land, where approximately 190,000 sq. ft. is allocated as storage area and the remaining of approximately 33,565 sq.ft. is allocated as workshop. As at LPD, approximately 75% of the apportioned storage area has been occupied. The table below details the rental assets being stored as at the LPD:

Equipment	Unit of measurement	Quantity at temporary stockyard
Crab Lock Modular Shoring, Cross Lock Shoring	tonne	634
Heavy Duty Modular Shoring	tonne	1,079
Aluminium Formwork	square metre	3,970
Green Formwork, Deck Formwork	square metre	11,858
Self-climbing platform	modules	212

7. BUSINESS OVERVIEW *(cont'd)*

The extent of utilisation of the rental assets for the FYE 2022 and as at LPD are as follows:

Equipment	Utilisation rate (%) ⁽¹⁾	
	FYE 2022	As at LPD
Crab Lock Modular Shoring, Cross Lock Shoring	78.52	64.34
Heavy Duty Modular Shoring	72.23	65.43
Aluminium Formwork	58.39	79.44
Green Formwork, Deck Formwork	59.31	76.62
Self-climbing platform	59.43	77.82

Note:

(1) *Estimated utilisation rate derived based on quantity of temporary works equipment rented out to customers compared against the total rental assets owned by our Group.*

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7. BUSINESS OVERVIEW (cont'd)

7.10 TYPES, SOURCES AND AVAILABILITY OF MAJOR RAW MATERIALS AND INPUT

Our purchases comprise of temporary works equipment, building materials and prefabricated products and components. Purchases for our CME Solutions consist of various types of temporary works equipment which are sourced from local and foreign suppliers. We also source for prefabricated components and equipment from suppliers based locally and overseas. The building materials that we purchase are readily available and can be sourced from various suppliers locally.

Over the Financial Years/Period Under Review, the prices of steel-based products are subjected to price fluctuations due to global demand of steel. However, we did not experience any material impact due to the price fluctuations as we are able to pass on the increase in prices to customers. Over FYE 2020 and FYE 2021, the COVID-19 pandemic and the resulting stages of lockdown in the country have disrupted our supply chain. Restrictions on travelling have hampered the receipt of supplies from our suppliers and hindered the delivery to our customers, particularly to those customers that are on the back-to-back arrangement where our suppliers will deliver the ordered equipment/products straight to customers' sites.

The table below lists the major types of raw materials and equipment purchased over the Financial Years/Period Under Review:

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	Value of Purchases (RM'000)	% of Total Group Purchases (%)	Value of Purchases (RM'000)	% of Total Group Purchases (%)	Value of Purchases (RM'000)	% of Total Group Purchases (%)	Value of Purchases (RM'000)	% of Total Group Purchases (%)
CME Solutions								
Self-climbing platform	8,785	11.97	11,390	17.15	15,435	16.11	56	0.15
Aluminium Formwork	90	0.12	936	1.41	1,822	1.90	1,275	3.41
Cross Lock Shoring	1,411	1.92	912	1.37	258	0.27	1	*
Green Formwork	1,776	2.42	684	1.03	2,520	2.63	1,713	4.58
K21 Mobile House	-	-	647	0.97	1,979	2.06	-	-
Heavy Duty Modular Shoring	154	0.21	301	0.45	83	0.09	41	0.11
Others ⁽¹⁾	81	0.11	2	*	250	0.26	94	0.25
Trading and distribution of building materials								
Engineering wire mesh	21,041	28.66	23,862	35.94	24,183	25.24	11,995	32.07
Plywood	9,440	12.86	6,130	9.23	6,986	7.29	3,237	8.65
Steel bars	3,805	5.18	5,520	8.31	8,567	8.94	7,512	20.08
Floor tiles	6,811	9.28	2,820	4.25	3,101	3.24	1,588	4.24
Perimeter fencing	2,084	2.84	1,897	2.86	2,129	2.22	1,069	2.86
Cement	4,216	5.74	1,706	2.57	2,648	2.76	1,539	4.11

7. BUSINESS OVERVIEW (cont'd)

	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	Value of Purchases (RM'000)	% of Total Group Purchases (%)	Value of Purchases (RM'000)	% of Total Group Purchases (%)	Value of Purchases (RM'000)	% of Total Group Purchases (%)	Value of Purchases (RM'000)	% of Total Group Purchases (%)
Trading and distribution of building materials (cont'd)								
Sanitary wares	1,318	1.80	1,640	2.47	5,647	5.89	1,953	5.22
K21 Mobile House	88	0.12	284	0.43	2,561	2.67	380	1.02
Others ⁽²⁾	12,318	16.77	7,012	10.57	16,784	17.52	4,390	11.74
PC Solutions								
Lifting and connection accessories	-	-	659	0.99	868	0.91	565	1.51
Total	73,418	100.00	66,402	100.00	95,821	100.00	37,408	100.00

Notes:

* Negligible.

(1) Comprising cloth tape, steel column formwork and paint materials.

(2) Comprising timber, doors, PVC pipes, roofing products, polyethylene sheets and Pecaform.

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7. BUSINESS OVERVIEW *(cont'd)*

Our purchases of raw materials and equipment are guided by our inventory and procurement policies, which strive to maintain optimum inventory levels for our equipment/products to cater to market demands. We also closely monitor the construction industry and identify trends in the market as part of our planning efforts to maintain optimum inventory level to respond to customers faster, thereby creating a loyal customer base to generate recurrent income.

In addition, the modular nature of some of our equipment/products, particularly IBS solutions, such as Green Formwork, self-climbing platform as well as access equipment, have to be kept at ideal inventory mix as they can also be tailored and fabricated to cater to our customers' unique designs and requirements. The planning and management of a varied inventory mix also takes into consideration the need to replace damaged or older IBS solutions for rental purposes.

7.11 SALES AND MARKETING

Our sales and marketing efforts centralise on the wide array of construction engineering services that span over the entire construction project lifecycle. It is led by our Head of Marketing, Chu Wai Lee, who oversees the sales and marketing efforts of our business segments, including synergising efforts and aligning marketing strategies of all business segments. Each of the business segment is headed by a project team or a sales team that covers the entire project lifecycle. For example, the trading and distribution of building materials segment has a dedicated sales team responsible for developing sales and marketing strategies and direction. We also work closely with customers and suppliers to maintain strong working relationships. Additionally, we actively engage in various sales and marketing initiatives, including participating in trade fairs such as ARCHIDEX, to showcase our products and expand our market presence.

We generally secure our customers via direct enquiries from contractors and/or project owners, recommendations from project professionals, referrals and invitations from past and existing clients or through tender notices, where we participate in calls for tenders from both public and private sectors.

In addition, our working arrangements with industry partners, including regulatory bodies, associations and higher learning institutes also provides us with the platform to increase awareness of our Group and our construction engineering solutions. We also work closely with regulatory bodies to develop industry standards and guidelines for the local construction industry. Our relationship with higher learning institutes allows us to provide prospective industry participants with industry insights to close the gap in industry knowledge, while at the same time increase awareness and interest in BIM and construction engineering solutions.

We also operate a digital marketing framework where we operate, manage and monitor our Group's presence in media including social media and the internet. Our digital marketing efforts include posting schedule of industry articles and insights at regular intervals to create awareness of BIM and our Group.

Our Group also partakes in construction relation trade shows and exhibitions as participants or exhibitors to gain insights into the latest trends and technologies. The table below lists the trade shows and exhibitions participated by our Group in the past three FYEs ended 2020, 2021, 2022 and up to the LPD:

Year	Name of trade shows/ exhibitions/ seminars	Location
2020	World of Concrete 2020	Las Vegas, USA
2021	ARCHIDEX 2021	Virtual exhibition
	Master Builders Association Malaysia Annual Safety & Health Conference 2021	Kuala Lumpur, Malaysia

7. BUSINESS OVERVIEW (cont'd)

Year	Name of trade shows/ exhibitions/ seminars	Location
2021 (cont'd)	Master Builders Association Malaysia Seminar on Enforcement of the Latest Amended Act 446	Selangor, Malaysia
	Export Acceleration Mission (EAM) to Yangon, Myanmar Nov 2021	Hybrid
2022	ACI-MY Annual Concrete Webinar 2022	Virtual exhibition
	IR4.0 Steel and BIM Based Construction Cloud for Construction Industry	Kuala Lumpur, Malaysia
	Workshop on Positioning Malaysia as a Professional Services Hub	Selangor, Malaysia
	MBOT Experts Network in Technology, Innovation and Cooperative Event	Kuala Lumpur, Malaysia
	"Back to Basic" Engineering in Heritage Building Conservation	Melaka, Malaysia
	Integrated Digital Delivery (IDD) Solution Webinar	Virtual
	Engineering & Construction Technology Services Forum Exhibition & Business Matching, Timor Leste	Timor Leste
	BAUMA (International Trade Fair for Construction Machinery, Building Material Machines, Mining Machines, Construction Vehicles and Construction Equipment)	Munich, Germany
	PAM BIM Summit 2022	Kuala Lumpur, Malaysia
Workshop on ' <i>Pemeriksaan OSHCIM – Pembangunan Pangkalan Data Amalan Terbaik Keselamatan Dan Kesihatan Rekabentuk Dan Pendigitalan Analisis Risiko</i> ' by DOSH	Selangor, Malaysia	
2023	ARCHIDEX 2023	Kuala Lumpur, Malaysia
	VIETBUILD 2023	Ho-Chi-Minh, Vietnam
	Construction Indonesia	Jakarta, Indonesia

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7. BUSINESS OVERVIEW (cont'd)**7.12 MAJOR CUSTOMERS OF OUR GROUP**

The table below sets out our Group's top five customers for each of the Financial Years/Period Under Review:

FYE 2020

No.	Name	Country	Types of equipment/products supplied	Revenue contribution (RM'000)	% of total revenue (%)	Length of relationship (Years)
1.	Eng Han Engineering Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	2,958	2.60	6
			(ii) Distribution of building materials (engineering wire mesh and plywood)	4,835	4.25	
				7,793	6.85	
2.	China State Construction Engineering (M) Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	4,701	4.13	6
			(ii) Distribution of building materials (engineering wire mesh and other general products)	2,529	2.22	
				7,230	6.35	
3.	Orangebeam Construction Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	1,301	1.14	7
			(ii) Distribution of building materials (engineering wire mesh)	3,936	3.46	
				5,237	4.60	
4.	CRSM Construction (M) Sdn. Bhd.	Malaysia	(i) Rental of temporary works equipment	2,192	1.93	2
			(ii) Distribution of building materials (ceramic tiles and engineering wire mesh)	2,824	2.48	
				5,016	4.41	
5.	AVE Engineering Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	4,147	3.64	1
			(ii) Distribution of building materials (plywood and other general products)	67	0.06	
				4,214	3.70	
				29,490	25.91	

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7. BUSINESS OVERVIEW (cont'd)**FYE 2021**

No.	Name	Country	Types of equipment/products supplied	Revenue contribution (RM'000)	% of total revenue (%)	Length of relationship (Years)
1.	Orangebeam Construction Sdn. Bhd.	Malaysia	(i) Rental of temporary works equipment	152	0.14	8
			(ii) Distribution of building materials (engineering wire mesh and perimeter fencing)	9,007	7.99	
			(iii) Provision of BIM services	150	0.13	
				9,309	8.26	
2.	Alphazen Contract Sdn. Bhd.	Malaysia	(i) Sales of temporary works equipment	3,698	3.28	4
			(ii) Distribution of building materials (engineering wire mesh, cement and plywood)	4,375	3.88	
				8,073	7.16	
3.	Taghill Projects Sdn. Bhd.	Malaysia	(i) Sales of temporary works equipment	7,796	6.92	6
			(ii) Distribution of building materials (other general products)	13	0.01	
				7,809	6.93	
4.	Fajarbaru Builder Sdn. Bhd.	Malaysia	Sales and rental of temporary works equipment	7,546	6.70	1
5.	Grand Dynamic Builders Sdn. Bhd.	Malaysia	(i) Rental of temporary works equipment	1,151	1.02	7
			(ii) Distribution of building materials (engineering wire mesh and plywood)	4,914	4.36	
				6,065	5.38	
				38,802	34.43	

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

No.	Name	Country	Types of equipment/products supplied	Revenue contribution (RM'000)	% of total revenue (%)	Length of relationship (Years)
1.	Siab Group of Companies* <i>* Consist of Siab Construction Sdn. Bhd. and Siab (M) Sdn. Bhd., the subsidiaries of Siab Holdings Berhad</i>	Malaysia	(i) Sales and rental of temporary works equipment	4,032	2.55	3
			(ii) Distribution of building materials (engineering wire mesh, steel bars and other general product)	12,296	7.78	
				16,328	10.33	
2.	Eng Han Engineering Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	9,236	5.84	8
			(ii) Distribution of building materials (K21 Mobile House, engineering wire mesh, steel bars and plywood)	4,751	3.01	
			(iii) Provision of BIM services	46	0.03	
				14,033	8.88	
3.	Beaks Construction Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	9,567	6.05	Less than 1 year
			(ii) Distribution of building materials (K21 Mobile House and steel bars)	1,168	0.74	
				10,735	6.79	
4.	Orangebeam Construction Sdn. Bhd.	Malaysia	(i) Rental of temporary works equipment	703	0.44	9
			(ii) Distribution of building materials (engineering wire mesh)	9,219	5.83	
			(iii) Provision of BIM services	21	0.01	
				9,943	6.28	
5.	Pembinaan Tuju Setia Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	5,007	3.17	6
			(ii) Distribution of building materials (engineering wire mesh, K21 Mobile House and cement)	3,428	2.17	
				8,435	5.34	
				59,474	37.62	

7. BUSINESS OVERVIEW (cont'd)**FPE 2023**

No.	Name	Country	Types of equipment/products supplied	Revenue contribution (RM'000)	% of total revenue (%)	Length of relationship (Years)
1.	Siab Group of Companies*	Malaysia	(i) Rental of temporary works equipment	2,355	3.76	4
			(ii) Distribution of building materials (engineering wire mesh, steel bars, plywood and other general product)	6,611	10.57	
	<i>* Consist of Siab Construction Sdn. Bhd. and Siab (M) Sdn. Bhd., the subsidiaries of Siab Holdings Berhad</i>			8,966	14.33	
2.	Orangebeam Construction Sdn. Bhd.	Malaysia	(i) Rental of temporary works equipment	1,336	2.13	10
			(ii) Distribution of building materials (engineering wire mesh)	4,334	6.93	
			(iii) Provision of BIM services	23	0.04	
				5,693	9.10	
3.	Eng Han Engineering Sdn. Bhd.	Malaysia	(i) Sales and rental of temporary works equipment	2,557	4.09	9
			(ii) Distribution of building materials (engineering wire mesh, K21 Mobile House, steel bars, plywood and other general product)	2,547	4.07	
			(iii) Provision of BIM services	21	0.03	
				5,125	8.19	
4.	Nestcon Builders Sdn Bhd	Malaysia	(i) Sales and rental of temporary works equipment	2,244	3.59	6
			(ii) Distribution of building materials (engineering wire mesh and sanitary wares)	1,798	2.87	
				4,042	6.46	
5.	Alphazen Contract Sdn Bhd	Malaysia	(i) Distribution of building materials (engineering wire mesh, cement, ceramic tiles, sanitary wares and other general product)	2,515	4.02	6
				2,515	4.02	
				26,341	42.10	

Over the Financial Years/Period Under Review, our Group is not dependent on any of our major customers listed in the table above due to the nature of our business where our solutions are provided on purchase order basis or per project basis and as such, our composition of major customers will differ from year to year. Further, we are currently serving a wide network of 297 customers as at the LPD which include property developers, building owners, contractors, builders, EPCC companies as well as professional services consultants.

7. BUSINESS OVERVIEW (cont'd)**7.13 MAJOR SUPPLIERS OF OUR GROUP**

The table below sets out our Group's top five suppliers for each of the Financial Years/Period Under Review.

FYE 2020

No.	Name	Country	Types of equipment/products purchased	Purchase value (RM'000)	% of total purchase (%)	Length of relationship (years)
1.	Southern Steel Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh and steel bars)	10,609	14.45	8
2.	Nanyang Lingyu	China	Temporary works equipment	8,297	11.30	2
3.	CHRS Samawira Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	5,319	7.24	4
4.	Besgrade Plywood Sdn. Bhd.	Malaysia	Building materials (plywood)	4,454	6.07	8
5.	Metex Steel Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	3,473	4.73	1
				32,152	43.79	

FYE 2021

No.	Name	Country	Types of equipment/products purchased	Purchase value (RM'000)	% of total purchase (%)	Length of relationship (years)
1.	Southern Steel Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh and steel bars)	13,065	19.68	9
2.	Nanyang Lingyu	China	Temporary works equipment	6,230	9.38	3
3.	CHRS Samawira Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	5,748	8.66	5
4.	Klang Valley Wire Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	4,562	6.87	5
5.	Besgrade Plywood Sdn. Bhd.	Malaysia	Building materials (plywood)	3,696	5.56	9
				33,301	50.15	

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

No.	Name	Country	Types of equipment/products purchased	Purchase value (RM'000)	% of total purchase (%)	Length of relationship (years)
1.	Nanyang Lingyu	China	Temporary works equipment	11,922	12.45	4
2.	Southern Steel Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	10,100	10.54	10
3.	CHRS Samawira Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	8,749	9.13	6
4.	Industrial Concrete Products Sdn. Bhd.	Malaysia	Building materials (other general products)	8,129	8.48	2
5.	Klang Valley Wire Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	6,949	7.25	6
				45,849	47.85	

FPE 2023

No.	Name	Country	Types of equipment/products purchased	Purchase value (RM'000)	% of total purchase (%)	Length of relationship (years)
1.	Southern Steel Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	5,358	14.32	11
2.	CHRS Samawira Mesh Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	4,141	11.07	7
3.	NBH Marketing Sdn. Bhd.	Malaysia	Building materials (steel bars)	3,167	8.47	8
4.	Besgrade Plywood Sdn. Bhd.	Malaysia	Building materials (plywood)	2,428	6.49	11
5.	Klang Valley Wire Sdn. Bhd.	Malaysia	Building materials (engineering wire mesh)	2,025	5.41	7
				17,119	45.76	

During the Financial Years/Period Under Review, we have 3 suppliers that contributed more than 10.00% of our Group's total purchases, namely CHRS Samawira Mesh Sdn. Bhd., Nanyang Lingyu and Southern Steel Mesh Sdn. Bhd.. We mainly source building materials such as engineering wire mesh, from CHRS Samawira Mesh Sdn. Bhd.; engineering wire mesh and steel bars from Southern Steel Mesh Sdn. Bhd. and temporary works equipment namely self-climbing platform from Nanyang Lingyu. We believe that despite the value of purchases from CHRS Samawira Mesh Sdn. Bhd. and Southern Steel Mesh Sdn. Bhd., the products sourced are general products that we are able to source from other suppliers in the market. The temporary works equipment purchased from Nanyang Lingyu comprised solely self-climbing platform which we may also source from other suppliers.

The table below shows the number of panel suppliers that have supplied our Group with self-climbing platform, engineering wire mesh and steel bars in the past:

Types of equipment/products purchased	As at LPD	
	No. of local suppliers	No. of oversea suppliers
Self-climbing platform	-	3
Engineering wire mesh	10	-
Steel bars	9	-

7. BUSINESS OVERVIEW *(cont'd)*

We are not dependent on any of our major suppliers as we are able to source the same equipment/products from alternative suppliers. We have been sourcing the equipment/products from these major suppliers over the Financial Years/Period Under Review taking into account the terms of purchases, the good relationships built over the years and their familiarity with our requirements.

7.14 R & D

Our Group does not have a dedicated research and development department. We have not conducted any research and development activities, either on our own or in collaboration with our customers.

7.15 INTERRUPTIONS TO BUSINESS AND OPERATIONS

Save as disclosed below, we have not experienced any interruptions that had a significant effect on our operations during the past 12 months preceding the LPD:

7.15.1 Impact of COVID-19 pandemic on our operations

COVID-19 was declared a pandemic by the Director General of the World Health Organisation on 11 March 2020. The Government then announced the imposition of a MCO that began on 18 March 2020 for a period of 2 weeks which was subsequently extended to 4 May 2020 (“**MCO 1.0**”).

(i) **MCO 1.0, Conditional MCO (“CMCO”) and Recovery MCO (“RMCO”)**

During MCO 1.0, all businesses were required to temporarily suspend operations, except for essential services such as healthcare, food and beverage and manufacturing of essential goods. The CMCO was then imposed from 5 May 2020 until 9 June 2020 followed by the RMCO from 10 June 2020 until 31 December 2020.

During these periods, our business operations were interrupted as the construction industry was not classified as an essential service. Due to the nature of our business, we were required to temporarily suspend our operations during the MCO. We gradually resumed our operations over the CMCO to RMCO period as we obtained approvals from MITI to operate with varying workforce capacity.

(ii) **Subsequent MCO, FMCO and National Recovery Plan (“NRP”)**

The Government imposed a second MCO in selected states from 13 January 2021 to 5 March 2021. Due to the increased number of COVID-19 cases in the country, the Government imposed another MCO nationwide beginning 12 May 2021. Subsequently, a FMCO was imposed effective from 1 June 2021, where all social and economic activities would not be allowed to operate, with exemptions provided to certain industries deemed as essential services. We gradually resumed our operations over the subsequent MCO to FMCO period as we obtained approvals from MITI to operate with varying workforce capacity.

The Government then announced the transition from FMCO to NRP from 15 June 2021, which is a 4-phase strategy for Malaysia to emerge from the COVID-19 pandemic with each state being categorised under corresponding phases according to severity of COVID-19 cases. We continued to operate throughout the 4 phases of the NRP with different production workforce during each phase of the NRP as dictated by MITI.

7. BUSINESS OVERVIEW (cont'd)**(iii) "Transition to endemic" phase**

The Government had announced that beginning 1 April 2022 Malaysia would transit from the NRP into the "transition to endemic" phase whereby restrictions have been further eased. This includes abolishing limits on workforce capacity, allowing interstate travel for all as well as abolishing restrictions on business hours. We have continued to operate in accordance with the regulations set out by the Government.

(iv) Measures to commence and continue our business operations

In order to be able to continue our business operation, we have put in place various SOPs to address the risk arising from the COVID-19 pandemic, which comprise the following steps, as and when required by the regulatory authorities:

- (a) Providing hand sanitizers at the entrance and other frequently used common areas around the premises such as office, lobbies and warehouse;
- (b) Disinfecting the premises daily including primary vehicles like employees' transportation and delivery vehicles; and
- (c) Implemented internal policies, namely COVID Response Plan and MCO Work Schedule Planning that set forth the action plans to be taken in the event COVID-19 cases are detected amongst our employees.

(v) Impact of COVID-19 on our supply chain

During the various lockdown measures imposed in FYE 2020 and FYE 2021, our supply chain was interrupted. The restriction on travelling has reduced the frequency of delivery of supplies, especially for back-to-back orders where equipment/products are delivered directly from our suppliers to customers.

Further, the tightened control to enter construction sites also resulted in reduced frequency of delivery trips per day as the loading and unloading processes were prolonged. Despite the interruption in our supply chain, we did not experience material adverse impact to our delivery and receipt of supplies from our suppliers.

(vi) Impact of COVID-19 on our financial position

The restrictions faced by the construction industry during the various lockdown stages in the country led to slowdown of the industry in 2020 and 2021. We operate within the construction industry value chain and interruptions have resulted in lower revenue for FYE 2020, where our Group revenue dropped by 40.14% compared to FYE 2019. Our Group revenue dropped marginally in FYE 2021 by 0.10% compared to FYE 2020. As our business are generally conducted on purchase order basis or short-term supply contract over a project's duration, delays in construction activities have resulted in smaller orders from our customers.

To comply with the SOPs imposed since 18 March 2020 and up until LPD, our Group has incurred expenses of approximately RM0.15 million in aggregate which includes the purchase of sanitizers, disinfectants, sanitising machine, temperature checking equipment as well as COVID-19 testing costs. We have received Government incentives of RM0.48 million in aggregate in relation to the wage subsidy programs.

(vii) Impact of COVID-19 on our employees and workers

Over the various stages of lockdown in the country, our operations were interrupted due to employees testing positive for COVID-19. Our operations at the workshop and warehouse were suspended twice, from 29 June 2021 to 5 July 2021 and from 5 October 2021 to 18 October 2021 respectively, when our workers were found to have been infected with COVID-19. Workers who tested positive are required to be quarantined at designated centres or isolated area at the workers' quarters. Despite the COVID-19 cases recorded, our operations were not materially disrupted.

7. BUSINESS OVERVIEW (cont'd)**7.16 SUBSTITUTE PRODUCTS**

The temporary works equipment that we provide to our clients are generally made of steel and aluminium and can be substituted by other forms of temporary works equipment made of different materials. This includes formwork made of timber and plywood, plastic and even fabric as well as falsework made of timber. Similarly, our self-climbing platform can be substituted by traditional work platforms that need to be manually raised or utilise materials such as fabric to provide the protective screen. Nevertheless, the type of temporary formwork equipment that we provide to our clients are favourable due to its modular nature, reusability and durability as well as ease of use. Our self-climbing platform is also easy to use and provide greater safety to the construction personnel utilising it. As such, we believe that there are no equipment that can fully substitute the formwork and falsework equipment that we provide to our clients. On the other hand, due to the vast differences in types of building materials used in the construction industry, the building materials that we distribute can be substituted by various other types of building materials, depending on the needs and specifications of our clients' projects. For example, our perimeter fencing which is made from metal can be substituted by fences made of wood. The ceramic floor tiles that we distribute can be substituted by floor tiles made of other materials such as marble, granite or even timber flooring. The building materials that we distribute may also be substituted with similar products from different brands in the event that our clients have specific preferences.

7.17 FUTURE PLANS AND STRATEGIES**7.17.1 Expanding our CME Solutions segment**

Moving forward, we intend to leverage on our core competencies and strengths to expand our operations in the CME Solutions segment by making further investments in acquiring temporary works equipment to bolster our assets to support our rental of these equipment.

We intend to increase our investments in temporary works asset by purchasing additional units of temporary works equipment to grow the rental segment of CME Solutions. The increased number of temporary works equipment will enable us to cater for future demands of these equipment/products as construction activities are expected to be boosted from the Government-led initiatives such as levy exemptions to increase the adoption of IBS.

We have allocated RM8.00 million or approximately 21.55% of the total gross proceeds from the Public Issue to fund the purchase of additional temporary works equipment and we expect to implement the plan within 24 months from our Listing. The table below lists the types of temporary works equipment to be acquired:

No.	Components	Unit of measurement	Quantity	RM'000
1.	Self-climbing platform	modules	300	6,000
2.	Falsework equipment	tonne	160	1,000
3.	Formwork equipment	square metre	1,500	1,000
				8,000

The description of the temporary works equipment we intend to purchase are set out in Section 7.2.1 (a), (b) and (c) of this Prospectus.

As at the LPD, the temporary works equipment owned by our Group are as follows:

Equipment	Unit of measurement	Quantity
Self-climbing platform	modules	956
Falsework	tonne	4,900
Formwork	square metre	70,030

7. BUSINESS OVERVIEW *(cont'd)*

As stated in Section 4.7.1 (note 1) of this Prospectus, the quantities of the temporary works equipment that we intend to purchase are based on the current requirements of our Group. The quantities may vary among the components depending on the specific project needs and requirement at the (actual) time of utilization. Assuming we purchase the temporary works equipment based on the quantity as mentioned above, our assets of self-climbing platform, falsework equipment and formwork equipment will increase by 31.38%, 3.27% and 2.14% respectively.

By increasing the units and modules of temporary works equipment, we would be better equipped to supply more equipment/products to more projects concurrently as well as to supply equipment/products to construction projects that are larger in magnitude and value. Furthermore, by increasing our assets of temporary works equipment, we would be able to supply equipment to a larger base of customers and ensure timely delivery of equipment/products. The allocation to purchase self-climbing platform assets is to cater for upcoming projects, including those which have been secured as stated in Section 7.2.1(e) of this Prospectus.

Further information on our utilisation of proceeds is available in Section 4.7.1 (Note 1) of this Prospectus.

7.17.2 Venture upstream into the manufacturing of falsework equipment

We intend to venture upstream into the manufacturing of falsework equipment to bolster our assets to support our trading and rental of the falsework equipment. Our intention to venture upstream stems from the following factors:

- To improve quality control of the equipment produced;
- To improve and have better control of production schedule and efficiencies; and
- To obtain greater control of supply chain management.

Within short to medium term (1 to 3 years), our strategy is to expand into the manufacturing of falsework equipment with an aim to increase our Group's competitiveness in the industry. We will pursue any required extension and/or amendment of our current manufacturing licensing scope to include the manufacturing of temporary works equipment concurrent with the construction of our facility at the Olak Lempit Land (to begin in the middle of 2023) but prior to the commencement of our Group's production of falsework equipment (estimated to begin at the end of 2024). We optimise the aforementioned timeline as and when required based on our priority of activities and the licence processing time.

We have identified three equipment that we intend to manufacture once our manufacturing facility is ready, which include Heavy Duty Modular Shoring, Crab Lock Modular Shoring as well as aluminium telescopic adjustable props which can be used in Deck Formwork and Green Formwork. We have a planned production capacity of approximately 250 tonnes of Heavy Duty Modular Shoring per month, approximately 200 tonnes of Crab Lock Modular Shoring per month and approximately 2,500 pieces of aluminium telescopic adjustable props per month, based on 2 shifts per day, 8 hours per shift and is expected to be carried out at our proposed new factories as described in Section 7.17.3 below.

We intend to first start with the manufacturing of the Heavy Duty Modular Shoring due to the current market demand for this falsework equipment.

7. BUSINESS OVERVIEW *(cont'd)*

We have devised a series of activities to be carried out before the initiation of operations at our proposed manufacturing plant as summarised in the table below:

Activities	Description	Targeted completion	Estimated costs (RM'000)
Training of team leaders	Key personnel identified to head the production and manufacturing operation will be sent to Wan Technology's facility to undergo production and plant operation related trainings.	First quarter of 2024	⁽¹⁾ 13
Acquisition of required machinery	We began acquiring the related machinery in 2022 and have acquired stamping, jointing, welding and cutting machines. Additional machinery to be acquired include robotic arms and surface treatment system. The purchased machineries are currently kept idle.	Second quarter of 2024	⁽²⁾ 6,100
Set up of machinery and training of personnel	A team from Wan Technology will be invited to set up the machinery and test the production lines for Heavy Duty Modular Shoring, Crab Lock Modular Shoring and aluminium telescopic adjustable props at the manufacturing plant with the acquired machinery. We will also initiate the hiring of skilled workers and provide training relevant to our production processes at the manufacturing plant.	Third quarter of 2024	⁽³⁾ 98

Notes:

- (1) *The estimate cost including the flights, accommodation and meals allowance of our trainees.*
- (2) *The estimate cost is based on quotations and/or reference price of the machineries.*
- (3) *The estimate cost including the attendees' fee, flights, accommodation and meals allowance of the representatives from Wan Technology.*

The estimated costs above will be funded via internally generated funds and/or bank borrowings.

The availability of an in-house manufacturing arm supported by experienced engineers enables our Group to be involved in every step of the manufacturing process, from conceptualisation to design, to prototyping and manufacturing, thus could ensure equipment produced comply with stringent international standards while possibly reducing the time to market of new equipment.

In order to realise our plan to venture upstream, we plan to develop our facility on our Olak Lempit Land, as described below in Section 7.17.3 of this Prospectus.

7. BUSINESS OVERVIEW (cont'd)

7.17.3 Development of our facility on the Olak Lempit Land

Our manufacturing facility will be constructed at the Olak Lempit Land to better utilise the capacity as well as the site plan of our existing operations, i.e., warehousing and workshop. The total land area of Olak Lempit Land is 801,911 sq. ft. which include 223,565 sq. ft. of Phase 1A that our Group is currently occupying as workshop and stockyard of rental assets for temporary works equipment. The expansion into the manufacturing segment involves:

- (i) the construction of 2 new factories where we will manufacture and warehouse the manufactured falsework equipment (Factory 1), as well as a centre for refurbishment, storage and logistics centre of rental temporary works equipment (Factory 2); and
- (ii) the construction of centralised labour quarters to accommodate existing and new workers to be hired for our manufacturing and refurbishment activities as well as to improve the living conditions of our workers.

The factory will be developed in three phases and will include the following:

Phase	Description	Estimated Built-up area (sq. ft.)	*Estimated Construction Cost (RM'000)	Intended Usage
Factory 1	2-storey office and single storey factory	117,800	16,863	Manufacturing of new falsework equipment and warehousing of raw materials and finished goods
Factory 2	2-storey office and single storey factory	111,600	15,921	Refurbishment, storage and logistic centre of rental temporary works equipment
Centralised labour quarters	2 blocks of 5-storey workers dormitory	45,208	6,496	Dormitory for workers
		274,608	39,280	

Note:

* Based on PLYTEC's estimated cost.

We have also allocated a land area of 42,571 sq. ft. adjacent to Factory 2 as open stockyard for storage of rental assets for temporary works equipment.

The estimated timeline of construction for our new factories and centralised labour quarters is as follows:

Milestones	Estimated Timeframe		
	Factory 1	Factory 2	Centralised labour quarters
Commencement of construction	June 2023	June 2023	June 2023
Completion of construction	May 2024	May 2024	May 2024
CCC obtained	September 2024	September 2024	September 2024
Installation / Relocation of machinery and equipment to new factories and commencement of operations	October 2024	November 2024	October 2024

7. BUSINESS OVERVIEW (cont'd)

The construction of the factories and centralised labour quarters is expected to be carried out in stages and is expected to cost RM39.28 million. We intend to allocate RM7.80 million or approximately 21.01% of the total gross proceeds from the Public Issue to part finance the construction cost. The construction of new factories, centralised labour quarters as well as the allocation of land area for open stockyard adjacent to proposed Factory 2 is expected to take up a total land area of 578,346 sq. ft. on the Olak Lempit Land.

The total construction cost of the factories and centralised labour quarters is estimated at approximately RM39.28 million. For clarity, we have fully secured bank borrowings from Al Rajhi Bank for the remaining construction cost of RM31.48 million. In the event the allocated proceeds are insufficient for the construction of the new factories and centralised labour quarters, the shortfall will be funded via a combination of our Group's internally generated funds and/or bank borrowings.

Further information on our utilisation of proceeds is available in Section 4.7.1 (note 3) of this Prospectus.

7.17.4 Investments in operational software

In line with our future expansion strategies, we intend to invest in operational software to support the digital transformation of our back-end operations to increase our operational efficiency. With the move into manufacturing, we intend to upgrade our system to an integrated ERP system that enables integration of multiple departments of our Group, facilitating the planning and use of resources in our organisation. The integrated nature of the proposed system is also expected to facilitate the streamlining of our processes, eliminate redundant processes through automation as well as centralise critical data which enhances planning and reporting activities. We intend to allocate RM1.20 million or 3.23% of the total gross proceeds from the Public Issue to fund the purchase and implementation of the ERP system within 24 months from our Listing.

We have appointed a third-party vendor on 2 February 2023 to manage the implementation of the ERP system in our Group and we are in the business process mapping phase of the implementation. This phase entails a comprehensive analysis and documentation of our existing operational process which will then be aligned with the functionalities offered by the ERP system.

Further information on our utilisation of proceeds is available in Section 4.7.1 (note 4) of this Prospectus.

7.17.5 Continuous development of DDE Solutions segment

We intend to strengthen our foothold in the DDE Solutions segment by expanding our capacity and capability in terms of human capital and relevant digital systems. It is our fastest growing segment in FYE 2021 and we expect the growing demand to continue given the encouragement by the Government as well as increasingly complex and interconnected construction projects.

We aim to increase our knowledge workers, particularly those with qualifications and skillsets to be trained and developed as part of our expansion in this area.

We intend to gradually and selectively recruit BIM Modelers and BIM Coordinator are set out below:

Functions	Number of personnel
BIM Modeler (civil structure and architecture)	3
BIM Modeler (mechanical, electrical and process)	6
BIM Coordinator	1
Total	10

7. BUSINESS OVERVIEW *(cont'd)*

The additional employees will increase our salary expenditure by an estimated RM0.60 million per annum.

In addition to the above, we intend to allocate RM75,000 for the training of existing personnel to equip them with latest practices in the industry. We plan to provide 5 existing qualified employees with CIDB training, with the view of attaining the certification as BIM Coordinator and another 2 as BIM Manager. The certified BIM Coordinator have the prospect of being promoted to BIM Manager with further training and extended works experience.

The increase in salary expenditure and training cost as mentioned above shall be funded by internally generated funds.

In order to support the expansion, we plan to purchase new additional BIM software license and renew the existing ones. This also includes purchase of hardware equipment such as laptops. RM0.80 million or 2.15% of the total gross proceeds from the Public Issue will be allocated for this purpose.

We expect to utilise the proceeds to renew the existing licences in stages, in accordance with their respective expiry dates within 18 months upon Listing. Additionally, the procurement of new BIM software licences and hardware equipment is expected to take place upon hiring of ten (10) new employees within 24 months from our Listing.

Further information on our utilisation of proceeds is available in Section 4.7.1 (note 4) of this Prospectus.

7.18 PROSPECTS OF OUR GROUP

According to the IMR report, the construction industry in Malaysia was valued at RM50.89 billion in 2021, a decline of 5.08% compared to the previous year as a result of a challenging environment due to resurgence of COVID-19 across the country. The construction industry in Malaysia rebounded in 2022, growing by 5.02% to RM53.44 billion, supported by robust non-residential buildings and specialised construction activities. Improvements in private investment and stronger domestic economic activities had also spurred the demand for industrial buildings. Besides that, the performance of the local construction industry was also supported by the acceleration of infrastructure projects such as the Rapid Transit System (“RTS”) Link and the East Coast Rail Link (“ECRL”). In 2022, the share of the real estate construction market as well as the civil engineering and special trade work market in the local construction industry stood at 45.37% and 54.63% respectively

As outlined in the revised Budget 2023 (“**Belanjawan MADANI**”), the allocation for development expenditure stands at RM99.00 billion (inclusive of RM2 million as contingency savings), the largest ever, is expected to drive growth in the local construction industry. Meanwhile, the Malaysian Government’s focus on home ownership remains evident in Belanjawan MADANI. On-going initiatives include the development of New Program Perumahan Rakyat (“PPR”) projects, with an allocation of RM367 million, and the Rumah Mesra Rakyat programme, which involves the construction of 4,250 housing units with an allocation of RM358 million. In addition, Syarikat Jaminan Kredit Perumahan is prepared to extend government guarantees of up to RM5 billion in loan value in 2023, specifically to assist borrowers without fixed incomes. Besides that, the Malaysian Government continues to offer stamp duty exemptions for first-time homeownership. This entails a complete exemption for homes valued at RM500,000 and below, and a 75% exemption for homes valued between RM500,000 and RM1 million, further incentivising home ownership.

However, stringent policies imposed on the property market by the Government and deteriorating property overhang situation are expected to reduce growth in the property market. It is a key source of demand for construction activities although this is expected to be cushioned by ongoing efforts by the Government in providing housing for all such as the removal of the real property gain tax for Malaysian individuals after the sixth year as well as various affordable housing programs. Changing lifestyle trends are expected to prompt developers into

7. BUSINESS OVERVIEW (cont'd)

reconsidering the type of projects they undertake in the future. As online platforms gradually takeover brick and mortar spaces and more companies adopt for work from home concepts, developers may opt to construct more residential buildings to cater for the growing population.

On the supply side, the industry is expected to be boosted by efforts from industry bodies such as CIDB and Master Builders Association Malaysia by providing necessary leadership in spearheading the development of the local construction industry as well as raising profile and pushing for the betterment of the construction industry in Malaysia. In addition, the introduction of the Construction Industry Payment and Adjudication Act (CIPAA) has also served as a strengthened mechanism to address payment disputes and facilitate adjudication within the industry. However, the Malaysian construction industry is expected to be hampered by labour shortage and high dependency on foreign workers as well as the lack of traction in the adoption of IBS construction.

Protégé projects the size (revenue) of the construction industry in Malaysia to expand at a CAGR of 4.09% from RM55.63 billion in 2023 to RM65.31 billion in 2027. In particular, the civil engineering and specialised trade works market is expected to reach RM31.72 billion in 2023 and grow at a CAGR of 5.87% to RM38.83 billion in 2027.

7.19 EMPLOYEES

As at the LPD, we employed a total workforce of 235 employees, of which 135 are local employees while 100 are foreign workers. Amongst the 235 employees, 97 are contractual employees and 138 are permanent employees.

The breakdown of our Group's workforce as at FYE 2022 and as at the LPD is as follows:

Designation / Department	As at FYE 2022			As at LPD		
	Local	Foreign	Total	Local	Foreign	Total
Permanent employees						
Executive Directors	3	-	3	3	-	3
Senior Management	6	1	7	5	1	6
Managerial	17	-	17	17	-	17
Engineer	30	1	31	28	1	29
BIM Modeler	16	-	16	16	-	16
Project Management	14	1	15	15	1	16
Coordinator	8	-	8	8	-	8
Executive	19	-	19	22	-	22
Sales	4	-	4	4	-	4
IT	2	-	2	2	-	2
Accountant	1	-	1	1	-	1
Supervisor	4	-	4	4	-	4
Driver	10	-	10	10	-	10
Contractual employees						
General Worker	-	63	63	-	97	97
Total	134	66	200	135	100	235

As at the LPD, local employees accounted for approximately 57.45% of our total workforce while the remaining 42.55% are foreign employees from Myanmar, Bangladesh and People's Republic of China. All our foreign employees have valid working permits and/or documentations such as passports and entry visas. As at the LPD, we provide accommodations for our foreign employees at Puchong Land 2 and Olak Lempit Land and all of the accommodations provided to the employees of our Group have been issued with a COA.

As at the LPD, none of our employees are members of any labour union and there has not been any incidences of industrial disputes involving our Group and our employees.

7. BUSINESS OVERVIEW *(cont'd)***Impact of the implementation of the Employment (Amendment) Act 2022 on our Group**

The Employment (Amendment) Act 2022 (“**Employment (Amendment) Act**”) has come into force on 1st January 2023 and introduces a number of amendments to the Employment Act 1955 (“**Employment Act**”) for the purpose of increasing and improving the protection and welfare of employees and ensuring that Malaysian labour law provisions are in accordance with international labour standards. The key amendments to the Employment (Amendment) Act include (i) the extension of maternity leave allocations from 60 days to 98 days, (ii) reduced weekly working hours from 48 to 45 hours, (iii) a seven-day paternity leave for married male employees, (iv) flexible working arrangement, (v) prohibition of discrimination in employment and forced labour and (vi) a notice to raise awareness on sexual harassment. We do not anticipate that our Group’s business operations or financial performance will be materially affected by the need to comply with the amendments introduced by the Employment (Amendment) Act.

7.20 EXCHANGE CONTROLS

All corporations in Malaysia are required to adopt a single-tier dividend. All dividends distributed by Malaysian resident companies under a single tier dividend are not taxable. Further, the Government does not levy withholding tax on dividend payment. Therefore, there is no withholding tax imposed on dividends paid to non-residents by Malaysian resident companies. There is no Malaysian capital gain tax arising from the disposal of listed shares.

As at the date of this Prospectus, we do not have any foreign subsidiary or associated company which requires repatriation of capital and remittance of profits by or to our Group. Our non-resident shareholder may receive and repatriate income earned in the form of dividends from Malaysia. The foreign exchange rules allow non-residents to repatriate funds from Malaysia, including any income earned or proceeds from divestment of ringgit asset, provided that the repatriation is made in foreign currency and the conversion of ringgit into foreign currency is undertaken in accordance with the foreign exchange rules.

7.21 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS, INTELLECTUAL PROPERTY RIGHTS, LICENCES, PERMITS AND/OR PRODUCTION OR BUSINESS PROCESSES

As at the LPD, save for the major licences and permits and registered trademarks disclosed in Sections 7.22 and 7.23 respectively, our Group is not highly dependent on any other commercial or financial contracts, intellectual property rights including patents and copyrights, licences and permits and/or production or business processes that could affect our Group’s business or profitability.

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