

NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF KJTS GROUP BERHAD (“KJTS” OR THE “COMPANY”) DATED 5 JANUARY 2024 (“ELECTRONIC PROSPECTUS”)

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

Website

The Electronic Prospectus can be viewed or downloaded from Bursa Malaysia Securities Berhad's ("Bursa Securities") website at www.bursamalaysia.com ("Website").

Availability and Location of Paper/Printed Prospectus

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

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

Jurisdictional Disclaimer

The IPO and the distribution of the Electronic Prospectus are subject to the laws of Malaysia. Bursa Securities, the Company, Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner have not authorised anyone and take no responsibility for the distribution of the Electronic Prospectus outside Malaysia. No action has been taken to permit any offering of the IPO Shares based on the Electronic Prospectus in any jurisdiction other than Malaysia. The Electronic Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any of our IPO Shares in any jurisdiction or in any circumstances in which such an offer is not authorised or is unlawful or to any person to whom it is unlawful to make such offer or invitation. Prospective applicants who may be in possession of the Electronic Prospectus are required to take note, to inform themselves and to observe such restrictions.

Close of Application

Applications for the IPO Shares will be accepted from **10.00 a.m.** on **5 January 2024** and will close at **5.00 p.m.** on **11 January 2024**. Any change to the timetable will be advertised by KJTS in a widely circulated Bahasa Malaysia and English daily newspapers within Malaysia and will make the relevant announcement through Bursa Securities.

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

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

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

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



KJTS GROUP BERHAD

KJTS GROUP BERHAD
(Registration No. 202201020004 (1465701-T))
(Incorporated in Malaysia under the Companies Act 2016)



MALAYSIA	THAILAND	SINGAPORE
Suite 3.03, Level 3, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia.	No. 18/4 Village No. 13, Petchkasem 91 Lane, Petchkasem Road, Omnoi Sub-District, Krathumban District, Samut Sakorn Province, 74130, Thailand.	8, Boon Lay Way, #08-16, Tradehub 21, Singapore 609964.

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PROSPECTUS

PROSPECTUS



KJTS GROUP BERHAD
(Registration No. 202201020004 (1465701-T))
(Incorporated in Malaysia under the Companies Act 2016)



The assets and properties in the photos shown at the cover and back of this Prospectus do not belong to the Group.

INITIAL PUBLIC OFFERING ("IPO") OF 218,027,200 NEW ORDINARY SHARES IN KJTS GROUP BERHAD ("KJTS") ("SHARES") ("IPO SHARES") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ISSUED SHARE CAPITAL OF KJTS COMPRISING 688,000,000 SHARES ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD INVOLVING:

- (I) INSTITUTIONAL OFFERING OF 168,627,200 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS, AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND
- (II) RETAIL OFFERING OF 49,400,000 IPO SHARES TO THE MALAYSIAN PUBLIC, THE ELIGIBLE DIRECTORS, ELIGIBLE KEY SENIOR MANAGEMENT, ELIGIBLE EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF KJTS AND ITS SUBSIDIARIES, AT THE RETAIL PRICE OF RM0.27 PER IPO SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- (I) THE RETAIL PRICE OF RM0.27 PER IPO SHARE; OR
- (II) THE INSTITUTIONAL PRICE.

Principal Adviser, Sponsor,
Sole Underwriter and Sole Bookrunner



Hong Leong Investment Bank Berhad
(Registration No. 197001000928 (10209-W))

(A Participating Organisation of Bursa Malaysia Securities Berhad)
(A Trading Participant of Bursa Malaysia Derivatives Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") HAS APPROVED OUR IPO. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL OF OUR IPO AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS OUR IPO OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. BURSA SECURITIES HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

BURSA SECURITIES IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

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

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 236.

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

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

THIS PROSPECTUS IS DATED 5 JANUARY 2024

RESPONSIBILITY STATEMENTS

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

Hong Leong Investment Bank Berhad, being our Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner in relation to our IPO, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval from Bursa Securities for the listing of and quotation for our Shares. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company, or our Shares.

Bursa Securities shall not be liable for any non-disclosure on our part and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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

OTHER STATEMENTS

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

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

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

Our Shares being offered in our IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner have not authorised anyone to provide any information or to make any representation not contained in this Prospectus. Any information or representation not contained in this Prospectus must not be relied upon as having been authorised by our Company, Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner, or any of their respective directors or any other persons involved in our IPO.

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

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia. Our Company, Directors, Promoters, Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia. No action has been taken to permit a public offering of our Shares in any jurisdiction other than Malaysia based on this Prospectus. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase any of our Shares being offered in our IPO in any jurisdiction or in any circumstance in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Shares offered under our IPO in certain jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves and to observe such restrictions.

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

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

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

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

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

ELECTRONIC PROSPECTUS

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

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

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

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

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

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

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

- (i) the Internet Participating Financial Institutions are only liable in respect of the integrity of the contents of the Electronic Prospectus, to the extent of the contents of the Electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions are not responsible in any way for the integrity of the contents of the Electronic Prospectus, which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in the Electronic Prospectus, the accuracy and reliability of the Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium; and
- (iii) the Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or costs, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in the Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the internet participating financial institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

INDICATIVE TIMETABLE

An indicative timetable for our IPO is set out below:

Events	Tentative dates
Opening of the Institutional Offering	5 January 2024
Issuance of this Prospectus / Opening of the Retail Offering	10.00 a.m., 5 January 2024
Closing of the Retail Offering	5.00 p.m., 11 January 2024
Closing of Institutional Offering	11 January 2024
Price Determination Date	11 January 2024
Balloting of applications for our IPO Shares under the Retail Offering	16 January 2024
Allotment of our IPO Shares to successful applicants	23 January 2024
Listing	26 January 2024

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

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “KJTS” and “Company” in this Prospectus are to KJTS Group Berhad. Unless otherwise stated, references to “KJTS Group” or “Group” are to our Company and our subsidiaries taken as a whole; and references to “we”, “us”, “our” and “ourselves” are to our Company, and, save where the context otherwise requires, our subsidiaries. Unless the context otherwise requires, references to “Management” are to our Directors and Key Senior Management (as defined in this Prospectus) as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. Certain amounts and percentage figures included in this Prospectus have been subjected to rounding adjustments. Any discrepancies in the tables or charts between the amounts listed and the totals thereof in this Prospectus are due to rounding. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest thousand or million or two decimal places (for percentages) or one sen (for currency).

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

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

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

References to the “LPD” in this Prospectus are to 6 December 2023, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with Bursa Securities.

This Prospectus includes statistical data provided by our Management and various third-parties and cites third-party projections regarding growth and performance of the industry in which our Group operates or is exposed to. This data is taken or derived from information published by industry sources and from the internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, such information can be assumed to originate from our management.

Certain information in this Prospectus is extracted or derived from the report prepared by Vital Factor, an independent business and market research consultants, for inclusion in this Prospectus. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry.

We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate. Third party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. No assurances are or can be given that the estimated figures will be achieved, and you should not place undue reliance on the third party projections cited in this Prospectus.

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

FORWARD-LOOKING STATEMENTS

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

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

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

- (i) demand for our services;
- (ii) our business strategies and potential growth opportunities;
- (iii) our future plans;
- (iv) our financial position;
- (v) our financial earnings, cash flows and liquidity; and
- (vi) our ability to pay future dividends.

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

- (i) reliance on approvals, licences and permits;
- (ii) the economic, political and investment environment in countries where we operate;
- (iii) the government policy, legislation or regulation of countries where we operate; and
- (iv) other factors which may or may not be within our control.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed in Section 9 of this Prospectus on "Risk Factors" and Section 12.3 of this Prospectus on "Management's Discussion and Analysis of Financial Condition and Results of Operations". We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are based on information available to us as at the LPD and made only as at the LPD.

Save as required under Section 238(1) of the CMSA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus), we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Prospectus to reflect any changes in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

You are deemed to have read and understood the descriptions of the assumptions and uncertainties underlying the forward-looking statements that are contained herein.

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the term is defined otherwise or the context requires otherwise:

ACE Market	:	ACE Market of Bursa Securities
Acquisition	:	Acquisition by KJTS of the entire share capital of KJ Technical Services from the KJ Technical Services Vendors for a purchase consideration of RM41,827,570.30, wholly satisfied by the issuance of 469,972,700 new Shares at an issue price of RM0.0890 per Share
Act	:	Companies Act 2016
ADA	:	Authorised Depository Agent, a person appointed by Bursa Depository under the Rules of Bursa Depository
Application	:	Application for IPO Shares by way of Application Form, Electronic Share Application or Internet Share Application
Application Form	:	Printed application form for the application of IPO Shares accompanying this Prospectus
ATM	:	Automated Teller Machines
Board	:	Board of Directors of KJTS
Bursa Depository or Depository	:	Bursa Malaysia Depository Sdn Bhd
Bursa Securities	:	Bursa Malaysia Securities Berhad
By-Laws	:	By-laws governing the LTIP
CDS	:	Central Depository System
CDS Account	:	Account established by Bursa Depository for a depositor for the recording of the deposit or withdrawal of securities and for dealing in such securities by the depositor
CF/CCC	:	Certificate of fitness for occupation or certificate of completion and compliance issued by the relevant authority or person under the SDBA and any by-laws made under it or such relevant legislation applicable at the material time or any certificate of the same nature issued or approved by the relevant authority in Malaysia, Singapore and Thailand
CIDB	:	Construction Industry Development Board of Malaysia
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	Constitution of our Company
COVID-19	:	Novel coronavirus disease 2019

DEFINITIONS (Cont'd)

Customer A, Customer B and Customer Group A : Customer Group A comprises Customer A and Customer B. Customer A is a company listed on Bursa Securities, and Customer B is one of its wholly-owned subsidiaries.

Company A's principal activities include cultivation of oil palm plantations, the sale of fresh fruit bunches, EPCC of DCS and related activities, and the provision of energy and FM services. Company B's principal activities include supplying cooling energy. Customer Group A is located and operates in Malaysia.

Pursuant to confidentiality provisions in the agreement entered into between Customer B and KJ Technical Services, written consent of Customer B is required for disclosure of its name in the Prospectus. We have requested for consent from Customer Group A. However, Customer Group A is unable to accede to the said request

Customer C : Customer C is a company listed on Bursa Securities. Its principal activities include leisure and hospitality services, property investment and management, investments, tours and travel related services and provision of sales and marketing services. Customer C is located and operates in Malaysia and overseas.

Pursuant to confidentiality provisions in the agreement entered into between Customer C and ETC Cleaning Services, written consent of Customer C is required for disclosure of its name in the Prospectus. We have requested for consent from Customer C. However, Customer C is unable to accede to the said request

Customer D : Customer D is a facilities management and food services company in Singapore. Company D is a wholly-owned subsidiary of a multinational company providing food and facilities management services which is listed on Euronext Paris.

Pursuant to confidentiality provisions in the agreement entered into between Customer D and KJ FEM, written consent of Customer D is required for disclosure of its name in the Prospectus. We have requested for consent from Customer D. However, Customer D is unable to accede to the said request

Director : An executive director or a non-executive director of our Company within the meaning of Section 2 of the Act

EBITDA : Earnings before interest, taxation, depreciation and amortisation

Electronic Prospectus : A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to CD-ROMs (Compact Disc Read-Only Memory)

Electronic Share Application : Application for our IPO Shares under the Retail Offering through a Participating Financial Institution's ATM

Eligible Persons : Eligible executive directors and eligible executives who meet the criteria of eligibility for participation in the LTIP in accordance with the By-Laws

EMSHAA : Employees' Minimum Standards of Housing, Accommodations and Amenities Act, 1990

DEFINITIONS (Cont'd)

EMSHAA Regulations	:	Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralised Accommodation) Regulations, 2020
EPS	:	Earnings per share
ESG	:	Environment, social and governance
ESGS	:	Executives' share grant scheme
ESOS	:	Executives' share option scheme
ESOS Options	:	Options granted or to be granted under the ESOS to subscribe for new Shares pursuant to the contract constituted by the acceptance of an offer made in accordance with the terms and conditions of the offer and the By-Laws
Executive Directors	:	Lee Kok Choon and Sheldon Wee Tah Poh, collectively
Final Retail Price	:	Final price per IPO Share to be paid by investors under the Retail Offering, equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
Financial Years and Period Under Review	:	FYE 2020, FYE 2021, FYE 2022 and FPE 2023, collectively
FPE	:	7-month financial period ended 31 July
FYE	:	Financial year ended/ending 31 December, as the case may be
GP	:	Gross profit
HLIB or Principal Adviser or Sponsor or Sole Underwriter or Sole Bookrunner	:	Hong Leong Investment Bank Berhad
IFRS	:	International Financial Reporting Standards
IMR Report	:	Independent market research report dated 8 December 2023 prepared by Vital Factor
Institutional Offering	:	Offering of 168,627,200 IPO Shares at the Institutional Price subject to clawback and reallocation provisions to the institutional and selected investors
Institutional Price	:	Price per IPO Share to be paid by investors under the Institutional Offering which will be determined on the Price Determination Date by way of bookbuilding
Internet Participating Financial Institutions	:	Participating financial institutions for Internet Share Application which are set out in Section 16.6 of this Prospectus
Internet Share Application	:	Application for our IPO Shares under the Retail Offering through an Internet Participating Financial Institutions

DEFINITIONS (Cont'd)

IPO	:	Initial public offering of 218,027,200 new Shares in conjunction with the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities
IPO Shares	:	218,027,200 new Shares to be issued pursuant to the IPO
Issuing House and Share Registrar	:	Tricor Investor & Issuing House Services Sdn Bhd
IT	:	Information technology
Key Senior Management	:	Key senior management personnel of our Group, whose profiles are set out in Sections 5.1 and 5.3 of this Prospectus
KJ Technical Services Vendors	:	Lee Kok Choon, Sheldon Wee Tah Poh and Yeow Boon Siang, collectively
KJTS or Company	:	KJTS Group Berhad
KJTS Group or Group	:	KJTS and its subsidiaries, collectively
LAT	:	Loss after taxation
LBT	:	Loss before taxation
Listing	:	Listing of and quotation for the entire enlarged issued share capital of our Company comprising 688,000,000 KJTS Shares on the ACE Market of Bursa Securities
Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
LPD	:	6 December 2023, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities
LPIPA	:	Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994
LTIP	:	Long-term incentive plan comprising the ESOS and ESGS
LTIP Committee	:	The committee appointed from time to time by the Board pursuant to the By-Laws to administer the LTIP
Malaysian Public	:	Malaysian citizens, companies, co-operatives, societies and institutions incorporated or organised under the laws of Malaysia
Market Day	:	A day on which Bursa Securities is open for trading in securities, which may include a surprise holiday (being a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year)
MFRS	:	Malaysian Financial Reporting Standards
MITI	:	Ministry of Investment, Trade and Industry, Malaysia
NA	:	Net assets / equity attributable to owners of our Company
NBV	:	Net book value

DEFINITIONS (Cont'd)

OSHA	:	Occupational Safety and Health Act 1994
Participating Financial Institutions	:	Participating financial institutions for the Electronic Share Application which are set out in Section 16.5 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Pink Form Allocations	:	Allocation of 15,000,000 IPO Shares to the eligible Directors, Key Senior Management, employees and persons who have contributed to the success of our Group, which forms part of our IPO
Pre-IPO Investor	:	Yeow Boon Siang
Prescribed Security(ies)	:	Security(ies) of a company that is(are) prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rule of Bursa Depository
Price Determination Date	:	The date on which the Institutional Price and Final Retail Price will be determined
Promoters or Specified Shareholders	:	Lee Kok Choon and Sheldon Wee Tah Poh, collectively
Prospectus	:	This prospectus dated 5 January 2024 in relation to our IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Retail Offering	:	Offering of 49,400,000 IPO Shares at the Retail Price, subject to clawback and reallocation provisions, to be allocated to the following: <ul style="list-style-type: none"> (i) 34,400,000 IPO Shares for application by the Malaysian Public via balloting; and (ii) 15,000,000 IPO Shares reserved for application by the eligible Directors, Key Senior Management, employees and persons who have contributed to the success of our Group
Retail Price	:	Indicative initial price of RM0.27 per IPO Share to be fully paid upon application under the Retail Offering, subject to the adjustment as detailed in Section 4.5.1 of this Prospectus
Rules of Bursa Depository	:	Rules of Bursa Depository as issued under the SICDA
SAC	:	Shariah Advisory Council of the SC
SC	:	Securities Commission Malaysia
SDBA	:	Street, Drainage and Building Act 1974
Shares or KJTS Shares	:	Ordinary shares in KJTS
SICDA	:	Securities Industry (Central Depositories) Act 1991 of Malaysia

DEFINITIONS (Cont'd)

sq. ft.	:	Square feet
Subscription	:	Subscription of 58,000 new ordinary shares in KJ Technical Services by Yeow Boon Siang at an issue price of RM105.86 per share, for a total purchase consideration of RM6,139,880.00 which was satisfied by cash. The subscription was completed on 26 April 2023
Substantial Shareholders	:	Lee Kok Choon, Sheldon Wee Tah Poh and Yeow Boon Siang, collectively
Underwriting Agreement	:	Underwriting agreement dated 4 December 2023 entered into between our Company and the Sole Underwriter for the underwriting of our IPO Shares under the Retail Offering
Vital Factor or IMR	:	Vital Factor Consulting Sdn Bhd, the independent business and market research consultants

OUR SUBSIDIARIES

Astute MFM	:	Astute MFM Sdn Bhd
AUNOA Solutions	:	AUNOA Solutions Sdn Bhd
DCS Power	:	DCS Power Sdn Bhd
ETC Cleaning Services	:	ETC Cleaning Services Sdn Bhd
KJ Energy Management	:	KJ Energy Management Sdn Bhd
KJ Energy Services	:	KJ Energy Services Sdn Bhd
KJ Engineering	:	KJ Engineering Sdn Bhd
KJ Facilities Management	:	KJ Facilities Management Sdn Bhd
KJ FEM	:	KJ FEM Pte. Ltd.
KJ Technical Services	:	KJ Technical Services Sdn Bhd
KJTN Engineering	:	KJTN Engineering Co., Ltd.

OUR ASSOCIATED COMPANIES

Acres Growth	:	Acres Growth Sdn Bhd
DCS Energy	:	DCS Energy Sdn Bhd
KJ Technical Services (Thailand)	:	KJ Technical Services Co., Ltd.

DEFINITIONS (Cont'd)**CURRENCIES**

RM and sen	:	Ringgit Malaysia and sen respectively
SGD	:	Singapore Dollar
THB	:	Thai Baht
USD	:	United States Dollar

PROJECTS AND CONTRACTS

Bangkok Mixed Development CEMS Contract	:	EPCC for the upgrading and subsequently the provision of cooling energy management services for a mixed commercial and residential development in Bangkok, Thailand
Bangsar Mixed Development CEMS Contract	:	Cooling energy management services for commercial, office and hotel properties in a mixed development in Kuala Lumpur, Malaysia
Bangsar Mixed Development Chiller EPCC Project	:	EPCC of a new chiller plant and airside equipment for a mixed commercial, office, hotel and residential development in Kuala Lumpur, Malaysia
Damansara Heights Chiller EPCC Project	:	EPCC for the upgrading of the chiller plant for an office building in Kuala Lumpur, Malaysia
Damansara Mixed Development Chiller EPCC Project – Phase 1	:	EPCC of a new chiller plant and airside equipment for a mixed shopping mall, office and residential development in Kuala Lumpur, Malaysia
Damansara Mixed Development Chilled Water Distribution & Ductwork EPCC Project – Phase 2	:	EPCC of a new chilled water distribution network and ductwork for a mixed shopping mall, office and residential development in Kuala Lumpur, Malaysia
Damansara Mixed Development Operations Contract	:	Cooling energy management services for a mixed shopping mall, office, hotel and residential development in Kuala Lumpur, Malaysia
F&B Chain MFM Contract	:	Mobile FM services for the head office, retail outlets and other facilities of a food and beverage chain in Malaysia
International School Project	:	Sub-contractor for concrete and related works for the construction of an international school building in Kuala Lumpur, Malaysia
JB DCS CEMS Contract	:	Cooling energy management services for a mixed shopping mall, office and residential development and ferry terminal in at Johor Bahru in Johor, Malaysia
JB DCS EPCC Project	:	EPCC of a new DCS for a mixed shopping mall, office and residential development and ferry terminal in at Johor Bahru in Johor, Malaysia

DEFINITIONS (Cont'd)

Johor Hospitals CEMS Contract	:	EPCC for the upgrading and subsequently provision of cooling energy management services for chiller plants at a government hospital in Johor Bahru, and a government hospital at Muar in Johor, Malaysia
Kuala Lumpur Office Building Chiller & Airside Equipment EPCC Project	:	EPCC for the upgrading of chiller plant and airside equipment for an office building in Kuala Lumpur, Malaysia
Melaka Shopping Mall CEMS Contract	:	Cooling energy management services for a shopping mall in Melaka, Malaysia
Muar Education Facilities CEMS Contract	:	Cooling energy management services of DCP to serve four higher education buildings and one shared facility at Muar in Johor, Malaysia
Muar IBS Contract	:	IBS for a semiconductor manufacturing facility at Muar in Johor, Malaysia
Muar Manufacturing Facility Chiller EPCC Project	:	EPCC for the upgrading of chiller plant at a manufacturing facility at Muar in Johor, Malaysia
Pahang F&B Outlets Contract	:	Provision of manpower for F&B outlets at leisure, hospitality and theme park properties in Pahang, Malaysia
Pahang High-level Cleaning Contract	:	High-level cleaning services for outdoor and indoor attractions at a theme park in Pahang, Malaysia
PJ Shopping Mall and Office CEMS Contract	:	EPCC for the upgrading and subsequently the provision of cooling energy management services for a shopping mall and office buildings at Petaling Jaya in Selangor, Malaysia
Putrajaya Office Building Cooling Towers EPCC Project	:	EPCC for the retrofit of cooling towers and related works for an office building in Putrajaya, Malaysia
Seri Iskandar DCP EPCC Project	:	EPCC for the upgrading of DCP of a university campus in Perak, Malaysia
Subang Shopping Mall CEMS Contract	:	Cooling energy management services for a shopping mall at Subang in Selangor, Malaysia

Note:

CEMS = Cooling energy management services, IBS = Integrated building services.

DEFINITIONS (Cont'd)

MODES OF OPERATION

Lump sum project-based contracts

Revenue for lump-sum project-based contracts is recognised over the period of the contract based on the proportion of work done. The proportion of work done is certified by engineers towards complete satisfaction of our performance obligation under the contract. There are two types of lump sum project-based contracts:

- fixed lump sum contracts ("**FLS**"); or
- fixed lump sum plus scheduled rates contracts ("**F+SR**").

Fixed lump sum contracts or FLS : FLS contracts specify, amongst others, the scope of work, contract value, schedule of payments and project timeline.

Fixed lump sum plus scheduled rates contracts or F+SR : F+SR contracts consisting of two parts, namely:

- fixed lump sum part as described under FLS; and
- variable part based on agreed scheduled rates.

The variable part of the F+SR contract covers additional services and/or goods that may be provided to the customer that are not covered by the fixed lump sum part, and specifies the goods and/or services covered and their respective rates. The final value will be based on the actual quantity of the goods and/or services used in the project multiplied by their respective specified rates. The variable part of the contract is to cater for goods and/or services that cannot be ascertained before the commencement of the project or additional goods and services that may be requested by the customer over the course of the project.

Recurrent revenue-based contracts

Recurrent revenue refers to revenue that is recognised for services rendered on a continuous basis in the reporting period. The customer simultaneously receives and consumes the services provided by us, and we have a present right to payment for the services. These contracts will specify the scope of work that we perform, and the commencement and expiry dates. They comprise the following types of contracts:

- fixed monthly charges ("**FMC**");
- fixed plus variable monthly charges ("**F+V**");
- fixed plus supply of chilled water monthly charges ("**F+CW**");
- fixed monthly charges with monthly capital repayment charges ("**F+MCP**");
- fixed plus variable monthly charges, with monthly capital repayment charges ("**F+V+MCP**");
- fixed plus supply of chilled water monthly charges, with monthly capital repayment charges ("**F+CW+MCP**"); or
- variable monthly charges ("**VMC**").

DEFINITIONS (Cont'd)

Fixed monthly charges or FMC : FMC contracts specify, amongst others, the following:

- scope of work of the services to be provided;
- fixed monthly charges for the services rendered;
- price adjustment mechanism for the fixed monthly charges (if any);
- service level agreements or key performance indicators (if any);
- contract duration and contract renewal terms (if any); and
- location or locations where services are to be provided.

The customer will pay us the applicable fixed charges on a monthly basis that may be subject to variations based on the price adjustment mechanisms that are dependent on meeting service level agreements and/or key performance indicators (if applicable).

Fixed plus variable monthly charges contracts or F+V : F+V contracts consisting of two parts, namely:

- fixed monthly charges part as described under FMC; and
- variable monthly charges based on agreed scheduled rates.

The variable part of the contract specifies the goods and/or services covered, and their respective unit rates. The final value will be based on the actual quantity of the goods and/or services supplied during each month multiplied by their respective specified rates. The variable part of the contract is to cater for goods and/or services whose quantity cannot be ascertained before carrying out the work, and those based on requests by the customers for additional goods and/or services not covered by the contract.

Fixed plus supply of chilled water monthly charges or F+CW : We use the F+CW mode of operation for our recurrent revenue contracts for the provision of cooling energy management services where the main portion of our payment is based on the amount of energy (measured in the amount of chilled water supplied for space cooling) that we supply to our customer's premises.

The contract will specify, amongst others, the specifications of the chilled water to be supplied and energy supply tariff. The monthly charges for the chilled water portion of the contract are calculated by multiplying the energy supply tariff by the quantity of energy supplied (based on the quantity of chilled water supplied, and the difference between supply and return temperatures of the chilled water) during the month.

Fixed monthly charges with monthly capital repayment charges or F+MCP : The F+MCP contracts are entered into with customers where we wholly or partially finance the new construction or upgrading and/or retrofitting of cooling energy systems, and subsequently provide cooling energy management services for the cooling energy system under the same contract.

F+MCP contracts comprise two parts, namely:

- fixed monthly charges part as described under FMC; and
- capital repayment part represents the customer's progressive repayment of our capital expenditure.

The capital repayment part is a fixed amount made over a specified number of months.

DEFINITIONS (Cont'd)

Fixed monthly and variable monthly charges, with monthly capital repayment charges or F+V+MCP : The F+V+MCP contracts are similar to F+MCP contracts described above, with the inclusion of additional variable monthly charges based on agreed scheduled rates.

These contracts comprise three parts that are described above, namely:

- fixed monthly charges as described under FMC;
- variable charges based on the agreed schedule of rates as described under F+V; and
- capital repayment charges as described under F+MCP.

Fixed plus supply of chilled water monthly charges, with monthly capital repayment or F+CW+MCP : F+CW+MCP contracts comprise three parts that are described above, namely:

- fixed monthly charges as described under FMC;
- monthly supply of chilled water charges as described under F+CW; and
- capital repayment charges as described under F+MCP.

Variable monthly charges or VMC : VMC contracts includes the variable portion that specifies the rate per man-day of the types of personnel covered. Our variable monthly charges are calculated based on summing up the number of our personnel engaged by the customer during each day of the month (the number of man-days worked), multiplied by the specified rate per man-day.

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GLOSSARY OF TECHNICAL TERMS

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

Technical Term	Explanation
Air conditioning	: Air conditioning refers to the practice of cooling an indoor environment to make it more comfortable for people. Cooling is achieved by removing the existing heat and moisture from the air. Air conditioning is also known as space cooling
Air-cooled split unit or ACSU	: An air-cooled split unit refers to a decentralised cooling energy system that comprises an outdoor condenser unit and one or a small number of indoor evaporator units, connected by piping system that conveys the refrigerant from the condenser. ACSU are designed to provide space cooling for one or a small number of rooms
Air handling unit or AHU	: An air handling unit is a device designed to circulate and regulate the flow of air as part of a centralised cooling energy system. The main AHU components include a blower, cooling coil, filters, air intakes and diffusers. Warm and moist air from a designated area is sucked into the AHU through air intakes and blown across the cooling coil, through which chilled water from the chiller circulates. As the warm and moist air passes through the cooling coil, heat is transferred to the chilled water resulting in the cooling and drying of the air. The water (which is now warmer) is returned to the chiller for reuse, and the cooled and drier air is recirculated into the designated area through diffusers. AHU are designed to handle and cool a larger volume of air compared to a FCU
Airside equipment	: In a cooling energy system, airside equipment refers to the equipment installed at the interior space to be air conditioned by using chilled water to cool and dry the air. AHU and FCU are examples of airside equipment
Building support services	: In the context of this Prospectus, it refers to our Group's activities and revenue streams, namely cooling energy, cleaning and FM services
Built environment	: The built environment refers to man-made locations where people live and work, such as buildings and their surroundings
Command centre or CC	: In the context of this Prospectus, the central command centre (CC) is our facility at our head office in Kuala Lumpur to provide continuous real-time monitoring of cooling energy systems that we operate and maintain in Malaysia

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Technical Term	Explanation
Central cooling energy system	<p>: A central cooling energy system refers to one where a single facility, such as a district cooling system or chiller plant, generates the chilled water used for space cooling in a building or group of buildings.</p> <p>This is in contrast to a dispersed cooling energy system where several ACSU that operate independently are installed to cool individual rooms and areas within a building</p>
Cleaning services	: Cleaning services refer to activities carried out to keep built environments, especially buildings and their immediate surroundings, clean, tidy and hygienic
Cleanroom	: A cleanroom is a controlled space designed to maintain a low concentration of airborne particulates within specified parameters. It is isolated from the rest of the facility, supplied with filtered air and equipped with specialised furniture, fittings and equipment
Cooling energy	: Cooling energy is provided in the form of chilled water that transfers heat from one area to another
Cooling energy management	: It refers mainly to the operations and maintenance of relevant machinery and equipment of a cooling energy system
Cooling Energy Segment	: In the context of this Prospectus, it refers to our activities and revenue streams, namely cooling energy management and EPCC of cooling energy systems
Cooling energy services	: In the context of this Prospectus, it refers to our activities and revenue streams, namely provision of cooling energy management services and EPCC of cooling energy systems
Cooling energy system	<p>: A cooling energy system is designed to cool an indoor environment to make it more comfortable for people. Within the context of this Prospectus, cooling energy systems refer to district cooling systems or chiller plants which are centralised facilities to service multiple areas within several nearby buildings or a single building respectively.</p> <p>Cooling energy systems are used for space cooling and comprise chillers used to generate the chilled water, cooling tower, chilled water distribution pipe network, airside equipment (AHU or FCU) and may also include energy transfer station and thermal energy storage tanks</p>
Corrective maintenance	: Refers to maintenance and repairs carried out in response to machinery and equipment breakdown, to return them to service as quickly as possible. It also includes faults discovered which require prompt attention before they escalate to major problems or breakdowns. By its nature, corrective maintenance is an ad hoc service that is not carried out according to schedule

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Technical Term	Explanation
Distributed control system	: A centralised computerised system that monitors and controls individual sensors, devices, equipment, machines and subsystems in an automated plant or system. A distributed control system is equipped by display screens to provide visual monitoring in real-time the status and performance of each item being monitored and controlled within the entire plant or system
District cooling system or DCS	: A district cooling system is a central facility that is designed to generate and distribute chilled water for space cooling in several buildings located close together. The district cooling system is connected to the buildings it serves through a chilled water distribution piping network. A district cooling system is normally equipped with chillers, cooling towers, water treatment system, distribution piping network and airside equipment. Some district cooling systems may also have a thermal energy storage tank. District cooling systems are larger in scale compared to chiller plants
District cooling plant or DCP	: The portion of the district cooling system comprises chillers, cooling tower and, in some cases, thermal energy storage tanks (optional). They are similar to chiller plants except that they are much larger as they are designed to serve several nearby buildings compared to a chiller plant that services only one building
EPC	: Energy performance contract
EPCC	: Engineering, procurement, construction, and commissioning
ESCO	: Energy service company
F&B	: Food and beverage
Facilities Management or FM	: In the context of this Prospectus, facilities management (FM) refers to our services related to the maintenance of physical assets, such as mechanical and electrical systems, and plumbing, sewerage and drainage systems
Fan coil unit or FCU	: A fan coil unit is a device that uses a fan and cooling coil to provide space cooling in an indoor space without connecting to air ductwork. The fan draws air into the fan cooling unit, where it passes over the cooling coil (which is supplied by chilled water from the chiller), cooled and dried, and then re-circulated into the room
Heat exchanger	: A piece of equipment designed to transfer heat between two fluids such as liquids, vapours or gasses. An example is heat in the atmosphere is transferred to a coil filled with water or some other fluids in the heat exchanger. Heat exchanges are used for both heating and cooling
HSE	: Health, safety and environment

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Technical Term	Explanation
Integrated building services or IBS	: In the context of this Prospectus, integrated building services (IBS) refers to providing a combination of FM, cleaning and value-added services to support some aspects of customers' facilities and operations
Major maintenance	: Major maintenance is more extensive than and not performed as frequently as routine, preventive or corrective maintenance. It is carried out according to schedule either specified by the manufacturer or some regulatory body. It is intended to avoid breakdowns which have the potential to disrupt operations or harm life and property. The frequency of major maintenance normally follows the recommendation set out in the operating manual. Major maintenance requires the shutdown of the machinery and equipment
Mobile FM	: In the context of this Prospectus, it refers to the provision of Facilities Management by personnel that are not stationed at the customers' premises. Instead, when FM services are required, personnel on vehicles with the appropriate equipment, tools and materials will drive to the specific premise to carry out preventive or corrective maintenance
M&E	: Mechanical and electrical
O&M	: Operations and maintenance
Preventive maintenance	: Preventive maintenance is designed to avoid machinery and equipment breakdowns, and is not carried out in response to breakdown. It is carried out according to schedule, relatively frequently (usually at least once a month) and does not require extended shutdown of the machinery and equipment
Programmable logic controller	: It refers to a localised computer control system comprising software and hardware including a central processing unit and display monitor for monitoring and controlling the automatic operation of a specific device, machine, equipment or a set of machines or equipment
Refrigeration ton or RT	: Refrigeration ton (RT) is a unit of measure to describe the capacity for cooling energy systems (such as district cooling systems and chiller plants) to extract heat. One RT is defined as the rate of heat transfer that results in melting 1 ton (approximately 907 kilograms) of ice within 1 hour. One RT is equivalent to approximately 3.5 kilowatt (kW)
Retrofit	: Addition of devices, machines, equipment or subsystems to an existing operational plant
Return temperature	: Refers to the temperature of chilled water when it is returned to the district cooling plant or chiller plant after it has passed through airside equipment to cool and remove moisture from the air. The return temperature is warmer than the supply temperature
RTh	: RT per hour

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Technical Term	Explanation
Space cooling	: Cooling of an enclosed area. Also referred to as air-conditioning
Supply temperature	: Refers to the temperature of chilled water when it leaves the district cooling plant or chiller plant
Thermal energy storage tank	: In a cooling energy system, a thermal energy storage tank is a large insulated tank used to store cooling energy in the form of chilled water and/or ice, generated during periods of low space cooling demand and/or lower electricity tariff (such as at night). The cooling energy is then released when space cooling demand and/or electricity tariffs are higher (such as during the day). The thermal energy storage tank is intended to reduce the electricity costs of the cooling energy system and provide a reserve of cooling energy so that space cooling is available (for a period of time) when the chillers are not running
Upgrade	: The replacement of existing devices, machines, equipment or subsystems of an existing operational plant

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1. CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Designation	Nationality	Address
Azura Binti Azman	Independent Non-Executive Chairman	Malaysian	No. 2 Changkat Datuk Sulaiman 1 TTDI Hills, Taman Tun Dr Ismail 60000 Kuala Lumpur
Lee Kok Choon	Managing Director	Malaysian	22A, Jalan Puteri 1 Jalan PJU 1A/57B Damansara Lagenda 47410 Petaling Jaya Selangor
Sheldon Wee Tah Poh	Executive Director	Malaysian	No. 30, Jalan Mihrab U8/12 Bukit Jelutong 40150 Shah Alam Selangor
Ng Kok Ken	Independent Non-Executive Director	Malaysian	81 Jalan BU11/12 Bandar Utama 47800 Petaling Jaya Selangor
Elaine Law Soh Ying	Independent Non-Executive Director	Malaysian	24, Jalan Bidara 7 Bandar Botanic 41200 Klang Selangor
Dr. Teoh Pek Loo	Independent Non-Executive Director	Malaysian	No. 39, Jalan Sepah Puteri 5/19 Seri Utama, Kota Damansara 47810 Petaling Jaya Selangor

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Ng Kok Ken	Chairman	Independent Non-Executive Director
Elaine Law Soh Ying	Member	Independent Non-Executive Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Elaine Law Soh Ying	Chairman	Independent Non-Executive Director
Ng Kok Ken	Member	Independent Non-Executive Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director

NOMINATING COMMITTEE

Name	Designation	Directorship
Dr. Teoh Pek Loo	Chairman	Independent Non-Executive Director
Ng Kok Ken	Member	Independent Non-Executive Director
Elaine Law Soh Ying	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES : Joanne Toh Joo Ann (SSM PC No.: 202008001119) (LS 0008574)
Wong Wai Foong (SSM PC No.: 202008001472) (MAICSA
7001358)

Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone No.: +603 2783 9191
Facsimile No.: +603 2783 9111

REGISTERED OFFICE : Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Telephone No.: +603 2783 9191
Facsimile No.: +603 2783 9111

HEAD OFFICE : Suite 3.03, Level 3, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur

Telephone No.: +603 2716 6866
Email address: enquiry@kjts.com.my
Website: <https://www.kjts.com.my>

**PRINCIPAL ADVISER,
SPONSOR, SOLE
UNDERWRITER AND SOLE
BOOKRUNNER** : Hong Leong Investment Bank Berhad
Level 28, Menara Hong Leong
No. 6, Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur

Telephone No.: +603 2083 1800

SOLICITORS FOR OUR IPO : *To our Company as to the laws of Malaysia*
Foong & Partners
13-1, Menara 1MK
Kompleks 1 Mont' Kiara
No 1, Jalan Kiara Mont' Kiara
50480 Kuala Lumpur
Telephone No.: +603 6419 0822

To our Company as to the laws of Singapore
Avant Law LLC
10 Anson Road
#10-02 International Plaza
Singapore 079903
Telephone No.: +65 6926 9668

1. CORPORATE DIRECTORY (Cont'd)

To our Company as to the laws of Thailand
MSC International Law Office Company Limited
No. 90, CW Tower, Tower B, 29th Floor, Unit 2901
Ratchadapisek Road, Huai Khwang Sub-district
Huai Khwang District, Bangkok 10310
Thailand
Telephone No.: +66 2168 3270 2

**AUDITORS AND
REPORTING
ACCOUNTANTS**

: UHY (AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Telephone No.: +603 2279 3088

Partner-in-charge : Yeoh Aik Chuan
Approval No. : 02239/07/2024 J
Professional : Chartered Accountant
Qualification : Member of Malaysian Institute of
Certified Public Accountants (MICPA),
Malaysian Institute of Accountants (MIA)
and Associate Member of Chartered Tax
Institute of Malaysia (CTIM)

**ISSUING HOUSE AND
SHARE REGISTRAR**

: Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone No.: +603 2783 9299
Facsimile No.: +603 2783 9222

**INDEPENDENT BUSINESS
AND MARKET RESEARCH
CONSULTANTS**

: Vital Factor Consulting Sdn Bhd
V Square @ PJ City Centre (VSQ)
Block 6, Level 6
Jalan Utara
46200 Petaling Jaya
Selangor
Telephone No.: +603 7931 3188
Facsimile No.: +603 7931 2188

Person-in-charge : Wooi Tan
Professional : Master of Business Administration from
Qualification : the New South Wales Institute of
Technology (now known as University of
Technology Sydney), Australia; Bachelor
of Science from the University of New
South Wales, Australia and a Fellow of the
Australian Marketing Institute and Institute
of Managers and Leaders, Australia
(formerly known as the Australian Institute
of Management)

LISTING SOUGHT

: ACE Market

SHARIAH STATUS

: Approved by the SAC

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 Bursa Securities

Bursa Securities had, vide its letter dated 21 November 2023, approved our admission to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital comprising 688,000,000 Shares and such number of new Shares, representing up to 10.00% of our Company's total number of issued Shares (excluding treasury shares, if any) to be issued pursuant to the LTIP on the ACE Market of Bursa Securities.

The conditions imposed by Bursa Securities and status of compliance with the conditions are as follows:

<u>No.</u>	<u>Details of conditions imposed</u>	<u>Status of compliance</u>
(i)	To submit the following information with respect to the moratorium on the shareholdings of our Specified Shareholders to Bursa Depository: <ul style="list-style-type: none"> (i) Name of shareholders; (ii) Number of shares; and (iii) Date of expiry of the moratorium for each block of shares; 	Complied
(ii)	To confirm that approvals from other relevant authorities have been obtained for implementation of our Listing proposal;	Complied
(iii)	To comply with the Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	To be complied
(iv)	To make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
(v)	To furnish Bursa Securities with a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire issued share capital of our Company on the first day of our Listing;	To be complied
(vi)	In relation to the public offering to be undertaken by our Company, to announce at least 2 market days prior to the Listing date, the result of our IPO including the following: <ul style="list-style-type: none"> (i) Level of subscription of public balloting and placement; (ii) Basis of allotment/ allocation; (iii) A table showing the distribution for placement tranche as per the format in appendix I, and (iv) Disclosure of placees who become substantial shareholders of our Company arising from the public offering, if any. HLIB to ensure that the overall distribution of our Company's securities is properly carried out to mitigate any disorderly trading in the secondary market;	To be complied

2. INTRODUCTION (Cont'd)

No.	Details of conditions imposed	Status of compliance
(vii)	Our Company and HLIB to submit a confirmation to Bursa Securities on full compliance of the LTIP pursuant to Rule 6.43 of the Listing Requirements and to state the effective date of implementation of the LTIP. Our Company is also required to furnish Bursa Securities on a quarterly basis, a summary of the total number of new Shares listed pursuant to the LTIP at the end of each quarter together with a detailed computation of listing fees payable; and	To be complied
(viii)	Our Company/HLIB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of our Company to the Official List of the ACE Market.	To be complied

2.1.2 SC

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

The SC had, vide its letter dated 23 November 2023, approved the resultant equity structure of our Company under the Bumiputera equity requirement for public listed companies pursuant to our Listing, subject to the compliance with the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	Our Company to make available at least 50.00% of the shares offered to the Malaysian public investors via balloting to Bumiputera public investors at the point of Listing;	Complied
(ii)	Our Company to allocate 12.50% of its enlarged number of issued shares to Bumiputera investors to be approved or recognised by MITI within 1 year after achieving the profit requirement for companies seeking listing on the Main Market of Bursa Securities or 5 years after being listed on the ACE Market of Bursa Securities, whichever is earlier (" Compliance Date ");	To be complied
(iii)	Our Company to submit to the SC a proposal to comply with the equity condition stated in paragraph (ii) above, at least 6 months prior to the Compliance Date; and	To be complied
(iv)	HLIB or our Company to submit our Company's equity structure to the SC upon completion of the Listing.	To be complied

2.1.3 SAC

The SAC has, via its letter dated 20 July 2023, classified our Shares as Shariah-compliant securities based on our latest audited combined financial information for FYE 2022.

2. INTRODUCTION (Cont'd)

2.2 MORATORIUM ON OUR SHARES

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

- (a) the moratorium applies to the entire shareholdings of our Specified Shareholders for a period of 6 months from the date of our admission to the ACE Market ("**First 6-Month Moratorium**");
- (b) upon the expiry of the First 6-Month Moratorium, our Company must ensure that our Specified Shareholders' aggregate shareholdings amounting to at least 45% of the total number of issued Shares, assuming full exercise of 13,756,000 ESOS Options granted under the LTIP into new Shares, remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and
- (c) upon the expiry of the Second 6-Month Moratorium, our Specified Shareholders may sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those KJTS Shares held under moratorium.

In addition, in accordance with Rule 3.19A of the Listing Requirements, a moratorium will be imposed on the sale, transfer or assignment of those KJTS Shares held by our Pre-IPO Investor during the First 6-Month Moratorium.

The KJTS Shares that will be subject to the abovementioned moratorium, are set out below:

	Year 1			
	Moratorium shares during the First 6-Month Moratorium		Moratorium shares during the Second 6-Month Moratorium	
	No. of Shares	(1)%	No. of Shares	(2)%
<u>Specified Shareholders</u>				
Lee Kok Choon	218,118,567	31.703	157,895,100	22.500
Sheldon Wee Tah Poh	218,118,567	31.703	157,895,100	22.500
<u>Pre-IPO Investor</u>				
Yeow Boon Siang	33,735,664	4.903	-	-
Total	469,972,798	68.309	315,790,200	45.000
	Year 2		Year 3	
	Moratorium shares		Moratorium shares	
	No. of Shares	(2)%	No. of Shares	(2)%
<u>Specified Shareholders</u>				
Lee Kok Choon	105,263,400	15.000	52,631,700	7.500
Sheldon Wee Tah Poh	105,263,400	15.000	52,631,700	7.500
<u>Pre-IPO Investor</u>				
Yeow Boon Siang	-	-	-	-
Total	210,526,800	30.000	105,263,400	15.000

Notes:

- (1) Based on the enlarged issued share capital of 688,000,000 Shares after IPO.
- (2) Based on the enlarged issued share capital of 701,756,000 Shares after IPO assuming full exercise of ESOS Options granted.

2. INTRODUCTION (Cont'd)

The moratorium has been fully accepted by the Specified Shareholders (whom are also our Promoters) and the Pre-IPO Investor, who have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the moratorium period.

The moratorium restrictions are specifically endorsed on the share certificates representing the Shares under moratorium held by the Specified Shareholders and Pre-IPO Investor to ensure that our Share Registrar does not register any transfer and sale that contravenes with such restrictions. In compliance with the restrictions, Bursa Depository will, on our Share Registrar's instructions in the prescribed forms, ensure that the trading of these Shares is not permitted during the moratorium period.

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3. PROSPECTUS SUMMARY

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

3.1 PRINCIPAL DETAILS OF OUR IPO

Subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, our IPO Shares will be allocated in the following manner:

Category	No. of IPO Shares	⁽¹⁾ % of the enlarged issued share capital
Institutional Offering:		
▪ Institutional and selected investors	168,627,200	24.51
Retail Offering:		
▪ Eligible Directors	1,700,000	0.25
▪ Eligible Key Senior Management	2,400,000	0.35
▪ Eligible employees	10,465,000	1.52
▪ Persons who have contributed to the success of our Group	435,000	0.06
▪ Malaysian Public (via balloting)		
- Bumiputera	17,200,000	2.50
- Non-Bumiputera	17,200,000	2.50
	49,400,000	7.18
Total	218,027,200	31.69

Note:

(1) Based on the enlarged issued share capital of 688,000,000 Shares after our IPO.

In conjunction with the Listing, we established a LTIP of up to 10.00% of the total number of issued Shares of our Company, comprising ESOS and ESGS, to be granted to the Eligible Persons of our Group. The LTIP shall be in force for a period of 5 years from its effective date and may be extended for a further period of 5 years pursuant to the By-Laws. The ESOS and ESGS will be administered by the LTIP Committee and will be governed by the By-Laws. In conjunction with our Listing, 13,756,000 ESOS Options will be allocated to the Eligible Persons and there will not be any Shares granted under the ESGS. Further details on the LTIP are set out in Section 4.2.4 of this Prospectus.

The Retail Price is RM0.27 per IPO Share. The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of the Institutional Price or the Retail Price. In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See Section 4.5.3 of this Prospectus for details of the refund mechanism. Further details of our IPO are set out in Section 4 of this Prospectus.

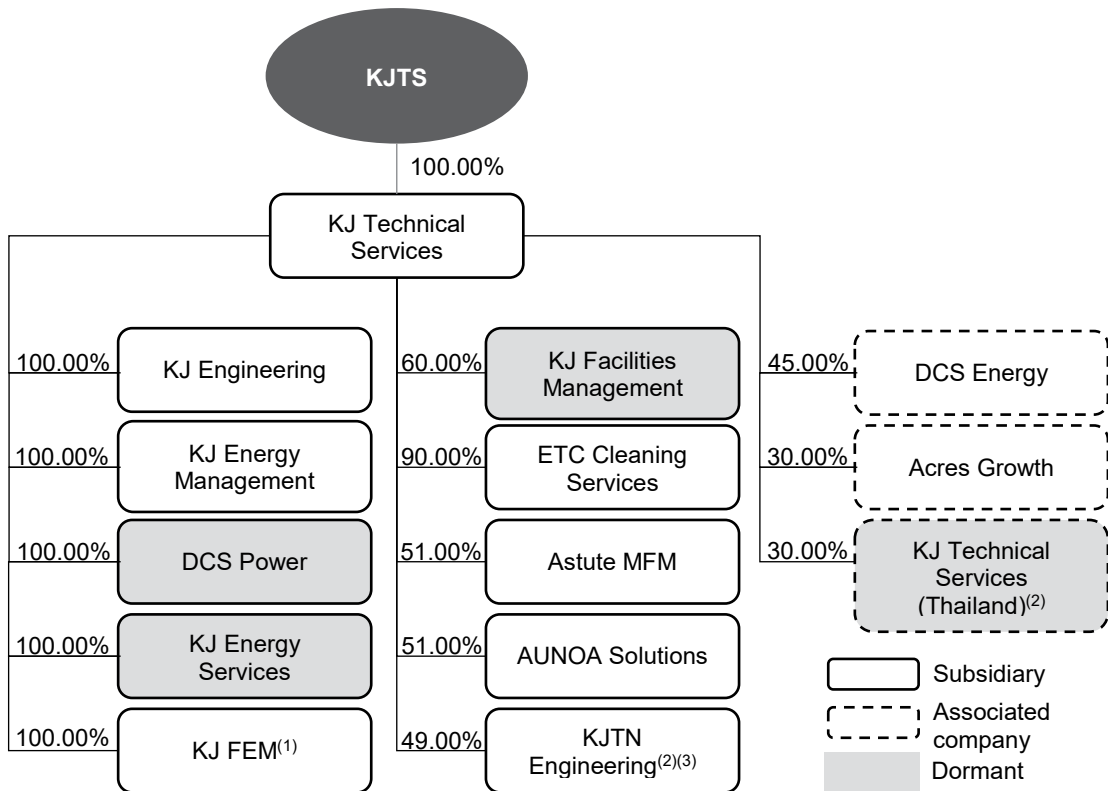
In compliance with the Listing Requirements, our Specified Shareholders' and our Pre-IPO Investor's entire shareholdings after IPO will be held under moratorium. Further details on the moratorium are set out in Section 2.2 of this Prospectus. Save for the above, there is no other moratorium imposed on our Shares.

3.2 OUR BUSINESS

Our Company was incorporated in Malaysia under the Act on 3 June 2022 as a private limited company under the name of KJTS Group Sdn Bhd. Subsequently, on 3 November 2022, we were converted into a public limited company and assumed our present name, KJTS Group Berhad. Our Company was incorporated to facilitate the Listing.

3. PROSPECTUS SUMMARY (Cont'd)

As at the LPD, our group structure is as follows:



Notes:

- (1) Incorporated in Singapore.
- (2) Incorporated in Thailand.
- (3) Deemed a subsidiary by virtue of KJ Technical Services' control over the composition of the board of directors of KJTN Engineering pursuant to Section 4(1)(a)(i) of the Act and the terms of the shareholders agreement dated 20 October 2020 entered into between KJ Technical Services, TN Group Corporation Co., Ltd and Yuvadee Prapakamol in relation to KJTN Engineering.

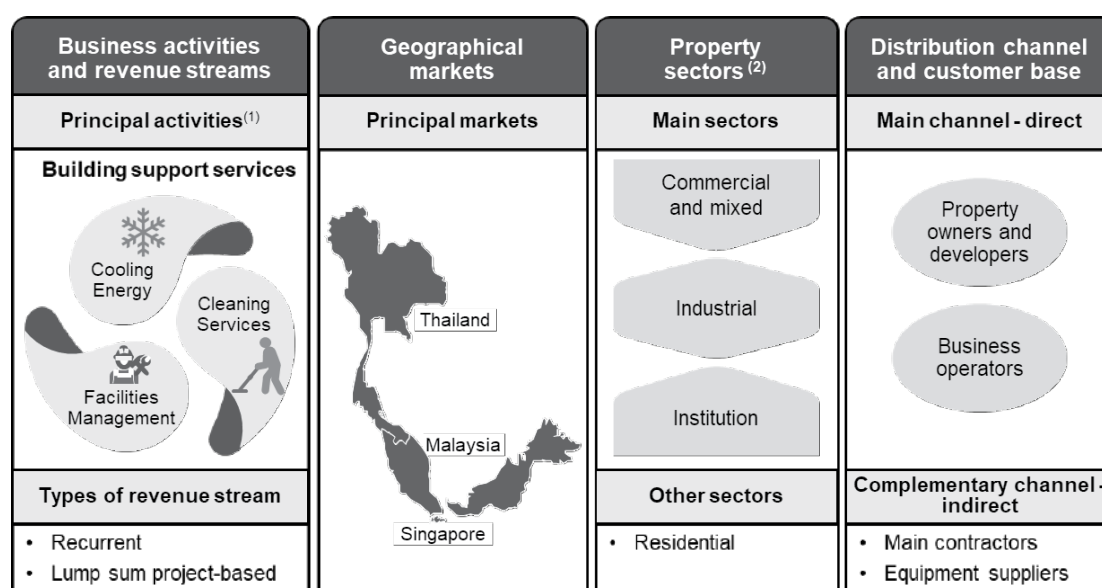
Please refer to Section 6.4 for further details of the shareholding structure of our subsidiaries and associated companies.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in providing building support services comprising cooling energy, cleaning and FM services.

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3. PROSPECTUS SUMMARY (Cont'd)

Our business model is depicted in the following diagram:



Notes:

- (1) Our Group also carried out building construction in FYE 2021. Moving forward, we will not carry out building construction as a standalone project.
- (2) We serve the following property industry sectors.

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

3.3 COMPETITIVE STRENGTHS

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

(i) Track record across Malaysia, Singapore and Thailand

We have an established track record of 39 years where our business of Cooling Energy Segment commenced in 1984 through KJ Engineering. In addition, we expanded our cleaning services segment into Singapore when we acquired the entire equity interest in KJ FEM in 2019 as well as expanded our Cooling Energy Segment into Thailand through KJTN Engineering in 2021.

(ii) Cross-selling of synergistic building support services to customers

We have synergistic building-related services including EPCC and management of cooling energy systems, and provision of cleaning and FM services. In addition, we can provide a range of value-added services to support the operations of our customers such as life cycle asset management of machinery and equipment.

The services that we provide are synergistic as cooling energy, cleaning and FM services are necessary for the proper functioning of many types of buildings, including commercial properties such as shopping complexes and offices, manufacturing facilities and institutional buildings such as universities and hospitals. We have the opportunity to cross-sell the three main services and we have been successful in doing so.

3. PROSPECTUS SUMMARY (Cont'd)

(iii) In-house engineering capability supports the complete cooling energy system lifecycle

Our in-house engineering capability supports the complete cooling energy system lifecycle, from the energy audit, initial conceptualisation, engineering and design phase, to construction and installation, and subsequently operations and maintenance.

Our in-house engineering capability in providing end-to-end services incorporating construction and installation, and subsequently operations and maintenance of cooling energy systems without the need to rely on external engineering service providers will provide us with a platform for business and financial sustainability and allows us to pursue business and geographic expansion.

(iv) The provision of cooling energy services enables us to take advantage of opportunities from the growing awareness of ESG

We believe that awareness of ESG is growing in Malaysia, as well as in other countries including Singapore and Thailand. Amongst the ESG considerations is the reduction of carbon dioxide (CO₂) emissions (carbon footprint), including through reduced electricity consumption, to mitigate against climate change.

Our value proposition in helping our customers reduce the electricity consumption of their cooling energy systems through our cooling energy management services and EPCC of cooling energy systems can also contribute to their ESG efforts by reducing CO₂ emissions.

Our ability to provide a tangible contribution to our customers' ESG efforts provides us with a strong selling point in marketing our services to prospective customers, as well as growing and sustaining our business.

(v) Business operations in several countries (i.e. Malaysia, Singapore and Thailand) to drive business growth and market diversification

As at the LPD, we have business operations in Malaysia, Singapore and Thailand. Malaysia is our major market and business operations where we provide our full range of services comprising cooling energy, cleaning and FM services.

Our business operations in multiple countries are one of our key strengths as it expands our addressable market size to provide opportunities for business growth. It also provides mitigation against the risk of a business downturn in any one particular country.

(vi) Recurring revenue and long-term contracts provide some assurance of continuous revenue streams

Our recurrent revenue provides our business with revenue visibility as it is relatively large in terms of absolute amount and as a percentage of our total revenue, as well as some assurance of revenue for the duration of the respective contracts.

Our strong recurrent revenue stream will also provide internally generated funds to serve as the platform for business and financial sustainability, and consequently provide the basis to enable us to pursue further business and geographic expansion to drive business growth.

We have entered into long-term contracts ranging between 5 years to 20 years for the provision of cooling energy management, cleaning and FM services.

Our long-term contracts provide some assurance of revenue streams and business continuity with our customers for the duration of the respective contracts. Our long-term contracts will help sustain our business as well as provide us with the platform to pursue business growth and market expansion and diversification.

3. PROSPECTUS SUMMARY (Cont'd)

(vii) Central command centre that allows remote monitoring of cooling energy systems to support our on-site personnel and to collect data for big data analytics

Our CC gives us a key advantage in that it allows for 24/7 monitoring and oversight of the operations at linked client sites throughout Malaysia. Our CC is also able to detect abnormal system performance and can alert our on-site personnel to take appropriate remedial actions. This provides an additional layer of monitoring and oversight to further ensure the efficient, effective and safe operation of the cooling energy systems. In some situations, our CC can remotely operate some on-site machinery and equipment to intervene, if necessary.

(viii) Experienced Executive Directors and Key Senior Management to grow our business

We have an experienced management team headed by our Managing Director, Lee Kok Choon, and our Executive Director, Sheldon Wee Tah Poh, who both have extensive experience in the building support services industry. They are supported by our Key Senior Management comprising of our Chief Operating Officer, Chief Financial Officer, Head of Project Department and Head of Engineering Department, who has over approximately 12 to 23 years of experience working in their respective industries.

For further details, please refer to Section 7.4 of this Prospectus.

3.4 IMPACT OF THE COVID-19 PANDEMIC

Our revenue for FYE 2021 was affected by, amongst others, measures taken to control the spread of COVID-19. We had collective decrease in revenue amounting to RM0.80 million from 5 cooling energy management services contracts due to lower demand for chilled water during certain periods of FYE 2021 as activities in the buildings were suspended or reduced in accordance with COVID-19 control measures. In addition, we had decrease in revenue of RM0.47 million from 1 contract as discounts were granted for certain months of FYE 2021 when activities in the buildings were suspended or reduced.

COVID-19 did not have any material adverse effect on our Group's revenue for the FYE 2022 and FPE 2023.

From 18 March 2020 and up to the LPD, our Group experienced some COVID-19 related supply chain delays that resulted in some interruptions in implementing 2 EPCC of cooling energy system projects, which are as follows:

- In FYE 2020, delivery of some pumps, instrumentation and piping for the Damansara Mixed Development Chiller EPCC Project – Phase 1 was delayed by approximately 3 months, which affected project implementation but did not result in material delays.
- In FYE 2021, delivery of some chillers and FCU for the Bangsar Mixed Development Chiller EPCC Project was delayed by approximately 2 months, which affected project implementation but did not result in material delays.

Save for the above, from 18 March 2020 and up to the LPD, we did not face any other supply chain delays that were related to COVID-19.

For further details, please refer to Section 7.18 of this Prospectus.

3.5 BUSINESS STRATEGIES AND PLANS

Our business strategies and plans to grow our business are focused on leveraging our core competencies and strengths of our Cooling Energy Segment business, where we provide cooling energy management services and carry out EPCC of cooling energy systems, to expand this business in Malaysia. In addition, we plan to expand our offices in the countries where we currently operate, namely Malaysia, Singapore and Thailand. For further details, please refer to Section 7.17 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.6 RISK FACTORS

An investment in our Shares is subject to risks. A summary of the major risk factors is set out below. Please refer to Sections 9.1, 9.2 and 9.3 of this Prospectus for a more detailed description of the major and further risks associated with our business, the industry that we operate and investment in our Shares, respectively. Investors should read and understand all the risk factors before making a decision to invest in our Shares.

3.6.1 Our business depends on securing new contracts to grow our business and failure to secure projects in a timely manner may affect our future financial performance

Our EPCC of cooling energy systems business is project-based, and there can be no assurance that we will be able to continuously secure new projects, nor any assurance that the new projects that we secure will be on commercial terms favourable to us. We will not secure any projects with commercial terms that are unfavourable to us. Failure to secure contracts promptly may adversely affect the financial performance and growth of our business.

Our business is also dependent on recurrent revenue-based contracts for the provision of cooling energy management, cleaning and FM services. For the Financial Years and Period Under Review, recurrent revenue constitutes more than half of our total revenue. As such, our business is dependent on securing more similar recurrent revenue contracts to replace contracts as they expire, from time to time to grow our business. Failure to secure new recurrent revenue contracts may adversely affect the financial performance and growth of our business.

3.6.2 Our recurrent and lump sum project-based revenue contracts may be terminated or suspended early thus impacting our financial performance

Our recurrent revenue contracts to provide cooling energy management, cleaning and FM services may be terminated earlier than the expiry date, while our subsisting EPCC of cooling energy systems contracts may be terminated or suspended before the specified scope of works is completed. These contracts may be terminated early by the formal issuance of termination notice or otherwise, resulting from the default or material non-performance of obligations by us or our customer, by a customer being in financial distress, through court orders or by mutual agreement. The early termination of a contract may result in foregone potential revenue and profits compared to if the contract was completed in full, which may have an adverse impact on our financial performance.

The duration of our subsisting recurrent revenue contracts of at least 5 years gives rise to the possibilities of business uncertainties as well as unforeseen circumstances and force majeure events affecting us and/or our customers' abilities to meet our respective contractual obligations. As such, there are risks that one or more of these recurrent revenue contracts may be terminated before their expiry dates, which may affect our business and financial performance or unable to realise future revenues.

While we may have contracts for carrying out our recurrent and project-based works, there is no assurance that we may be able to complete our contractual arrangements which may adversely impact our business and financial performance.

3.6.3 Our business and financial performance may be affected by decreases in electricity tariffs

As at the LPD, with the exception of one subsisting contract, our compensation for the supply of chilled water for the other 7 subsisting cooling energy management service contracts is based on the quantity of chilled water supplied multiplied by the chilled water tariff. The chilled water tariff is subject to price adjustment mechanism which includes, amongst others, a percentage mark-up from the prevailing electricity tariff.

In the event there is a decrease in the prevailing electricity tariff, this would result in a corresponding decrease in the value of the chilled water tariff or fixed monthly charges, due to the fixed percentage of the prevailing electricity and potable water tariff within the price adjustment mechanism, which may result in a decrease in our revenue from these contracts. The drop in the chilled water tariff or

3. PROSPECTUS SUMMARY (Cont'd)

fixed monthly charges may also compress our gross profit, which will negatively affect our financial performance. While a decrease in electricity or potable water tariffs may reduce our operating costs, nevertheless there is no guarantee that this would outweigh the reduction in revenue from the downward adjustment in the chilled water tariff or fixed monthly charges.

3.6.4 The actual operating costs of generating chilled water may be higher than the chilled water tariff or fixed monthly charges

We bear the operating costs of generating chilled water under 8 cooling energy management service contracts that are subsisting as at the LPD. There is a risk that the actual operating costs incurred in generating chilled water may be higher than envisaged thus compressing our gross profit margin or lead to losses from the supply of chilled water based on chill water tariff and/or fixed monthly charges.

The 8 subsisting cooling energy management service contracts mentioned above do not include any provision to change the chilled water tariff or fixed monthly charges in the event that actual operating costs exceed the tariff or charges, or are higher than we anticipated nor do they include provisions for us to unilaterally terminate the contracts on such grounds. While we can seek to renegotiate such contracts, there is no guarantee that the customer will agree to changes in the contract, including increases in the chilled water tariff or fixed monthly charges, or that such changes will be sufficient to cover the actual operating costs. If we do not meet our obligations to supply our customer with chilled water in accordance with our contract, the customer may make claims for liquidated and other damages against us, or take legal or other action against us. In addition, failure to meet our obligations to our customers may adversely affect our reputation.

3.6.5 Our business and financial performance may be affected by increases in the costs of new construction, retrofitting and/or upgrading cooling energy systems

We are involved in new construction, retrofitting or upgrading cooling energy systems for our EPCC of cooling energy systems projects, and for some of our cooling energy management services contracts where we wholly or partially finance the new construction or upgrading and/or retrofitting of cooling energy systems.

Increases in costs may arise from, amongst others, increases in the costs of labour, building materials, cooling energy system machinery and equipment, subcontractor's fees and overheads. Unanticipated increases in the costs of cooling energy systems machinery and equipment and sub-contracted services may increase the actual costs of constructing, retrofitting or upgrading the cooling energy system.

There can be no assurance that increases in the costs of implementing our EPCC of cooling energy systems projects in the future will not adversely affect our business and financial performance.

3.6.6 Our business and financial performance may be affected if there are delays in completing EPCC projects

We are required to meet project implementation timelines and milestones when we carry out EPCC of cooling energy systems projects. Any delays in achieving the specified project implementation timeline and milestones may result in delays in the recognition of revenue, project cost overruns, negative impact on our reputation, may expose us to financial penalties from our customers such as claims for liquidated ascertain damages, and may lead our customers to reduce and/or revise our scope of work for the project, which will result in lower revenue generated from such affected projects.

There can be no assurance that our projects will be completed on time moving forward, and consequently no assurance that our financial performance will not be adversely affected by delayed completion of projects.

3. PROSPECTUS SUMMARY (Cont'd)

3.6.7 We are subject to liquidity risk

Negative net cash flow

We are subject to liquidity risk from negative net cash flows of RM2.10 million in FYE 2022 and RM1.03 million in FPE 2023. In FYE 2022, we had net cash from operating activities of RM0.02 million which was mainly due to higher cash outlay to fund our Cooling Energy Segment related projects including increase in concession receivables as well as timely payments to suppliers and sub-contractors. In addition, there were higher other receivables mainly attributed to higher prepayments related to foreign workers' levy and accommodations in Malaysia, listing expenses and prepayments to 1 supplier for 1 EPCC of cooling energy systems project. In FPE 2023, we had cash used in operating activities of RM5.78 million mainly due to increase in contract assets of RM13.94 million mainly contributed by the Kuala Lumpur Office Building Chiller & Airside Equipment EPCC Project for the EPCC of cooling energy systems. Negative cash flows result in liquidity risk as we may not have sufficient cash on hand to meet our obligations as they come due such as repaying bank borrowings and other financial obligations, and paying our suppliers and sub-contractors in a timely manner. Although we had positive net cash flows of in FYE 2020 and FYE 2021, there can be no assurance that we will not have negative net cash flows and consequently no assurance that we will not be subject to liquidity risk in the future.

Up-front capital to finance the construction or upgrading and/or retrofitting of cooling energy systems

We are subject to liquidity risk when we provide capital to wholly or partially finance the new construction or upgrading and/or retrofitting of cooling energy systems. The customer would make progressive repayments of our capital expenditure by way of fixed monthly capital repayments over a specified number of months. There is a risk that our customers for these projects do not pay us the monthly capital repayments, which may cause us to impair the outstanding value of the respective customer's concession receivables resulting in an adverse effect on our financial performance.

Customers unable to pay us in cash

There is a risk that our customers do not pay us in cash and we have to accept payment by way of contra. During FYE 2021, KJ Technical Services entered into two Sale and Purchase Agreements to acquire two leasehold condominium units. The purchase consideration was settled by way of contra of amount due from a customer. Receiving payment by way of contra may result in liquidity risk if we are unable to sell the properties promptly, or if their sales value is less than the value of the receivables that were settled by their acceptance. There can be no assurance that we will not accept other payments by way of contra in the future.

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and Key Senior Management are as follows:

Name	Designation
Directors:	
Azura Binti Azman	Independent Non-Executive Chairman
Lee Kok Choon	Managing Director
Sheldon Wee Tah Poh	Executive Director
Ng Kok Ken	Independent Non-Executive Director
Elaine Law Soh Ying	Independent Non-Executive Director
Dr. Teoh Pek Loo	Independent Non-Executive Director
Key Senior Management:	
Lee Kok Choon	Managing Director
Sheldon Wee Tah Poh	Executive Director
Wong Nai Chien	Chief Operating Officer
Sarmila A/P Muniandy	Chief Financial Officer
Adrian Lim Hock Heng	Head of Project Department
Yap Yew Cheong	Head of Engineering Department

Details of our Directors and Key Senior Management are set out in Sections 5.1.2, 5.2.2 and 5.3.2 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)

3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and Substantial Shareholders in our Company after Acquisition but before and after IPO are set out below:

	Nationality	After Acquisition but before IPO				After IPO				After IPO and assuming full exercise of the first tranche of ESOS Options after Listing			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Promoters and Substantial Shareholders													
Lee Kok Choon	Malaysian	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Sheldon Wee Tah Poh	Malaysian	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Substantial Shareholder													
Yeow Boon Siang ⁽⁴⁾	Malaysian	33,735,664	7.18	-	-	33,735,664	4.90	-	-	33,735,664	4.81	-	-

Notes:

- (1) Based on the issued share capital of 469,972,800 Shares after completion of Acquisition but before our IPO.
- (2) Based on the enlarged issued share capital of 688,000,000 Shares after our IPO.
- (3) Calculated based on the enlarged issued share capital of 701,756,000 Shares after our IPO assuming full exercise of 13,756,000 ESOS Options.
- (4) Yeow Boon Siang became a substantial shareholder of our Company after the Acquisition, and he will cease to be a substantial shareholder after our IPO.

Details of our Promoters and Substantial Shareholders are set out in Section 5 of this Prospectus.

3.9 UTILISATION OF PROCEEDS

The total estimated gross proceeds to be raised by our Company from the IPO of RM58.87 million shall be utilised in the following manner:

	RM'000	%(1)	Estimated time frame for utilisation from listing date
Business Expansion			
- Expansion of Cooling Energy Segment	40,417	68.66	Within 36 months
- Expansion of offices in Malaysia, Thailand and Singapore	4,500	7.64	Within 12 months
Working capital	8,118	13.79	Within 12 months
Defraying the listing expenses	5,832	9.91	Within 1 month
Total	58,867	100.00	

Note:

- (1) Based on estimated gross proceeds from our IPO.

There is no minimum subscription to be raised from our IPO. Detailed information on our utilisation of proceeds is set out in Section 4.7 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)**3.10 FINANCIAL AND OPERATIONAL HIGHLIGHTS**

The following table sets out the financial highlights based on our historical combined financial statements for the Financial Years and Period Under Review and FPE 2022.

	<-----Audited----->				
	FYE 2020	FYE 2021	FYE 2022	FPE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	73,757	85,285	94,438	50,093	71,767
GP	11,956	19,976	22,732	12,230	15,473
Other income	5,423	1,777	1,040	616	759
Share of results of associates, net of tax	15	235	(10)	(10)	(18)
PBT	6,604	7,523	8,721	3,332	4,678
PAT	5,287	5,982	7,156	2,524	3,800
PAT attributable to:					
Owners of the Company	5,392	5,910	6,866	1,723	4,297
Non-controlling interests	(105)	72	290	801	(497)
	5,287	5,982	7,156	2,524	3,800
GP margin ⁽¹⁾ (%)	16.21	23.42	24.07	24.41	21.56
PBT margin ⁽²⁾ (%)	8.95	8.82	9.23	6.65	6.52
PAT margin ⁽³⁾ (%)	7.17	7.01	7.58	5.04	5.29
Net cash (used in)/from operating activities	7,500	555	21	(3,788)	(5,779)
Cash and cash equivalents at end of the financial year/period	7,151	9,911	7,813	5,791	6,781

Notes:

- (1) Computed based on GP divided by revenue.
- (2) Computed based on PBT divided by revenue.
- (3) Computed based on PAT divided by revenue.

Further details on the financial information are set out in Sections 12 and 13 of this Prospectus. There were no exceptional or extraordinary items during the Financial Years and Period Under Review. Our audited financial statements for the Financial Years and Period Under Review were not subject to any audit qualifications.

Operational highlights

Our Group's head office as at the LPD is located at Suite 3.03, Level 3, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, with an aggregate built-up area of approximately 4,968 sq. ft.. Besides, our employees as at the LPD include 36 in-house engineers. Our in-house engineering capability provides us with a platform for business and financial sustainability and allows us to pursue business and geographic expansion. Furthermore, our customers are primarily multinational companies located in Malaysia and overseas such as Singapore and Thailand. Besides maintaining business relationships with our existing customers, we have managed to also secure contracts over the years.

3.11 DIVIDEND POLICY

It is our Board's policy to recommend dividends to allow our shareholders to participate in the profits of our Group. However, our ability to pay dividends or make other distributions to our shareholders in the future is subject to various factors such as having profits and excess funds which are not required to be retained to fund our business. Our Board intends to recommend and distribute a dividend of at least 20.00% of our annual audited consolidated PAT attributable to our shareholders. For further details, please refer to Section 12.8 of this Prospectus.

4. DETAILS OF OUR IPO

4.1 INDICATIVE TIMETABLE

Events	Tentative Dates
Opening of the Institutional Offering	5 January 2024
Issuance of the Prospectus / Opening of the Retail Offering	10.00 a.m., 5 January 2024
Closing of the Retail Offering	5.00 p.m., 11 January 2024
Closing of the Institutional Offering	11 January 2024
Price Determination Date	11 January 2024
Balloting of applications for our IPO Shares under the Retail Offering	16 January 2024
Allotment of our IPO Shares to successful applicants	23 January 2024
Listing	26 January 2024

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

4.2 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus. Our IPO consists of the Institutional Offering and the Retail Offering for a total of 218,027,200 IPO Shares, representing up to 31.69% of our enlarged issued share capital.

4.2.1 Institutional Offering

The Institutional Offering involves the offering of 168,627,200 IPO Shares, representing approximately 24.51% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Institutional Price to institutional and selected investors.

4.2.2 Retail Offering

The Retail Offering involves the offering of 49,400,000 IPO Shares, representing 7.18% of our enlarged issued share capital, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Retail Price in the following manner:

(i) Allocation via balloting to the Malaysian Public

34,400,000 IPO Shares, representing 5.00% of our enlarged issued share capital, will be made available for application by the Malaysian Public investors through a balloting process, of which 17,200,000 IPO Shares representing 2.50% of the enlarged issued share capital shall be set aside for Bumiputera investors including individuals, companies, societies, co-operatives and institutions.

(ii) Allocation to the eligible Directors, Key Senior Management, employees and persons who have contributed to the success of our Group

15,000,000 IPO Shares, representing 2.18% of our enlarged issued share capital, will be reserved for application by our eligible Directors, Key Senior Management, employees and persons who have contributed to the success of our Group under the Pink Form Allocations.

4. DETAILS OF OUR IPO (Cont'd)

Under the Pink Form Allocations, a total of 85 persons are eligible for the allocation of 15,000,000 IPO Shares, comprising the following:

Category	No. of persons	Aggregate number of IPO Shares allocated
Eligible Directors of our Company	4	1,700,000
Eligible Key Senior Management	4	2,400,000
Eligible employees of our Group	72	10,465,000
Persons who have contributed to the success of our Group	5	435,000
Total	85	15,000,000

Allocation to eligible Directors of our Company

The criteria for allocation to our eligible Directors are based on, amongst others, length of their service, seniority and their respective job responsibilities.

The number of IPO Shares to be allocated to our eligible Directors is as follows:

Name	Designation	Number of IPO Shares allocated
Azura Binti Azman	Independent Non-Executive Chairman	500,000
Ng Kok Ken	Independent Non-Executive Director	400,000
Elaine Law Soh Ying	Independent Non-Executive Director	400,000
Dr. Teoh Pek Loo	Independent Non-Executive Director	400,000
Total		1,700,000

Allocation to eligible Key Senior Management

The criteria for allocation to our Key Senior Management are based on, amongst others, the length of their service, seniority and their respective job responsibilities.

The number of IPO Shares to be allocated to our Key Senior Management is as follows:

Name	Designation	Number of IPO Shares allocated
Wong Nai Chien	Chief Operating Officer	600,000
Sarmila A/P Muniandy	Chief Financial Officer	600,000
Adrian Lim Hock Heng	Head of Project Department	600,000
Yap Yew Cheong	Head of Engineering Department	600,000
Total		2,400,000

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

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

- (a) our employees must be a confirmed employee and on the payroll of our Group;
- (b) the number of IPO Shares allocated to our eligible employees are based on their seniority, position, length of service and/or respective contribution to our Group as well as other factors deemed relevant by our Board; and
- (c) at least 18 years of age.

Allocation to persons who have contributed to the success of our Group

The number of IPO Shares to be allocated to persons who have contributed to the success of our Group are based on, amongst others, the length of their relationship with us and the level of contribution and support to our Group.

As at the LPD, save as disclosed in Section 4.2 of this Prospectus:

- (a) there are no Substantial Shareholders, Directors or Key Senior Management of our Company who have indicated to us that they intend to subscribe for our IPO Shares save for the IPO Shares made available for application under the Pink Form Allocations; and
- (b) there are no persons who have indicated that they intend to subscribe for 5.00% or more of our IPO Shares.

In summary, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, the IPO Shares will be allocated in the following manner:

Category	No. of IPO Shares	% of the enlarged issued share capital⁽¹⁾
Institutional Offering:		
▪ Institutional and selected investors	168,627,200	24.51
Retail Offering:		
▪ Eligible Directors	1,700,000	0.25
▪ Eligible Key Senior Management	2,400,000	0.35
▪ Eligible employees	10,465,000	1.52
▪ Persons who have contributed to the success of our Group	435,000	0.06
▪ Malaysian Public (via balloting):		
- Bumiputera	17,200,000	2.50
- Non-Bumiputera	17,200,000	2.50
	49,400,000	7.18
Total	218,027,200	31.69

Note:

- (1) Calculated based on the enlarged issued share capital of 688,000,000 Shares after our IPO.

4. DETAILS OF OUR IPO (Cont'd)

The completion of the Institutional Offering and the Retail Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement under the Listing Requirements as set out in Section 4.2.5 of this Prospectus.

4.2.3 Clawback and reallocation

The Institutional Offering and the Retail Offering will be subject to the following clawback and reallocation provisions:

- (a) any of the IPO Shares not taken up by eligible Directors, eligible Key Senior Management, eligible employees and persons who have contributed to the success of our Group ("**Excess Shares**") under the Pink Form Allocations will be made available for application by other eligible Directors, eligible Key Senior Management, eligible employees and persons who have contributed to the success of our Group who have applied for Excess Shares in addition to their pre-determined allocation and will be allocated on a fair and equitable basis in the following priority:
- (i) firstly, allocation on a pro-rata basis to our other eligible Directors, eligible Key Senior Management and eligible employees who have applied for Excess Shares based on the number of Excess Shares applied for;
 - (ii) secondly, allocation of any balance Excess Shares after (i) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Shares based on the number of Excess Shares applied for; and
 - (iii) thirdly, to minimise odd lots.

Our Board reserves the right to allocate Excess Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in items (i) to (iii) above is achieved. Our Board also reserves the right to accept or reject any Excess Shares application, in full or in part, without assigning any reason.

Once completed, the steps involving items (i) to (iii) above will not be repeated.

- (b) subject to (a) above, if any of the Excess Shares allocated to the other eligible Directors, eligible Key Senior Management, eligible employees and persons who have contributed to the success of our Group are undersubscribed, such IPO Shares may be allocated to the institutional and selected investors under the Institutional Offering or the Malaysian Public under the Retail Offering or a combination of both at the discretion of the Board and the Sole Bookrunner;
- (c) if any of the IPO Shares allocated via the Malaysian Public to Bumiputera investors is undersubscribed, these IPO Shares may be clawed back from the Bumiputera investors and allocated to other non-Bumiputera investors under the Malaysian Public. Conversely, if any of the IPO Shares allocated via the Malaysian Public to non-Bumiputera investors is undersubscribed, these IPO Shares may be clawed back from the non-Bumiputera investors and allocated to the Bumiputera investors under the Malaysian Public;
- (d) subject to (b) and (c) above, if there is an under-subscription under the Retail Offering, and if there is a corresponding over-subscription under the Institutional Offering, these IPO Shares will be clawed back from the Retail Offering and allocated to the Institutional Offering;

4. DETAILS OF OUR IPO (Cont'd)

- (e) subject to (b) and (c) above, if there is an over-subscription under the Retail Offering, and if there is a corresponding under-subscription in the Institutional Offering, these IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering;

Any IPO Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above will be underwritten by the Sole Underwriter based on the terms of the Underwriting Agreement.

There will be no clawback and reallocation under the following circumstances:

- (a) an over-subscription in both the Institutional Offering and Retail Offering;
- (b) an under-subscription in both the Institutional Offering and Retail Offering;
- (c) an under-subscription in either the Institutional Offering and no over-subscription in the Retail Offering; or
- (d) an under-subscription in the Retail Offering and no over-subscription in the Institutional Offering.

4.2.4 LTIP

In conjunction with the Listing, we established a LTIP of up to 10.00% of the total number of issued Shares of our Company, comprising ESOS and ESGS, to be granted to the Eligible Persons of our Group.

The LTIP is intended to provide our Company with the flexibility to determine the most appropriate instrument or combination of instruments (i.e. ESOS and ESGS) to reward and retain Eligible Persons whose services are vital to the continued growth and performance of our Group. It is also intended to incentivise the Eligible Persons for their commitment, dedication and loyalty towards attainment of higher performance.

The ESOS and ESGS will be administered by the LTIP Committee and will be governed by the By-Laws. The members of the LTIP Committee will comprise our Managing Director and two of our Independent Non-Executive Directors as follows:

Name	Designation	Directorship
Lee Kok Choon	Chairman	Managing Director
Ng Kok Ken	Member	Independent Non-Executive Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director

The ESOS involves the grant of options to the Eligible Persons to subscribe for new Shares in our Company throughout the duration of the LTIP at a subscription price per Share to be determined in accordance with the By-Laws, whereas the ESGS involves the grant of Shares in our Company to the Eligible Persons, i.e. the Eligible Persons are not required to pay any subscription price for the Shares in our Company.

In implementing the LTIP, the LTIP Committee may, at its discretion, decide that any vesting of Shares comprised in an ESGS grant shall be satisfied through:

- (i) the issuance of new Shares;
- (ii) the acquisition and transfer of existing Shares (including treasury shares, if any);
- (iii) any other methods as may be permitted by the Act; or
- (iv) a combination of any of the above.

4. DETAILS OF OUR IPO (Cont'd)

In considering the modes of satisfaction as referred to in (i) to (iv) above, the LTIP Committee will take into consideration factors such as, among others, the prevailing market price of the Shares, funding considerations, dilutive effects of any such issuance on our Company's share capital base, and cash requirements of our Group.

The salient features of the LTIP are as follows:

(i) Maximum number of new KJTS Shares available under the LTIP

Not more than 10.00% of the total number of issued Shares of our Company (excluding treasury shares, if any) at any one time throughout the duration of the LTIP.

(ii) Maximum allowable allocation and basis of allocation

At the sole and absolute discretion of the LTIP Committee after taking into consideration, inter alia, the seniority, job grading, length of service and/or contribution to our Group by the Eligible Persons and/or other matters which the LTIP Committee may in its sole and absolute discretion deem fit, subject always to the following:

- (a) Eligible Persons (including members of the LTIP Committee) do not participate in the deliberation or discussion of their own allocation and the allocation to any person connected with them;
- (b) the number of Shares allocated to any Eligible Person who, either singly or collectively through persons connected with the Eligible Person, holds 20.00% or more in the total number of issued Shares (excluding treasury shares) of our Company, shall not exceed 10.00% of the total number of KJTS Shares to be issued under the ESOS and ESGS to the Eligible Person to be implemented from time to time; and
- (c) not more than 70.00% of the new KJTS Shares available under the ESOS and ESGS shall be allocated in aggregate to the executive directors and key senior management.

The maximum allocation of 70.00% to the executive directors and key senior management was determined on the basis that the contributions of executive directors and key senior management are pivotal to the long-term growth and profitability of our Group. The allocation of ESOS and ESGS is to retain and incentivise them, and to attract new employees.

The LTIP Committee shall be entitled in its discretion to determine the aggregate maximum number of Shares that may be allocated between the ESOS and the ESGS which shall not in aggregate exceed 10.00% of the total number of issued Shares (excluding treasury shares, if any) from time to time, and to any one class/grade of Eligible Person.

(iii) Eligibility

Subject to the discretion of the LTIP Committee, any executive director or an executive of our Group shall be eligible to be considered for the offer of ESOS Options under the ESOS and share grant under the ESGS, if the following eligibility criteria are fulfilled:

- (a) he/she has attained the age of at least 18 years and is not an undischarged bankrupt nor subject to any bankruptcy proceedings;
- (b) he/she is employed on a full time basis and who has been confirmed in service as a full-time employee of our Group; and/or;
- (c) is under such categories and criteria that the LTIP Committee may from time to time decide at its absolute discretion.

4. DETAILS OF OUR IPO (Cont'd)

Our LTIP Committee may, at any time and from time to time, before and after an ESOS Option or share grant is granted, have the sole and absolute discretion to:

- (a) limit the exercise of the ESOS Options to a maximum number of new KJTS Shares and/or such percentage of the total new KJTS Shares comprised in the ESOS Options during such periods within the option period;
- (b) subject the exercise of the ESOS Options and/or share grant to any vesting condition determined by the LTIP Committee at its sole and absolute discretion including but not limited to performance targets being achieved before an ESOS Options and/or share grant can be exercised;
- (c) impose any other terms and conditions (including the time period to exercise the ESOS Options or share grant) as the LTIP committee may, in its sole discretion deems appropriate including amending or varying any terms and conditions imposed earlier; and/or
- (d) stagger the allocation of ESOS Options and/or share grant available over the duration of the LTIP and to determine the vesting period (if any) for the ESOS Options and/or share grant granted under the LTIP.

(iv) Subscription price

The subscription price of each Share comprised in any ESOS Option shall be:

- (a) in respect of any ESOS Option granted in conjunction with our IPO, be the Final Retail Price; or
- (b) in respect of any ESOS Option granted after our IPO, at the discretion of the LTIP Committee, be based on a discount of not more than 10.00% or such higher limit as may be permitted from time to time by Bursa Securities or any other relevant authorities to 5-day volume weighted average market price of our Shares transacted on Bursa Securities immediately preceding the offer date.

(v) Duration of the LTIP

The LTIP shall be in force for a period of 5 years commencing from the effective date upon full compliance with the Listing Requirements and may be extended by our Board at its absolute discretion, without having to obtain the approval of our shareholders, for up to another 5 years immediately from the expiry of the first 5 years, and shall not in aggregate exceed 10 years from the effective date of implementation of the LTIP, being the date of full compliance with all relevant provisions of the Listing Requirements in relation to the LTIP.

(vi) Rights of grantees

The ESOS Options shall not carry any rights to vote at any general meeting of our Company. The grantees shall not in any event be entitled to any dividends, rights or other entitlements on his/her unexercised ESOS Options.

In the event that a resolution is passed or a court order is made for the winding up of our Company, all outstanding LTIP awards shall be automatically terminated and be of no further force and effect commencing from the date of such resolution or the date of the court order. In the event a petition is presented in court for the winding up or liquidation of our Company, all rights to exercise and/or vest the LTIP awards shall automatically be suspended from the date of presentation of the petition. Conversely, if the petition for winding-up is dismissed by the court, the right to exercise and/or vest the LTIP awards shall accordingly be unsuspending.

4. DETAILS OF OUR IPO (Cont'd)

(vii) Ranking of the new KJTS Shares to be issued under the LTIP

The new KJTS Shares to be allotted and issued under the LTIP will be subject to the provisions of our Constitution and will, upon allotment and issuance, rank equally in all respects with our existing Shares including voting rights, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, that may be declared, made or paid to our shareholders for which the relevant entitlement date precedes the date of issuance of the new KJTS Shares pursuant to the LTIP.

In respect of the existing Shares to be transferred to the ESGS grantees pursuant to the vesting of the Shares comprised in an ESGS grant, such Shares rank equally in all respects with our existing Shares. However, the ESGS grantee shall not be entitled to any dividends, rights, allotments and/or other distributions, unless the Shares are credited into the CDS Accounts of the ESGS grantees on or prior to the relevant entitlement date of such dividends, rights, allotments and/or other distributions.

(viii) Alteration of share capital and adjustment

In the event of an alteration in the share capital of our Company during the duration of the LTIP, whether by way of a rights issue, bonus issue or other capitalisation issue, consolidation or subdivision of Shares or reduction or any other variation of capital, the LTIP Committee may, at its discretion, determine whether:

- (a) in respect of the ESOS, the exercise price and/or the number of unexercised or unvested ESOS Options; and
- (b) in respect of the ESGS, the number of Shares comprised in unvested ESGS grants,

shall be adjusted, and if so, the manner in which such adjustments should be made, as provided for in the By-Laws.

Save as provided for in the By-Laws, the external auditors or the principal adviser selected by our Board (acting as an expert and not as an arbitrator) shall confirm in writing that the adjustments are in their opinion fair and reasonable.

Any fraction of a Share arises from the adjustment, the number of Shares comprised in any award of ESOS Options and ESGS grant shall automatically be rounded down to the nearest whole number.

(ix) Listing of and quotation for the new KJTS Shares to be issued arising from the exercise of the LTIP

The LTIP is conditional upon the listing of KJTS on the ACE Market of Bursa Securities and any new KJTS Shares to be issued pursuant to the LTIP will be listed and quoted on the ACE Market of Bursa Securities.

Prior to the full vesting of any award of ESOS Options and ESGS share grant to the Eligible Persons, such LTIP awards that remain unvested or unexercised or unsatisfied (as the case may be) shall be automatically terminated and ceased or be deemed to cease to be valid in the event of the termination or cessation of employment of the grantee with our Group, in which event the termination of LTIP awards shall be effective on the grantee's last day of employment.

4. DETAILS OF OUR IPO (Cont'd)

The specific allocation of the ESOS Options to Eligible Persons in conjunction with the Listing is as follows:

Name	Designation	No. of ESOS Options allocated
Lee Kok Choon	Managing Director	1,876,000
Sheldon Wee Tah Poh	Executive Director	1,876,000
Wong Nai Chien	Chief Operating Officer	584,000
Sarmila A/P Muniandy	Chief Financial Officer	584,000
Adrian Lim Hock Heng	Head of Project Department	584,000
Yap Yew Cheong	Head of Engineering Department	584,000
Other employees ⁽¹⁾	-	7,668,000
Total		13,756,000

Note:

(1) Comprising 72 other employees or directors of KJTS Group as at the LPD.

Our Company does not intend to grant any Shares under the ESGS in conjunction with our Listing. The overview and prospects of our industry are as set out in Section 8 of this Prospectus.

All new KJTS Shares to be issued arising from the exercise of the ESOS Options to the Specified Shareholders will be subject to moratorium as set out in Section 2.2 of this Prospectus. For more details on the effects of the specific allocations of the ESOS Options in conjunction with the Listing on our Specified Shareholders/Substantial Shareholders' shareholdings, please refer to Section 5.1.1 of this Prospectus.

The exercise price for the above ESOS Options shall be the Final Retail Price. The above ESOS Options to be granted shall vest over 4 tranches, commencing from the first anniversary of the date of the Listing as follows:

First anniversary of the date of the Listing	10.00%
Second anniversary of the date of the Listing	10.00%
Third anniversary of the date of the Listing	40.00%
Fourth anniversary of the date of the Listing	40.00%

There is no potential material cost arising from the granting of the above ESOS Options.

The amount of proceeds to be received from the granting of ESOS Options cannot be determined at this juncture as it will depend on various factors, which may include, amongst others, the actual number of ESOS Options vested and/or ESOS Options exercised, as well as the exercise price for the ESOS Options. Nevertheless, the proceeds from the exercise of the ESOS Options will be used for our Group's working capital requirements such as, amongst others, salaries and staff welfare and allowances and other administrative and operating expenses, including, amongst others, office utilities, office supplies (such as stationeries) as well as upkeep and maintenance of office equipment within a period of 12 months, as and when the proceeds are received throughout the duration of the LTIP. Pending utilisation of the proceeds to be raised as and when the ESOS Options are exercised, the proceeds may be placed in deposits with licensed financial institutions and/or money market instruments. The interest derived from the deposits with licensed financial institutions and/or any gains arising from the money market instruments will be used as additional funds for the working capital requirements of our Group. For the avoidance of doubt, our Company will not receive any proceeds from the granting of KJTS Shares under the ESGS as such Shares will be granted at no consideration to the ESGS grantees.

4. DETAILS OF OUR IPO (Cont'd)

Lee Kok Choon and Sheldon Wee Tah Poh have abstained from voting in respect of their direct and/or indirect shareholdings in our Company on the resolutions pertaining to the specific allocations of the above ESOS Options to themselves at an extraordinary general meeting of our Company held on 22 June 2023 (“EGM”). Any further offer, allocation or allotment under the LTIP to any of the executive directors, chief executive of our Group, and persons connected with them (if any), shall require the prior approval of our shareholders in a general meeting and such executive directors, chief executive of our Group, and persons connected with them (if any) must abstain from deliberating and voting in respect of their direct and/or indirect shareholding and on the relevant resolution at the general meeting.

None of the Directors, major shareholders, chief executive of our Company and/or persons connected with them are deemed interested, direct or indirect, in the LTIP. Our Executive Directors are only deemed interested in the LTIP to the extent of their respective allocations, as well as allocations to persons connected with them under the LTIP. Accordingly, Lee Kok Choon and Sheldon Wee Tah Poh have abstained and will abstain from all Board deliberations and voting in respect of the specific allocation of LTIP awards to themselves as well as any persons connected with them at the relevant Board meetings of our Company.

Pre-emptive rights pursuant to Section 85(1) of the Act and Clause 12(3)(a) of our Constitution

Pursuant to Section 85(1) of the Act read together with Clause 12(3)(a) of our Constitution, our shareholders have pre-emptive rights to be offered any new Shares which rank equally to the existing issued Shares or other convertible securities.

Section 85(1) of the Act provides that:

“Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”

Clause 12(3)(a) of the Constitution provides that:

“Subject to the Act, the Listing Requirements and any direction to the contrary that may be given by the Company in General Meeting, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of General Meetings in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.”

In light of Section 85(1) of the Act read together with Clause 12(3)(a) of our Constitution, each existing shareholder has the right to subscribe for any shares or any convertible securities made available for subscription by our Company. If the existing shareholders do not exercise that rights, only then our Company is allowed to allot and issue such ordinary shares or convertible securities to other persons.

Pursuant to the LTIP, ordinary shares of our Company will be allotted and issued to the Eligible Persons upon exercise of the ESOS Options and/or vesting of the LTIP awards.

In order for the LTIP to be implemented, and the new ordinary shares in our Company to be allotted and issued to the Eligible Persons, existing shareholders of our Company must decline to exercise their pre-emptive right of first refusal, as explained above.

Pursuant to the EGM, our existing shareholders have approved the establishment of the LTIP and waived their pre-emptive rights under Section 85(1) of the Act read together with Clause 12(3)(a) of our Constitution for the issuance of new Shares to the Eligible Persons of our Group pursuant to the LTIP.

4. DETAILS OF OUR IPO (Cont'd)

Effects of the LTIP

The grant of the ESOS Options in conjunction with the Listing will not have an immediate effect on our Group's NA and NA per Share.

Any potential effect on the NA and NA per Share of our Group in the future would depend on factors such as the method of satisfaction of the LTIP awards, actual number of Shares to be issued/or transferred which can be only determined at the point of the vesting of the LTIP awards and/or the exercise of the ESOS Options and option price.

The EPS of our Group may be diluted, depending on the number of Shares issued/or transferred to the Eligible Persons pursuant to the vesting of the LTIP awards. In accordance with MFRS 2, the potential cost arising from the awarding of the LTIP awards is required to be measured at fair value as at the LTIP award date and recognised as an expense in the combined statements of profit or loss and other comprehensive income of our Group over the vesting period of such LTIP awards and may therefore reduce the future earnings of our Group, the quantum of which can only be determined at the LTIP award date.

The potential effects of the LTIP on the earnings and EPS of our Group in the future, as a consequence of the recognition of the expense cannot be determined at this juncture as it would depend on various factors, which may include, amongst others, the actual number of LTIP awards vested and/or ESOS Options exercised, the option price, the prevailing market price of the Shares and the volatility of the Share price, which will affect the fair value of the LTIP awards as at the LTIP award date. It should be noted that such potential cost of awarding the LTIP awards does not represent a cash outflow but only an accounting treatment.

For illustrative purposes only, assuming scenarios (i) and (ii) below, the indicative pro forma financial effects based on our audited combined financial statements for the FPE 2023 are as follows:

- (i) Assuming the 13,756,000 ESOS Options to be granted in conjunction with our Listing are exercised at an exercise price of RM0.27, being the Final Retail Price

	Upon our Listing	Assuming full exercise of the 13,756,000 ESOS Options
	RM'000	RM'000
Equity attributable to owners of the parent / NA	105,121	108,835
No. of Shares ('000)	688,000	701,756
NA per Share (RM) ⁽¹⁾	0.15	0.16
Borrowings	4,766	4,766
Gearing (times) ⁽²⁾	0.05	0.04

- (ii) Assuming the number of LTIP awards has been fully satisfied through the issuance of 68,800,000 new Shares (i.e. based on the 10.00% limits of our Company's issued Shares upon Listing) at an exercise/issue price of RM0.27

	Upon our Listing	Assuming issuance of 68,800,000 new Shares pursuant to the LTIP
	RM'000	RM'000
Equity attributable to owners of the parent / NA	105,121	123,697
No. of Shares ('000)	688,000	756,800
NA per Share (RM) ⁽¹⁾	0.15	0.16
Borrowings	4,766	4,766
Gearing (times) ⁽²⁾	0.05	0.04

4. DETAILS OF OUR IPO (Cont'd)

Notes:

- (1) Computed based on equity attributable to owners of the parent / NA divided by number of Shares in issue.
- (2) Computed based on borrowings divided by equity attributable to owners of the parent / NA.

Further details of the LTIP are set out in the By-Laws in Appendix A of this Prospectus.

Our Board (excluding interested Executive Directors in respect of their specific allocations), having considered all aspects of the LTIP, including but not limited to the rationale and effects of the LTIP, is of the opinion that the LTIP is in the best interest of our Company.

4.2.5 Minimum subscription

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

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 200 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met pursuant to our IPO we may not be able to proceed with our Listing. Please refer to Section 9.3.2 of this Prospectus for more details in the event there is a delay in or cancellation of our Listing.

4.2.6 Listing

The IPO Shares will increase our issued share capital from RM41,827,670.30 comprising 469,972,800 Shares to RM99,119,640.40 comprising 688,000,000 Shares which will be listed on the ACE Market.

4.3 SHARE CAPITAL, CLASSES OF SHARES AND RANKINGS

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

Details	No. of Shares	RM
Issued share capital as at the date of this Prospectus	469,972,800	41,827,670.30
Number of new Shares to be issued pursuant to our IPO	218,027,200	57,291,970.10 ⁽¹⁾
Enlarged issued share capital upon Listing	688,000,000	99,119,640.40
Retail Price	-	0.27

Note:

- (1) After deducting the estimated listing expenses of approximately RM1.58 million which are directly attributable to our IPO and set-off against our Company's share capital.

As at the date of this Prospectus and upon completion of our IPO, we have only one class of shares, being ordinary shares in our Company, all of which rank equally amongst one another. Our IPO Shares, upon allotment and issue, will rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and other distributions that may be declared subsequent to the date of allotment of our IPO Shares, subject to any applicable Rules of Bursa Depository.

4. DETAILS OF OUR IPO (Cont'd)

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

At any general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. A proxy may but need not be a member of our Company and there shall be no restriction as to the qualification of the proxy. Every shareholder present in person, by proxy or by duly authorised representative shall have one vote for each ordinary share held.

4.4 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

- (i) to enable our Group to raise funds for the purposes specified in Section 4.7 of this Prospectus;
- (ii) to increase our visibility and to widen our customer base in the building support services industry in Malaysia, Singapore and Thailand;
- (iii) to gain recognition through our listing status which will enhance our Group's reputation when tendering for new projects, and to retain and attract skilled employees in the building support services industry;
- (iv) to provide an opportunity for the Malaysian Public, our eligible Directors, eligible Key Senior Management, eligible employees and persons who have contributed to the success of our Group to participate in our continuing growth by way of equity participation; and
- (v) to enable us to tap into the equity capital market for future fund raising and to provide us the financial flexibility to pursue future growth opportunities as and when they arise.

4.5 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.5.1 Retail Price

Our Directors and our Promoters, together with HLIB, as our Principal Adviser, Sponsor, Sole Underwriter and Sole Bookrunner, have determined and agreed on our Retail Price of RM0.27 per IPO Share, after taking into consideration the following factors:

- (i) our competitive advantages and key strengths as well as our business strategies and plans as set out in Sections 7.4 and 7.17 of this Prospectus;
- (ii) the overview and prospects of our industry as set out in Section 8 of this Prospectus;

4. DETAILS OF OUR IPO (Cont'd)

- (iii) our operating history and financial performance as set out in Sections 7.1 and 12.1 of this Prospectus. Our historical financial track record as summarised below:

	Audited			
	FYE 2020	FYE 2021	FYE 2022	FPE 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	73,757	85,285	94,438	71,767
GP	11,956	19,976	22,732	15,473
Other income	5,423	1,777	1,040	759
PAT	5,287	5,982	7,156	3,800

- (iv) our Group's EPS of approximately 1.00 sen based on our PAT attributable to owners of our Company of approximately RM6.87 million for FYE 2022 and our enlarged number of 688,000,000 issued Shares upon Listing, which translate into a price-to-earnings multiple of approximately 26.00 times; and
- (v) our pro forma combined NA per Share of RM0.14 as at 31 July 2023 based on our enlarged total number of 688,000,000 Shares after our IPO and subsequent to the utilisation of proceeds from our IPO.

The Final Retail Price will be determined after the Institutional Price is fixed on the Price Determination Date, and will be the lower of:

- (i) the Institutional Price; or
- (ii) the Retail Price.

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest thereon. See Section 4.5.3 of this Prospectus for details of the refund mechanism.

The Institutional Price and Final Retail Price will be announced within 2 Market Days from the Price Determination Date via Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Institutional Price and Final Retail Price, together with the notices of allotment for our IPO Shares.

4.5.2 Institutional Price

The Institutional Price will be determined by a bookbuilding process where the prospective institutional and selected investors will be invited to bid for the portion of the Institutional Offering by specifying the number of IPO Shares that they would prepare to acquire and the price that they would prepare to pay for our IPO Shares in respect of the Institutional Offering. This bookbuilding process will commence on 5 January 2024 and will end on 11 January 2024, or such other date or dates as our Board, Principal Adviser and Sole Bookrunner in their absolute discretion may decide. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Board in consultation with the Sole Bookrunner on the Price Determination Date.

4.5.3 Refund mechanism

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants without any interest. The refund will be made:

- (i) in the form of cheques to be despatched by ordinary post to the address maintained with Bursa Depository for applications made via the Application Form; or

4. DETAILS OF OUR IPO (Cont'd)

- (ii) by crediting into the accounts of the successful applicants with the Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into the accounts of the successful applicants with the Internet Participating Financial Institutions for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of applications, at the successful applicants' own risk.

For further details on the refund mechanism, please refer to Section 16.9 of this Prospectus.

4.5.4 Expected market capitalisation

Based on the Retail Price, the total market capitalisation of our Company upon Listing would be RM185.76 million.

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

4.6 DILUTION

Dilution is the amount by which our pro forma combined NA per Share after our IPO is less than the price paid by the retail, institutional and selected investors for our IPO Shares. Our pro forma combined NA per Share as at 31 July 2023 was RM0.10, based on the total number of issued shares of 469,972,800 Shares after the Subscription and Acquisition but before our IPO.

After taking into account our enlarged issued share capital from the issuance of the 218,027,200 IPO Shares and after adjusting for the utilisation of proceeds from our IPO, our pro forma combined NA per Share as at 31 July 2023 would be RM0.14. This represents an immediate increase in NA per share of RM0.04 to our existing shareholders and an immediate dilution in the NA per Share of RM0.13 (representing 48.15%) of the Institutional Price and the Retail Price (assuming the Institutional Price and the Final Retail Price will equal the Retail Price), to the institutional, retail and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Institutional Price and the Final Retail Price:

	<u>RM</u>
Institutional Price and the Final Retail Price	0.27
Pro forma combined NA per Share as at 31 July 2023 after the Subscription and Acquisition but before the IPO	0.10
Pro forma combined NA per Share as at 31 July 2023 after the Subscription, Acquisition, IPO and utilisation of proceeds	0.14
Increase in pro forma combined NA per Share attributable to our existing shareholders	0.04
Dilution in pro forma combined NA per Share to institutional, retail and selected investors	0.13 ⁽¹⁾
Dilution in pro forma combined NA per Share to institutional, retail and selected investors as a percentage of Institutional Price and the Final Retail Price	48.15%

4. DETAILS OF OUR IPO (Cont'd)

Note:

(1) Computed as follows:

	RM
Institutional Price and the Final Retail Price	0.27
Less: Pro forma combined NA per Share as at 31 July 2023 after the Subscription, Acquisition, IPO and utilisation of proceeds	(0.14)
Dilution in pro forma combined NA per Share to institutional, retail and selected investors	0.13

Further details of our pro forma combined NA per Share as at 31 July 2023 are set out in Section 14 of this Prospectus.

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4. DETAILS OF OUR IPO (Cont'd)

The following table summarises the acquisition of our Shares by our Promoters, Directors, Key Senior Management, Substantial Shareholders and persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares as at the date of this Prospectus:

Name	No. of Shares held before IPO	⁽¹⁾ Pink Form Allocation	No. of Shares held after IPO	Total contribution RM	Average effective cost per Share RM
<u>Promoters, Directors, Substantial Shareholders, Key Senior Management</u>					
Lee Kok Choon	218,118,567	-	218,118,567	19,412,597.10	0.0890 ⁽²⁾
Sheldon Wee Tah Poh	218,118,567	-	218,118,567	19,412,597.10	0.0890 ⁽²⁾
<u>Substantial Shareholder</u>					
Yeow Boon Siang	33,735,664	-	33,735,664	3,002,474.10	0.0890 ⁽²⁾⁽³⁾
<u>Directors</u>					
Azura Binti Azman	-	500,000	500,000	135,000.00	0.2700
Ng Kok Ken	-	400,000	400,000	108,000.00	0.2700
Elaine Law Soh Ying	-	400,000	400,000	108,000.00	0.2700
Dr. Teoh Pek Loo	-	400,000	400,000	108,000.00	0.2700
<u>Key Senior Management</u>					
Wong Nai Chien	2	600,000	600,002	162,002.00	0.2700
Sarmila A/P Muniandy	-	600,000	600,000	162,000.00	0.2700
Adrian Lim Hock Heng	-	600,000	600,000	162,000.00	0.2700
Yap Yew Cheong	-	600,000	600,000	162,000.00	0.2700

Notes:

- (1) Assuming he/she will fully subscribe for his/her respective allocations under the Pink Form Allocations at the Retail Price and assuming he/she does not apply for any excess IPO Shares.
- (2) Computed based on the purchase consideration for the Acquisition of RM41,827,570.30 which was satisfied by the issuance of 469,972,700 new Shares to the KJ Technical Services Vendors at an issue price of RM0.0890 each. Further details are as set out in Section 6.3 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

- (3) Prior to the Acquisition, Yeow Boon Siang has on 26 April 2023 subscribed for 58,000 new ordinary shares in KJ Technical Services for a total subscription consideration of RM6,139,880.00 at an issue price of RM105.86 each.

Save as disclosed above, there has been no acquisition or subscription of any of our Shares by our Promoters, Directors, Key Senior Management, Substantial Shareholders or persons connected to them, or any transaction entered into by them which grants them the right to acquire any of our existing Shares, in the past 3 years up to LPD.

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4. DETAILS OF OUR IPO (Cont'd)

4.7 UTILISATION OF PROCEEDS

Based on the Retail Price of RM0.27 per IPO Share, the estimated gross proceeds arising from our IPO of RM58.87 million (assuming the Institutional Price and the Final Retail Price is equivalent to the Retail Price) will accrue entirely to us and we intend to utilise in the following manner:

Utilisation of proceeds	RM'000	%(¹)	Estimated timeframe for utilisation upon Listing
Business expansion			
- Expansion of Cooling Energy Segment	40,417	68.66	Within 36 months
- Expansion of offices in Malaysia, Thailand and Singapore	4,500	7.64	Within 12 months
Working capital	8,118	13.79	Within 12 months
Defraying the listing expenses	5,832	9.91	Within 1 month
Total	58,867	100.00	

Note:

(1) Based on estimated gross proceeds from our IPO.

4.7.1 Business expansion

4.7.1.1 Expansion of Cooling Energy Segment

We intend to expand our Cooling Energy Segment business activities in Malaysia, comprising both cooling energy management services and EPCC of cooling energy systems.

As part of the plan to expand our cooling energy management services business activities in Malaysia, we intend to make additional funds available to finance the EPCC of cooling energy systems as part of our cooling energy management services for suitable customers. We intend to use our in-house resources to carry out the EPCC work, and subsequently deploy our personnel to operate and maintain the cooling energy system for a certain period of time.

In addition, we also intend to expand our EPCC of cooling energy systems business on a stand-alone basis (i.e. without the provision of cooling energy management services subsequently) by securing new contracts, whereby we intend to utilise in-house resources to implement new contracts secured. In this connection we intend to invest in the construction of new DCS or chiller plants or upgrading and/or retrofitting of existing cooling energy systems for potential customers, including amongst others, those with large commercial or industrial buildings.

As such, we have earmarked RM40.42 million or approximately 68.66% of the gross proceeds from our IPO for the expansion of the Cooling Energy Segment in Malaysia (i.e. to finance the EPCC of cooling energy systems as part of our cooling energy management services and to expand our EPCC of cooling energy systems business on a stand-alone basis), details of which are as follows:

Details of utilisation	Reference	RM'000
Expansion of Cooling Energy Segment		
Preliminary expenses	(i)	2,082
Purchase of major equipment	(ii)	16,213
Purchase of other equipment, components and materials	(iii)	12,528
Engagement of sub-contractors and specialists	(iv)	9,594
Total		40,417

4. DETAILS OF OUR IPO (Cont'd)

- (i) From the RM40.42 million that we have allocated, we have earmarked RM2.08 million for the preliminary expenses relating to our future cooling energy projects in Malaysia such as mobilisation, insurance, placements with financial institutions as a form of security collateral for procurement of bank guarantees for projects performance bond and projects tender bond, engagement of external consultants to design and advise on civil and structural works, as well as payment of levy and stamp duty.
- (ii) We intend to use RM16.21 million to purchase major equipment such as chillers, pumps and cooling towers for the cooling energy systems with a total capacity of 11,200 RT. The amount allocated for the purchase of those major equipment are estimated based on the prices of our previous purchases of similar equipment.
- (iii) We have further earmarked RM12.53 million for the purchase of other equipment, components and materials such as electrical panel, valves, plate heat exchangers, instruments, variable speed drives, piping and cabling for the cooling energy systems. The amount allocated for the purchase of those other equipment, components and materials are estimated based on the prices of our previous purchases of similar equipment, components and materials.
- (iv) We intend to use the remaining RM9.59 million for the engagement of sub-contractors and specialists to carry out certain portions of the construction and installation work for EPCC of cooling energy systems contracts where they will be involved in installing new machinery and equipment. The types of sub-contractors that our Group intends to engage include, amongst others, subcontractors for mechanical, electrical, and civil and structural works. We also intend to engage specialists with the required technical skills, experience and access to specialised tools for the installation of control systems.

The purchase of major equipment and other equipment, components, and materials will be incurred as construction cost as such equipment, components, and materials are to be acquired and installed at the customers' project sites, and eventually owned by the customers after the end of the contract period.

As our Company has been in discussions with various potential customers to secure new contracts, the total amount of funds required for the contracts to be secured may differ from the amount highlighted above. Any excess amount required for the expansion of our Cooling Energy Segment business activities in Malaysia will be funded by internally generated funds and/or bank borrowings. Conversely, if the actual cost of such expansion is lower than the earmarked amount, the surplus will be used for working capital purposes. Upon completion of our Listing, in the event of a change to the utilisation of proceeds of 25.00% or more of the total proceeds raised from our IPO, our Group must seek our shareholders' approval, in accordance with the Listing Requirements.

4.7.1.2 Expansion of offices in Malaysia, Thailand and Singapore

We intend to use RM4.50 million or approximately 7.64% to expand or renovate our offices in Malaysia, Thailand and Singapore as follows:

Details of utilisation	RM'000
Expansion of offices	
- Malaysia	2,000
- Thailand	1,500
- Singapore	1,000
Total	4,500

Further details on the size of our current offices and number of staff operating from the respective office are as set out in Section 7.6 of this Prospectus.

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

Our existing Group head office is currently operating from rented office units in Wisma E&C, Kuala Lumpur, Malaysia. As at the LPD, there are 49 employees located in our Group head office. Our Group occupies an aggregate built-up area of 8,090 sq. ft. in Wisma E&C as our office, Group CC and storage area. Given our business expansion plans, we intend to move to and renovate other larger office units in Klang Valley, Malaysia with an estimated aggregate built-up area of approximately 10,000 sq. ft.

The breakdown of the costs is as follows:

Details of utilisation	RM'000
Office rental	600 ⁽²⁾
Renovation and fit out works ⁽¹⁾	1,400
Total	<u>2,000</u>

Notes:

(1) Comprising, amongst others, office workstations, furniture and fittings.

(2) Comprising 12-month rental and 3-month deposits.

As at the LPD, we are in the midst of identifying a suitable office premise as our new Group head office. We expect to finalise the location of our new Group head office and execute the relevant tenancy agreement in the fourth quarter of 2024 and thereafter, commence renovation and fit out works in the fourth quarter of 2024 which is expected to take approximately 3 months. We intend to move to our new headquarters office in the first quarter of 2025.

(b) Thailand

KJTN Engineering is currently operating from the office of its Thailand shareholder in Samutsakorn, Thailand, being one of the neighbouring provinces of Bangkok. As at the LPD, there are 5 employees located in our Thailand office. To enhance our market presence, we intend to move to and renovate a new office in Bangkok, Thailand with estimated aggregate built-up area of approximately 4,306 sq. ft. The location of the new office is expected to be within the city centre in Bangkok and can be easily accessed via public transport.

The breakdown of the costs is as follows:

Details of utilisation	RM'000
Office rental	700
Renovation and fit out works ⁽¹⁾	800
Total	<u>1,500</u>

Notes:

(1) Comprising, amongst others, office workstations, furniture and fittings.

(2) Comprising 12-month rental and 3-month deposits.

The other shareholders of KJTN Engineering will contribute the corresponding capital for the expansion of our office in Thailand. Further details of the other shareholders of KJTN Engineering are as set out in Section 6.4 of this Prospectus.

4. DETAILS OF OUR IPO (Cont'd)

As at the LPD, we are in the midst of identifying suitable office premises as our new Thailand office. We expect to finalise the location of our new Thailand office and execute the relevant tenancy agreement in the fourth quarter of 2024 and thereafter, commence renovation and fit out works in the fourth quarter of 2024 which is expected to take approximately 3 months. We intend to move to our new Thailand office in the first quarter of 2025.

(c) Singapore

Our existing Singapore office is currently operating from a rented office unit in Tradehub 21, Singapore with build-up area of approximately 2,110 sq.ft. As at the LPD, there are 10 employees located in our Singapore office and KJ FEM also stores some cleaning services consumables and equipment at this facility. Given space constraints, our Group intends to renovate and upgrade our existing Singapore office to increase usable working and storage space.

The total costs of renovation and fit out works which include, amongst others, office workstations, storage racks, furniture and fittings are estimated to be approximately RM1.00 million.

Our Group expects to commence renovation and fit out works in the fourth quarter of 2024 which is expected to take approximately 3 months.

Pursuant to the Foreign Exchange Notices issued by Bank Negara Malaysia (“BNM”), a resident entity will only be required to seek prior approval from BNM to invest in foreign currency assets if the investment of its group companies exceeds RM50.00 million annual aggregate limit. In view that aggregate of the existing foreign investment of our Group and the funds allocated by our Company for the expansion of offices in Thailand and Singapore (RM2.50 million) is less than RM50.00 million, no approval from BNM would be required for the purposes of such investment. In the event the annual aggregate of the foreign investment of our Group exceeds RM50.00 million, we will apply for BNM’s approval.

If the actual cost of expansion of our offices in Malaysia, Thailand and Singapore is higher than the earmarked amount, the shortfall will be funded out of the amount allocated for working capital purposes. Conversely, if the actual cost of such expansion is lower than the earmarked amount, the surplus will be used for working capital purposes.

4.7.2 Working capital

We have earmarked RM8.12 million or approximately 13.79% of the proceeds to fund the working capital requirements of our Group, which is expected to increase primarily as a result of the expansion plan of our Cooling Energy Segment. The breakdown of the expected utilisation of proceeds for our working capital is as follows:

Details of utilisation	RM'000
Salaries and staff welfare and allowances ⁽¹⁾	4,726
Other administrative and operating expenses ⁽²⁾	3,392
Total	8,118

Notes:

- (1) The estimated timeframe for utilisation upon Listing is 12 months and the allocated amount is expected to cover approximately 3 months of salaries and staff welfare and allowances of our Group.
- (2) Comprising, amongst others, office utilities, office supplies (such as stationeries) as well as upkeep and maintenance of office equipment.

4. DETAILS OF OUR IPO (Cont'd)

4.7.3 Defraying the listing expenses

We have earmarked RM5.83 million or 9.91% from the proceeds to pay the estimated expenses of our Listing. The following summarises the estimated expenses incidental to our Listing to be borne by us:

Details of utilisation	RM'000
Professional fees ⁽¹⁾	3,282
Fees payable to authorities ⁽²⁾	138
Underwriting commission, placement fees and brokerage fees	1,605
Fees and expenses for printing, advertising, roadshow and contingencies	807
Total	5,832

Notes:

- (1) Comprising advisory fees for, amongst others, our Principal Adviser, Solicitors, Auditors and Reporting Accountants, Issuing House and Share Registrar, IMR, Company Secretary, Internal Control Review Consultant and tax agents.
- (2) Comprising fees payable to authorities such as the processing fee, listing fee, registration fee for the Prospectus and lodgement fee of the Prospectus.

If the actual listing expenses are higher than the earmarked amount, the shortfall will be funded out of the amount allocated for working capital purposes. Conversely, if the actual listing expenses are lower than the earmarked amount, the surplus will be used for working capital purposes.

The actual proceeds accruing to our Group will depend on the Institutional Price and the Final Retail Price. If the actual proceeds are higher than budgeted above, the excess will be used for working capital. Conversely, if the actual proceeds are lower than budgeted above, the proceeds allocated for working capital will be reduced accordingly.

Given that the timing of the utilisation of proceeds to be raised from an IPO may not be immediate, as part of our efficient capital management to maximise profit income, we intend to place the proceeds raised from our IPO or any balance in deposits with licensed financial institutions or money market instruments / funds.

4.8 BROKERAGE FEE, PLACEMENT FEES AND UNDERWRITING COMMISSION

4.8.1 Brokerage fee

We will bear the brokerage fee to be incurred on the issue of 49,400,000 IPO Shares under the Retail Offering at the rate of 1.00% (exclusive of applicable tax) of the Final Retail Price in respect of successful Applications bearing the stamp of HLIB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysia Investment Banking Association and/or the Issuing House.

The Sole Bookrunner is entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us.

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

4.8.2 Placement fees

We will pay our Sole Bookrunner a placement fee of up to 2.50% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares under the Institutional Offering, in accordance with the terms of the placement agreement.

The placement fee to be incurred on the sale of our IPO Shares will be borne by us.

4.8.3 Underwriting commission

Our Sole Underwriter has agreed to underwrite 49,400,000 IPO Shares under the Retail Offering, subject to the clawback and reallocation provision. We are obliged to pay our Sole Underwriter an underwriting commission of 2.50% (exclusive of applicable tax) of the Retail Price multiplied by the number of IPO Shares underwritten under the Retail Offering, in accordance with the terms of the Underwriting Agreement.

4.9 DETAILS OF THE UNDERWRITING ARRANGEMENT

We have entered into the Underwriting Agreement with the Sole Underwriter to underwrite 49,400,000 IPO Shares under the Retail Offering, subject to the clawback and reallocation provisions set out in Section 4.2.3 of this Prospectus and upon the terms and subject to the conditions of the Underwriting Agreement.

Details of the underwriting commission is set out in Section 4.8.3 of this Prospectus, while the salient terms of the Underwriting Agreement are as follows:

- (i) The obligations of our Sole Underwriter under the Underwriting Agreement shall be conditional upon the fulfilment and/or satisfaction of the following (“**Conditions Precedent**”):
 - (a) all approvals, authorisations, orders, consents, exemptions and waiver required in relation to our IPO, the Listing including but not limited to the following approvals from:
 - (i) our Board for our IPO and the Listing;
 - (ii) the SC for the resultant equity structure of our Company under the equity requirement for public listed companies;
 - (iii) Bursa Securities for our admission to the Official List of Bursa Securities and the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities; and
 - (iv) the SAC for the classification of our Shares as Shariah-compliant, having been obtained and being in full force and effect up to the Closing Date (as defined herein), Settlement Date (as defined herein) and date of Listing and that all conditions of the approvals have been complied with;
 - (b) the offer and issuance of the IPO Shares having been approved by the shareholders of our Company;
 - (c) the lodging with the Registrar of Companies of a copy of the Prospectus for lodgement in accordance with the requirements of Section 234 of the CMSA together with copies of all documents required under the CMSA;
 - (d) the registration with Bursa Securities of the Prospectus and the submission to Bursa Securities of accompanying documents on or before their issue, circulation or distribution to the public;

4. DETAILS OF OUR IPO (Cont'd)

- (e) all necessary approvals and consents required in relation to our IPO including but not limited to governmental approvals having been obtained and are in full force and effect and that all conditions to the approvals (except for any which can only be complied with after our IPO has been completed) have been complied with;
- (f) the Prospectus being issued not later than 5 January 2024 or such later date as may be agreed by our Sole Underwriter;
- (g) our Sole Underwriter being satisfied that our Company will be admitted to the Official List of Bursa Securities and our issued share capital will be listed and quoted on the ACE Market of Bursa Securities without undue delay;
- (h) the delivery of the signed legal opinion addressed to our Sole Underwriter to be issued by the Solicitors for our IPO in a form and substance satisfactory to our Sole Underwriter on the Closing Date (as defined herein);
- (i) the execution of the placement agreement and the placement agreement not having been terminated or rescinded pursuant to the provisions thereof;
- (j) our IPO and the offering and subscription of our IPO Shares in accordance with the provisions of the Prospectus and/or the Underwriting Agreement not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities);
- (k) there not being, on or prior to the last date and time for the receipt of Application(s) and payment for the Retail Offering in accordance with the Prospectus and the Application Form(s) ("**Closing Date**") and/or the date of delivery of the Applications Form together with the remittance of subscription monies payable on the application of the unsubscribed IPO Shares by our Sole Underwriter ("**Settlement Date**"), any change or any development involving a prospective change in our Company or our Group or from the information set out in the Prospectus which is likely to give rise to, in the Sole Underwriter's Opinion, any event, change, development or occurrence, or series of events, changes, development or occurrences that will or is likely to prejudice or have an adverse effect, whether individually or in the aggregate and whether or not arising in the ordinary course of business (a) on the condition (financial or otherwise), earnings, general affairs, management, shareholders' equity, business, assets, liquidity, liabilities, prospects, properties or results of operations of our Company or our Group; or (b) on the ability of our Company and/or our Group to perform in any respect its obligations under or with respect to, or to consummate the transactions contemplated by, the Prospectus and the Application Forms ("**Offer Documents**"), the placement agreement or the Underwriting Agreement; or (c) on our IPO ("**Material Adverse Event**");
- (l) there not having occurred on or prior to the Closing Date and/or Settlement Date, any event or discovery of fact or circumstances rendering untrue, inaccurate or incorrect any of the representations, warranties and undertakings of our Company under the Underwriting Agreement;
- (m) there not having occurred on or prior to the Closing Date and/or the Settlement Date, any breach of and/or failure to perform any of the representations, warranties and undertakings by our Company contained in the Underwriting Agreement;

4. DETAILS OF OUR IPO (Cont'd)

- (n) the delivery to our Sole Underwriter on the Closing Date and Settlement Date, respectively a certificate in the agreed form of our Company, signed by a duly authorised officer of our Company, dated the Closing Date and the Settlement Date, to the effect that the person who provides such certificate has carefully examined the Underwriting Agreement and that:
 - (i) the representations, warranties and undertakings of our Company are true, accurate and correct and not misleading in all respects on and as of the Closing Date and Settlement Date (as the case may be), as though they had been given and made on the Closing Date and the Settlement Date (as the case may be), and our Company has complied with all the terms of the Underwriting Agreement and satisfied all the conditions on its part under the Underwriting Agreement to be performed and satisfied on or prior to the Closing Date and the Settlement Date (as the case may be);
 - (ii) since the date of the Underwriting Agreement, there has been no change or development that may give rise to a Material Adverse Event; and
 - (iii) the allotment and issuance of the IPO Shares under our IPO are not being prohibited by any statutes or regulations promulgated or issued by any legislative or regulatory body in Malaysia; and
- (o) our Company to deliver a copy of the following written undertakings by our Promoters and the Pre-IPO Investor to Bursa Securities to our Sole Underwriter that:
 - (i) each of our Promoters that:
 - (1) they will each not sell, transfer or assign their respective shareholdings for a period of 6 months from the date of admission of our Company to the ACE Market of Bursa Securities ("**First 6-Month Moratorium**");
 - (2) upon the expiry of the First 6-Month Moratorium, they will each ensure that the aggregate shareholdings of our Promoters amounting to at least 45% of the total number of issued Shares (including new Shares to be issued, assuming full exercise of 13,756,000 ESOS Options) remain under moratorium for another consecutive period of 6 months ("**Second 6-Month Moratorium**"); and
 - (3) upon the expiry of the Second 6-Month Moratorium, each of our Promoters may only sell, transfer or assign up to a maximum of 1/3 per annum (on a straight-line basis) of those Shares held under moratorium; and
 - (ii) the Pre-IPO Investor that the Pre-IPO Investor will not sell, transfer or assign his shareholding during the First 6-Month Moratorium.
- (ii) In the event any of the Conditions Precedent are not satisfied on or prior to the Closing Date which in any case shall not be later than 11 January 2024 or such later date as consented to in writing by our Sole Underwriter, our Sole Underwriter shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing to our Company.

4. DETAILS OF OUR IPO (Cont'd)

- (iii) In the event of termination pursuant to Section 4.9(ii) of this Prospectus, (except for the liability of our Company for payment of:
- (a) (i) the underwriting commission, if the non-fulfilment of the relevant condition is due to or arising from the fault of our Company or matters within our Company's control; or
 - (ii) the broken funding cost, if the non-fulfilment of the relevant condition is not due to or arising from the fault of our Company or matters within our Company's control; and
 - (b) the costs and expenses incurred by our Sole Underwriter on or prior to or in connection with such termination,

and our Company continuing to be liable to indemnify our Sole Underwriter pursuant to the terms of the Underwriting Agreement), the parties will be released and discharged from their respective obligations under the Underwriting Agreement upon such termination save for antecedent breaches by any party and claims arising therefrom.

- (iv) Notwithstanding anything contained in the Underwriting Agreement, our Sole Underwriter, may by notice in writing to our Company given at any time before the date of Listing, terminate, cancel and withdraw its agreement, subject to clawback and reallocation, to subscribe and/or procure the subscription for the unsubscribed IPO Shares if in the opinion of our Sole Underwriter:
- (a) there is any breach by our Company of any of the representations, warranties, undertakings or any other provisions set out in the Underwriting Agreement or which is contained in any certificate under or in connection with the Underwriting Agreement in any respect; and in either event, where such misrepresentation or breach is capable of remedy, the same not being remedied within five (5) Market Days from the provision of a written notice by our Sole Underwriter to our Company or on such other day which the parties may mutually agree in writing, but in any event no later than the Closing Date, as the case may be;
 - (b) without prejudice to Section 4.9(iv)(a) of this Prospectus, there is failure on the part of our Company to perform any of our obligations contained in the Underwriting Agreement;
 - (c) there is withholding of information from our Sole Underwriter by our Company or our Group which causes or is likely to give rise to a Material Adverse Event;
 - (d) there shall have occurred, or happened any other event in which Material Adverse Event having occurred or are likely to occur;
 - (e) any statement contained in the Offer Documents has become or been discovered to be untrue, inaccurate or misleading in any respect;
 - (f) matters have arisen or have been discovered which would, if the Offer Documents were to be issued at that time, constitute a material omission therefrom;
 - (g) there shall have occurred, happened or come into effect any event or series of events beyond the control of our Sole Underwriter by reason of Force Majeure which would give rise or can be expected to give rise to, a Material Adverse Event or which is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to our IPO or pursuant to the underwriting of the underwritten IPO Shares.

4. DETAILS OF OUR IPO (Cont'd)

“**Force Majeure**” means causes which are unpredictable and beyond the reasonable control of the party or parties claiming force majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:

- (i) introduction of or public announcement to introduce any new law or regulation or policy or any change in existing laws or regulations or policies (or the judicial interpretation thereof) or any other similar event which, in the opinion of our Sole Underwriter, has caused or is likely to give rise to a Material Adverse Event
- (ii) any act or acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour disputes, natural catastrophe, earthquake, typhoon, acts of warfare, sabotages, outbreak of war, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic which results in the closure of banks or government or regulatory offices or any other authorities which are required for our Sole Underwriter to perform its obligations under the Underwriting Agreement, acts of terrorism or the declaration of a state of national emergency;
- (h) any government requisition, mandatory control orders or restrictions in movement or other occurrence of any nature whatsoever which would have caused or is likely to give rise to a Material Adverse Event;
- (i) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), economic conditions or exchange control or currency exchange rates which in the opinion of our Sole Underwriter have caused or is likely to give rise to a Material Adverse Event (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI (“**Index**”) is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (i) on or after the date of the Underwriting Agreement; and
 - (ii) prior to the date of Listing,

lower than 90%, of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (j) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more;
- (k) any part of our IPO is stopped or delayed by our Company or the regulatory authorities for any reason whatsoever (unless such stoppage or delay has been approved in writing by our Sole Underwriter);
- (l) any commencement of legal proceedings, formal investigations, enquiries or action against any member of our Group or any of our directors, which causes or is likely to give rise to, a Material Adverse Event or makes it impracticable to market our IPO or to enforce contracts to allot and/or transfer the IPO Shares;

4. DETAILS OF OUR IPO (Cont'd)

- (m) the Listing does not take place on or before 26 January 2024 or such other extended date as may be agreed by our Sole Underwriter in writing;
 - (n) the execution of the placement agreement has not taken place by 11 January 2024 or such other extended date as may be agreed by our Sole Underwriter;
 - (o) the placement agreement shall have been varied, supplemented, terminated or rescinded in accordance with the terms thereof or any of the conditions precedent set forth in the placement agreement not having been satisfied in full or to the extent not satisfied as such, not having been waived by our Sole Bookrunner therein in accordance with its terms;
 - (p) approval for our IPO is withdrawn, modified or is varied or supplemented subject to terms and conditions not acceptable to our Sole Underwriter;
 - (q) the Closing Date does not take place on or before 11 January 2024 or any later date which is approved by our Sole Underwriter in writing; or
 - (r) any our Promoters and/or Pre-IPO Investor breach or fail to perform their obligations under the undertaking as set out under Section 4.9(i)(o) of this Prospectus and/or such undertaking has been varied or supplemented without the consent of our Sole Underwriter or the undertaking has been terminated or rescinded.
- (v) Upon such notice of termination being given under Section 4.9(iv) of this Prospectus, our Sole Underwriter will be released and discharged of its obligations without prejudice to its rights under the Underwriting Agreement and the Underwriting Agreement will thereafter be of no further force or effect, and save for antecedent breaches and claims arising therefrom, no party will be under any liability to any other in respect of the Underwriting Agreement, except that our Company, as the case may be, will remain liable in respect of our obligations and liabilities under the Underwriting Agreement and, our Company shall be liable to our Sole Underwriter for the payment of the underwriting commission which our Sole Underwriter is entitled to duly claim under the Underwriting Agreement together with all costs and expenses already incurred by our Sole Underwriter up to the date on which such notice was given, including but not limited to those incurred in the event the Closing Date is extended, and for the payment of any taxes, duties or levies to be borne by our Company pursuant to applicable laws, and our Company shall refund to our Sole Underwriter the subscription monies including interests accrued thereon, if any, paid by our Sole Underwriter pursuant to its subscription for the underwritten IPO Shares pursuant to the terms of the Underwriting Agreement not later than seven (7) days after our Company's receipt of the termination notice from our Sole Underwriter.
- (vi) Notwithstanding the other provisions in the Underwriting Agreement, our Sole Underwriter and our Company may however confer with a view to defer our IPO or amend its terms or the terms of the Underwriting Agreement or enter into a new underwriting agreement accordingly. However, our Company and our Sole Underwriter are not under any obligation whatsoever to enter into a new underwriting agreement.

4.10 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules of Bursa Depository and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

4. DETAILS OF OUR IPO (Cont'd)

Beneficial owners of our Shares are required under the Rules of Bursa Depository to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

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

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

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

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Particulars and shareholdings

The shareholdings of our Promoters and Substantial Shareholders in our Company after Acquisition but before and after IPO are set out below:

	Nationality	After Acquisition but before IPO				After IPO				After IPO and assuming full exercise of the first tranche of ESOS Options after Listing			
		Direct		Indirect		Direct		Indirect		Direct		Indirect	
		No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Promoters and Substantial Shareholders													
Lee Kok Choon	Malaysian	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Sheldon Wee Tah Poh	Malaysian	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Substantial Shareholder													
Yeow Boon Siang ⁽⁴⁾	Malaysian	33,735,664	7.18	-	-	33,735,664	4.90	-	-	33,735,664	4.81	-	-

Notes:

- (1) Calculated based on the issued share capital of 469,972,800 Shares after completion of Acquisition but before our IPO.
- (2) Calculated based on the enlarged issued share capital of 688,000,000 Shares after our IPO.
- (3) Calculated based on the enlarged issued share capital of 701,756,000 Shares after our IPO assuming full exercise of 13,756,000 ESOS Options.
- (4) Yeow Boon Siang became a substantial shareholder of our Company after the Acquisition, and he will cease to be a substantial shareholder after our IPO.

Our Promoters and Substantial Shareholders do not have different voting rights from any other shareholders of our Company.

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

5.1.2 Profiles of Promoters and Substantial Shareholders

The profiles of our Promoters and Substantial Shareholders are as follows:

(i) Lee Kok Choon

Managing Director, Promoter, Substantial Shareholder and Key Senior Management

Lee Kok Choon, a Malaysian aged 48, is the Managing Director, Promoter, Substantial Shareholder and Key Senior Management of our Group. He was appointed to our Board on 3 June 2022. He has approximately 21 years of experience in the building support services industry.

Lee Kok Choon graduated with a Bachelor of Engineering in Mechanical Engineering with 1st Class Honours from Monash University, Australia in 1999. Upon his graduation and up to March 2002, he worked short-term in several companies to gain exposure in the engineering industry.

He began his career in the cooling energy industry when he joined KJ Engineering as a Contract Project Engineer in March 2002 where his responsibilities include overseeing all the project tenders, designs, proposals, procurement of projects and also monitoring the cost of projects secured. In July 2003, he was promoted to Operation and Maintenance Manager for one of the major shopping malls in Klang Valley, where he oversaw the whole project's operations and maintenance. This project is also marked as KJ Engineering first energy performance contract. He was later promoted to General Manager of Facilities Management in July 2008 where he was in charge of overseeing the overall business unit for facilities management division. In May 2009, he was promoted Chief Operating Officer where his functions include managing and handling the daily business operations of the company, working closely with department heads and supervisors to support the day-to-day activity of employees.

Thereafter, he along with Sheldon Wee Tah Poh, our Executive Director, subscribed for 30.00% equity interest in KJ Technical Services in October 2012 and subsequently acquired the remaining 70.00% equity interest in KJ Technical Services from KJ Engineering and Dalkia Technical Services Sdn Bhd in April 2013. He was then appointed as the Managing Director of KJ Technical Services in May 2013. As Managing Director, he was responsible to oversee the company's business operations, liaise with stakeholders, drive company growth, and responsible for the overall performance of the business. Subsequently, he and Sheldon Wee Tah Poh, through KJ Technical Services acquired the entire equity interest in KJ Engineering from Dalkia Asia Pte Ltd in December 2014 via a management buyout.

In July 2017, he was appointed as an Executive Director of Sin Heng Chan (Malaya) Berhad when Sin Heng Chan (Malaya) Berhad acquired 25.00% equity interest in KJ Technical Services from him and Sheldon Wee Tah Poh. The acquisition was believed to be able to bring opportunities to the expansion of cooling energy business of KJ Technical Services with Sin Heng Chan (Malaya) Berhad being a substantial shareholder of KJ Technical Services owing to Sin Heng Chan (Malaya) Berhad's reputation and its business diversification into the cooling energy industry in 2017. Subsequently in June 2019, he and Sheldon Wee Tah Poh re-acquired their initial 25.00% equity interest in KJ Technical Services from Sin Heng Chan (Malaya) Berhad and Lee Kok Choon subsequently resigned as Executive Director of Sin Heng Chan (Malaya) Berhad in August 2019.

As our Managing Director, he was instrumental in and has contributed significantly to the growth and development of our Group including the expansion of our business operations to Singapore and Thailand.

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

He is responsible for the overall performance of our Group's business by driving business growth, overseeing our Group's business operations, supervising head of departments, planning, formulating and implementing our Group's strategies as well as liaising with stakeholders and providing technical and financial advice to the business operations of our Group.

He is also a director of other private limited companies, details of which are set out in Section 5.2.3 of this Prospectus.

(ii) Sheldon Wee Tah Poh

Executive Director, Promoter, Substantial Shareholder and Key Senior Management

Sheldon Wee Tah Poh, a Malaysian aged 47, is the Executive Director, Promoter, Substantial Shareholder and Key Senior Management of our Group. He was appointed to our Board on 3 June 2022. He has approximately 24 years of experience in the building support services industry.

Sheldon Wee Tah Poh graduated with a Bachelor of Business majoring in Marketing and Information Technology from the University of Technology, Sydney in 1999.

He began his career with PWB (M) Sdn Bhd, a cleaning company founded by his father, as a Marketing Executive in 1999. He was promoted to Marketing Manager in 2003, and to General Manager in 2004 where he oversaw the whole business operation of the company. Over the years of his employment, he contributed significantly to the expansion and diversification of PWB (M) Sdn Bhd from a cleaning services company that specialised in the transportation infrastructure sector to other sectors across Malaysia.

In September 2006, he acquired 20.00% equity interest, and was appointed as Director of KJM Utilities Sdn Bhd (a former subsidiary of KJ Engineering which was wound up in April 2015). Subsequently, he resigned as Director of KJM Utilities Sdn Bhd in July 2013.

In 2012, he was appointed as Managing Director of PWB (M) Sdn Bhd when OCS Group International Limited, a global facilities management company acquired 80.00% equity interest in PWB (M) Sdn Bhd. Concurrently, he was also appointed as a Non-Executive Director of OCS Group Singapore Pte Ltd, an integrated facility services company providing cleaning and facilities management services.

He along with Lee Kok Choon, our Managing Director subscribed for 30.00% equity interest in KJ Technical Services in October 2012 and he was appointed as a Director of KJ Technical Services. He and Lee Kok Choon acquired the remaining 70.00% equity interest in KJ Technical Services from KJ Engineering and Dalkia Technical Services Sdn Bhd in April 2013. Subsequently, through KJ Technical Services, they acquired the entire equity interest in KJ Engineering from Dalkia Asia Pte Ltd in December 2014 via a management buyout.

In 2015, he was appointed as the Managing Director of OCS Group Singapore Pte Ltd. In 2017, he resigned as the Managing Director and became the Non-Executive Chairman of both PWB (M) Sdn Bhd and OCS Group Singapore Pte Ltd up until 2018 where he disposed of all his remaining 5.00% equity interest in PWB (M) Sdn Bhd and left the said companies. Thereafter, he was appointed as the Executive Director of KJ Technical Services and its group of companies in April 2019.

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

He was appointed as an Executive Director of Sin Heng Chan (Malaya) Berhad in June 2018 after Sin Heng Chan (Malaya) Berhad acquired 25.00% equity interest in KJ Technical Services from him and Lee Kok Choon. The acquisition was believed to be able to bring opportunities to the expansion of cooling energy business of KJ Technical Services with Sin Heng Chan (Malaya) Berhad being a substantial shareholder of KJ Technical Services owing to Sin Heng Chan (Malaya) Berhad's reputation and its business diversification into the cooling energy industry in 2017. They re-acquired their initial 25.00% equity interest in KJ Technical Services from Sin Heng Chan (Malaya) Berhad in June 2019 and Sheldon Wee Tah Poh subsequently resigned as Executive Director of Sin Heng Chan (Malaya) Berhad in August 2019.

His working experience has provided him the necessary skills set to bring businesses together, which contributed significantly to our Group's expansion to Singapore and Thailand.

As our Executive Director, he is responsible for formulating business plans, directing organizational strategy, business development, expansion and overseeing our Group's marketing and communications direction, developing organisational culture, as well as overseeing day-to-day activities, reporting on revenue, improving performance and assisting in managing the corporate finances of our Group.

He is also a director of other private limited companies, details of which are set out in Section 5.2.3 of this Prospectus.

(iii) Yeow Boon Siang
Substantial Shareholder

Yeow Boon Siang, a Malaysian aged 42, is our Substantial Shareholder. He graduated with a Bachelor of Science in Applied Chemistry from Universiti Malaya in 2004.

He started his career in Shell Malaysia Trading Sdn Bhd as a Contracts Executive in May 2004 where he was involved in the procurement of the buildings for, and the commissioning of, petrol station sites in Malaysia. In May 2008, he was promoted to Retail Procurement Manager in Marketing for Asia where he was in charge of handling contract negotiations and managing of all Shell convenience retail stores in Southeast Asia, Hong Kong and China. He left Shell Malaysia Trading Sdn Bhd in June 2011 and joined Loob Holding Sdn Bhd in July 2011 as Business Development Director where he was primarily responsible for the partnerships and new retail ventures of Loob Holding Sdn Bhd in Malaysia. In January 2021, he was redesignated as Director of Special Projects and International Business, a position he still holds to date, and he is now responsible for the international partnerships and new retail ventures of Loob Holding Sdn Bhd.

Yeow Boon Siang will cease to be our Substantial Shareholder after our IPO.

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

5.1.3 Changes in our Promoters' and Substantial Shareholders' shareholdings in our Company

The changes in our Promoters' and Substantial Shareholders' respective shareholdings in our Company since the date of incorporation up to and after our IPO are as follows:

	As at the date of incorporation				As at the LPD			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Promoters and Substantial Shareholders								
Lee Kok Choon	1	50.00	-	-	49	49.00	-	-
Sheldon Wee Tah Poh	1	50.00	-	-	49	49.00	-	-
Substantial Shareholder								
Yeow Boon Siang ⁽³⁾	-	-	-	-	-	-	-	-
	After Acquisition but before IPO				After IPO			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
Promoters and Substantial Shareholders								
Lee Kok Choon	218,118,567	46.41	-	-	218,118,567	31.70	-	-
Sheldon Wee Tah Poh	218,118,567	46.41	-	-	218,118,567	31.70	-	-
Substantial Shareholder								
Yeow Boon Siang ⁽³⁾	33,735,664	7.18	-	-	33,735,664	4.90	-	-

Notes:

- (1) Calculated based on issued share capital of 469,972,800 Shares after completion of Acquisition but before our IPO.
(2) Calculated based on the enlarged issued share capital of 688,000,000 Shares after our IPO.

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

(3) Yeow Boon Siang became a substantial shareholder of our Company after the Acquisition, and he will cease to be a substantial shareholder after our IPO.

5.1.4 Persons exercising control over the corporation

Save for our Promoters and Substantial Shareholders, namely Lee Kok Choon and Sheldon Wee Tah Poh, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

5.1.5 Benefits paid or intended to be paid or given to our Promoters and Substantial Shareholders

Save as disclosed in Section 5.2.4 of this Prospectus, there are no other amounts or benefits paid or intended to be paid or given to any of our Promoters and Substantial Shareholders by our Company within the 2 years preceding the date of this Prospectus.

5.2 DIRECTORS

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

Name	Age	Nationality	Designation	Date of appointment	Date of expiry of current term of office⁽¹⁾	No. of years in service
Azura Binti Azman	60	Malaysian	Independent Non-Executive Chairman	21 November 2022	Subject to retirement at AGM to be held in 2025	1 year
Lee Kok Choon	48	Malaysian	Managing Director	3 June 2022	Subject to retirement at AGM to be held in 2025	1 year and 6 months
Sheldon Wee Tah Poh	47	Malaysian	Executive Director	3 June 2022	Subject to retirement at AGM to be held in 2026	1 year and 6 months
Ng Kok Ken	49	Malaysian	Independent Non-Executive Director	21 November 2022	Subject to retirement at AGM to be held in 2026	1 year
Elaine Law Soh Ying	45	Malaysian	Independent Non-Executive Director	21 November 2022	Subject to retirement at AGM to be held in 2024	1 year
Dr. Teoh Pek Loo	47	Malaysian	Independent Non-Executive Director	21 November 2022	Subject to retirement at AGM to be held in 2024	1 year

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

Note:

- (1) In accordance with our Constitution, all of our Directors shall retire from office at the conclusion of the first annual general meeting and an election of Directors shall take place each year at the annual general meeting of our Company. At the annual general meeting, 1/3 of our Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. This is provided always that all of our Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

5.2.1 Particulars and shareholdings

The shareholdings of our Directors in our Company after Acquisition but before and after IPO are as follows:

Name	After Acquisition but before IPO				After IPO				After IPO and assuming full exercise of the first tranche of ESOS Options after Listing			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Azura Binti Azman	-	-	-	-	(4)500,000	0.07	-	-	-	-	-	-
Lee Kok Choon	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Sheldon Wee Tah Poh	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Ng Kok Ken	-	-	-	-	(4)400,000	0.06	-	-	-	-	-	-
Elaine Law Soh Ying	-	-	-	-	(4)400,000	0.06	-	-	-	-	-	-
Dr. Teoh Pek Loo	-	-	-	-	(4)400,000	0.06	-	-	-	-	-	-

Notes:

- (1) Calculated based on the issued share capital of 469,972,800 Shares after the Acquisition but before our IPO.
- (2) Calculated based on the enlarged issued share capital of 688,000,000 Shares after our IPO.
- (3) Calculated based on the enlarged issued share capital of 701,756,000 after our IPO assuming full exercise of 13,756,000 ESOS Options.
- (4) Assuming he/she fully subscribe for his/her allocations under the Pink Form Allocations and assuming he/she does not apply for any excess IPO Shares.

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

5.2.2 Profiles of our Directors

The profiles of Lee Kok Choon and Sheldon Wee Tah Poh are set out in Section 5.1.2 of this Prospectus. The profiles of our other Directors are as follows:

(i) Azura Binti Azman
Independent Non-Executive Chairman

Azura Binti Azman, a Malaysian aged 60, is the Independent Non-Executive Chairman of our Group. She was appointed to our Board on 21 November 2022.

She graduated with a Bachelor of Arts (Hons) majoring in Economics and Linguistics from Victoria University of Wellington, New Zealand in 1987. She was also a former holder of a Capital Markets Services Representative's License issued by the SC for dealing in securities and derivatives.

Upon her graduation, she worked with MARA Institute of Technology as an Economics Lecturer from June to December 1987. In December 1987, she began her career in the banking industry when she joined Bank of Commerce Berhad (now CIMB Bank Berhad) as a Corporate Banker where she was responsible for assessing the creditworthiness of corporate clients to meet their financing needs. In May 1989, Azura Binti Azman left Bank of Commerce Berhad (now CIMB Bank Berhad) to join Southern Bank Berhad (now CIMB Bank Berhad) as the Head of Credit Department at the Penang main office.

In July 1991, she joined Yusoff & Chan Sdn Bhd as a Dealer where her primary role was to deal in listed securities. She left the firm in November 1993 and moved to the United Kingdom where she joined Crosby Securities (U.K.) Limited as a Sales Trader specialising in Association of Southeast Asian Nations (ASEAN) markets in November 1993. Thereafter, she returned to Malaysia and joined Amsteel Securities (M) Sdn Bhd as the Head of Institutional Sales in June 1996 where she was primarily responsible for servicing all Malaysian and Foreign Institutional Funds. In May 1997, she joined Ke-Zan Securities Sdn Bhd as a Business Development Manager and was instrumental in building their corporate and institutional client base.

In July 2000, she joined RHB Securities Sdn Bhd as a Remisier where she was involved in advising and dealing for her portfolio of retail clients. She then left in 2003 to join CAV Private Equity Management Sdn Bhd in the same year as the Head of Business Development where she was responsible for sourcing funds to co-invest with the group. Her role also encompassed conducting analysis on pre-initial public offering private companies to recommend for potential investment. She left CAV Private Equity Management Sdn Bhd in 2005. Subsequently in June 2005, she joined HLG Securities Sdn Bhd as the Head of Institutional Sales of the Corporate Institutional Business Group where her main duties and responsibilities include managing and building their institutional client base.

In June 2007, she joined RHB Investment Bank Berhad as the Head of Equities Broking. In April 2013, she assumed the position of Head of Government-Linked Companies 3 (GLC 3) and Public Sector of RHB Investment Bank Berhad. Thereafter in February 2017, she moved back to Public Equities to become the Head of Group Wholesale Equities (regional) and remained in that role until her retirement in April 2022. Following her retirement, Azura Binti Azman remains active in the capital markets industry through her seat in Bursa Securities' Market Participant Committee where she is involved in deciding on cases and making decisions to shape industry regulations.

In November 2022, Azura Binti Azman was appointed as the Independent and Non-Executive Director of Titijaya Land Berhad (listed on the Main Market of Bursa Securities). In December 2023, she was appointed as the Independent and Non-

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

Executive Director of RCE Capital Berhad (listed on the Main Market of Bursa Securities).

As our Independent Non-Executive Chairman, Azura Binti Azman is responsible for ensuring Board effectiveness and promoting high standards of integrity, probity and corporate governance throughout our Group.

She is also a director of other private limited companies, details of which are set out in Section 5.2.3 of this Prospectus.

(ii) Ng Kok Ken
Independent Non-Executive Director

Ng Kok Ken, a Malaysian aged 49, is an Independent Non-Executive Director of our Group. He was appointed to our Board on 21 November 2022. He is also the Chairman of our Audit and Risk Management Committee and a member of our Remuneration Committee and Nominating Committee.

He graduated with a Bachelor of Commerce in Accounting and Finance from Monash University, Australia in 1996. He is a member of the Malaysian Institute of Accountants since July 2014 and a member of the Chartered Accountants Australia and New Zealand since June 2000 and advanced to the status of Fellow since March 2021. He is also a former holder of a Capital Markets Services Representative's Licence issued by the SC for providing investment advice and dealing in securities.

He began his career with KPMG Malaysia as an Audit Assistant in the audit department in February 1997, and was an Audit Senior in the audit department when he left in May 2000. In June 2000, he joined Pilecon Engineering Bhd as an Accountant of the property division where he was responsible for the implementation of a new computer system for Pilecon Engineering Bhd's group of companies and financial management of a few properties development projects. He then left Pilecon Engineering Bhd to join CIMB Investment Bank Berhad as a Corporate Finance Executive in September 2000, and he was subsequently promoted to Manager in the corporate finance department in January 2004 where he was primarily involved in initial public offering exercises and merger and acquisition exercises.

In May 2006, he left CIMB Investment Bank Berhad and joined ZJ Advisory Sdn Bhd as an Associate Consultant from June 2006 to April 2008 in the corporate finance team where he was involved in the origination, structuring and valuation of corporate finance deals and subsequently transferred to the equity market team where he was involved in promoting his clients to the investment community. Subsequently, in May 2008, he joined AmInvestment Bank Berhad as an Associate Director of Equity Capital Market. His main duties and responsibilities included evaluating clients' business and conducting detail study on the clients' financial position and providing idea on the exit route as well as pitching for new placement and initial public offering jobs. He left his position as Director of Equity Capital Market of AmInvestment Bank Berhad in September 2011.

In September 2011, he through Salient Realty Sdn Bhd, a consulting firm set up by him and 3 other partners, entered into a business contract for a period of 3 years with Iskandar Waterfront Sdn Bhd for the provision of development expertise and corporate finance services to Iskandar Waterfront Sdn Bhd's group of companies ("**IWSB Group**"). Pursuant to the business contract, he was engaged in dual roles, as a General Manager of Corporate Strategic Planning for Iskandar Waterfront Sdn Bhd, and as a Finance Director of Riverside Terra Sdn Bhd, a wholly-owned subsidiary of Iskandar Waterfront Sdn Bhd. His main responsibilities included coordinating on the initial public offering of IWSB Group, securing financing for various projects, and apply for government grant through the Public Private Partnership Unit (UKAS).

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

After the business contract with Iskandar Waterfront Sdn Bhd ended in September 2014, he was engaged as an Advisor/Consultant to various clients where the projects range from reverse takeover, fund raising and establish new line of business. In April 2018, he joined Tarim Capital Sdn Bhd as a Chief Financial Officer where his roles included to evaluate various projects' feasibility, structuring joint venture deals, and to execute those projects. He subsequently acquired 6.77% equity interest in Tarim Capital Sdn Bhd after seeing the potential in its Indonesia ventures. Concurrently in June 2021, he also joined Farmedic Biotech Sdn Bhd as a Project Director where he is responsible for the daily operation and corporate related sales for various products that help the agriculture industry.

He is also a director of other private limited companies, details of which are set out in Section 5.2.3 of this Prospectus.

(iii) Elaine Law Soh Ying
Independent Non-Executive Director

Elaine Law Soh Ying, a Malaysian aged 45, is an Independent Non-Executive Director of our Group. She was appointed to our Board on 21 November 2022. She is also the Chairman of our Remuneration Committee and a member of our Audit and Risk Management Committee and Nominating Committee.

She graduated with a degree in Bachelor of Laws in Law from the University of Leicester, United Kingdom in 2000. She then undertook the professional law course in Malaysia from September 2000 until June 2001 and later obtained the Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia in March 2002. In September 2001, she returned to the University of Leicester, United Kingdom to pursue her Master of Laws (in International Commercial Law) ("LLM") and completed the same in September 2002. She was awarded the degree in LLM in January 2003.

After completion of the LLM, she commenced her pupillage with Messrs Raja, Darryl & Loh in October 2002 and thereafter was admitted as an Advocate and Solicitor of the High Court of Malaya in September 2003. She is also a Certified Professional Coach after having completed a coach training program accredited by the International Coaching Federation with Corporate Coach Academy, Malaysia in 2021 and is also an Associate Certified Coach (ACC) credentialed by the International Coaching Federation since 2021.

Upon completion of her pupillage, she joined Messrs Zain & Co as a Legal Associate in September 2003 where she was involved in civil litigation and arbitration matters. She then left Messrs Zain & Co in June 2006 to join Messrs Foong & Partners as a Legal Associate in the same month, where she was primarily involved in corporate advisory work.

In December 2006, she left Messrs Foong & Partners and joined Messrs Azman Davidson & Co as a Legal Associate in January 2007 in the corporate and commercial department. She was promoted to Senior Associate in January 2011, and was subsequently admitted as Partner in January 2012 where she was one of the partners responsible for the corporate and commercial department and intellectual property department of the firm. While in Messrs Azman Davidson & Co., her practice areas encompassed advising on mergers and acquisitions (M&A), joint ventures, shareholders' agreements and foreign investments into Malaysia, as well as various commercial contracts drafting. She was also involved in advising on initial public offering exercises on Bursa Securities and acting as Malaysian counsel in initial public offering exercises on the Singapore Exchange. In the intellectual property practice area, she has provided advisory work relating to intellectual property laws and assisted clients in trademark registration.

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

In June 2021, she left Messrs Azman Davidson & Co and joined Messrs Law Kuan Yew & Co as a Partner in July 2021 where she is currently specialising in the practise areas of corporate and commercial law and intellectual property law, particularly on trademark advisory and registration.

In October 2020, Elaine set up a sole proprietorship business, namely Emerging Leaders Coaching & Consulting which specialises in coaching, training and consulting.

In September 2023, Elaine was appointed as the Independent and Non-Executive Director of Kucingko Berhad (formerly known as Kucingo Sdn Bhd).

(iv) Dr. Teoh Pek Loo
Independent Non-Executive Director

Dr. Teoh Pek Loo, a Malaysian aged 47, is an Independent Non-Executive Director of our Group. He was appointed to our Board in 21 November 2022. He is also the Chairman of our Nominating Committee and a member of our Audit and Risk Management Committee and Remuneration Committee.

He graduated with a Bachelor of Engineering in Mechanical Engineering from Monash University, Australia in 1999. In 1999, he furthered his study at Monash University where he pursued the Master of Engineering Science until end of 2000, when he transferred from the master programme to the doctor of philosophy programme and obtained his Doctor of Philosophy of Engineering Science in 2004.

He began his career with Longlife Weld (Kuala Lumpur) Sdn Bhd as a Sales Engineer in October 2003 where he was involved in the design and preparation of the robotics welding and other automated welding systems solutions and proposals. He left Longlife Weld (Kuala Lumpur) Sdn Bhd in February 2004 and joined Lintraco (M) Sdn Bhd as a Senior Project Development Executive in April 2004, where he was primarily involved in the study of the company's business model and competitive advantage, and the growth of the company's business via the sale of a new product range. He then left in October 2004 to join Syarikat Ban Lee Machinery Trading as a Sales Engineer in December 2004 where he was responsible for the sales, and installation and commissioning of semi-automated woodworking machineries and production lines.

In February 2008, he left Syarikat Ban Lee Machinery Trading and joined Swisslog Malaysia Sdn Bhd as a System Designer where he was involved in the calculation, layouting, pricing and proposal support for the lead designer or consultant for the sales of the fully automated logistics warehouse solutions for clients in the Southeast Asia. He was later promoted to Consultant in June 2010 where his functions included providing consultancy services to potential clients in designing and implementing fully automated logistics warehouse solutions. Subsequently, he was promoted to System Design and Consulting Manager in January 2014 and Head of System Design and Consulting in March 2017 where he was in charge of the development of the system design and consulting department to support the targeted growth in the Southeast Asia region, and managing and coordinating the overall resources planning to support the sales team. In May 2023, he was redesignated as the Head of Design and Engineering Department pursuant to an internal restructuring of Swisslog Malaysia Sdn Bhd.

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

5.2.3 Principal directorships and principal business activities performed outside our Group

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

(a) Azura Binti Azman

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
<u>Present directorships/shareholdings/Other business involvements outside our Group</u>						
Amanahraya Investment Management Sdn Bhd	Managers of portfolio investment/fund management, dealers in shares, stock, debentures and others	Director	13 January 2023	-	-	-
IGV Partners Sdn Bhd	Investment holding company set up to provide seed funding to start-up companies	Shareholder	-	-	20.00	-
Pearl By The Sea Sdn Bhd	Property and investment, restaurant and travel agency and consultancy	Director/ Shareholder	9 April 2012	-	10.00	-
Precise Strategies Sdn Bhd	General trading, property investment holding company, property and construction	Director/ Shareholder	1 September 2005	-	1.00	-
RCE Capital Berhad	Investment holding and provision of management services, where its subsidiaries are primarily engaged in the provision of Shariah-compliance and conventional financing activities	Independent Non-Executive Director	1 December 2023	-	-	-
Titijaya Land Berhad	Investment holding, where its subsidiaries are principally involved in property development	Independent Non-Executive Director	29 November 2022	-	-	-
<u>Past directorships/shareholdings/Other business involvements outside our Group</u>						
HCMI Sea and Pacific Sdn Bhd	Consultancy and training and strategic human resource	Director	17 October 2013	11 June 2018	-	-
Ideas Sdn Bhd	Dormant	Shareholder	-	-	14.00 ⁽¹⁾	-

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

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
Roselle Properties Sdn Bhd	Real estate activities with own or leased property not elsewhere classified; other service activities not elsewhere classified; and homes for the elderly with nursing care	Director/ Shareholder	19 April 2018	-	33.00 ⁽²⁾	-
Securities Industry Dispute Resolution Center	Act as a dispute resolution body in relation to complaint, dispute and claims relating to capital markets services, transaction and/or products, to promote, encourage and facilitate the satisfactory settlement, mediation and/or withdrawal of such complaints, disputes and claims	Director	12 October 2021	2 April 2022	-	-
Sun Rich Ventures Sdn Bhd	Investment holdings, holding company of Sun Rich Travel & Tours Sdn Bhd	Shareholder	-	-	50.00 ⁽³⁾	-
Sun Rich Travel & Tours Sdn Bhd	Travel and tours agent	Shareholder	-	-	-	50.00 ⁽⁴⁾

Notes:

- (1) She held 14.00% equity interest (direct) in Iedeas Sdn Bhd prior to its dissolution on 22 October 2018.
- (2) She held 33.00% equity interest (direct) in Roselle Properties Sdn Bhd prior to its dissolution on 12 October 2021.
- (3) She held 50.00% equity interest (direct) in Sun Rich Ventures Sdn Bhd prior to its dissolution on 8 June 2018.
- (4) Deemed interested by virtue of her interest in Sun Rich Ventures Sdn Bhd pursuant to Section 8(4) of the Act prior to the dissolution of Sun Rich Ventures Sdn Bhd on 8 June 2018. Sun Rich Travel & Tours Sdn Bhd is still in existence as at the LPD.

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

(b) Lee Kok Choon

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
Present directorships/shareholdings/Other business involvements outside our Group						
ACR Chiller Rental Sdn Bhd	Renting and leasing of air chiller and air conditioners	Shareholder	-	-	30.50	-
Acres Growth ⁽¹⁾	Designing, air-conditioning, cooling, heating and ventilation systems, repair and maintenance of air-conditioning systems, project contracting, assembly and trading in engineering products and as an investment holding company	Director/ Shareholder	11 October 2017	-	-	30.00
Certifield Development Sdn Bhd	Investment and holding company (securities in private companies. As at the LPD, it is the holding company of Victoria Crest Sdn Bhd.)	Director/ Shareholder	23 October 2015	-	27.00	-
DCS Energy ⁽²⁾	Designing, testing and managing cooling system, mechanical electrical system and related activities	Director/ Shareholder	2 March 2016	-	-	45.00
Divine Catering Sdn Bhd	Restaurants	Director/ Shareholder	21 March 2019	-	-	100.00 ⁽³⁾
Divine Cuisine (M) Sdn Bhd	Restaurants	Shareholder	-	-	-	69.00 ⁽³⁾
Divine Meals Sdn Bhd	Restaurants	Director/ Shareholder	6 September 2016	-	20.00	-
Divine Recipe Sdn Bhd	Restaurants business	Director/ Shareholder	12 October 2015	-	20.00	-
Integrated DCS Sdn Bhd	Investment holding company; activities of holding companies (As at the LPD, it does not have any investment.) ⁽⁸⁾	Director/ Shareholder	9 March 2017	-	-	100.00 ⁽⁴⁾
KJ Technical Services (Thailand) ⁽¹⁾	Engineering activities and related technical consultancy	Shareholder	-	-	-	30.00

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

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
SS Wee Services (M) Sdn Bhd	Processing of sausages, pies, pudding and related products	Director/ Shareholder	25 March 2016	-	20.00	-
Tradisi Utara Sdn Bhd	Properties investment	Director/ Shareholder	19 March 2013	-	33.33	-
Victoria Crest Sdn Bhd	Trading and manufacturing of foods	Director/ Shareholder	29 August 2016	-	-	75.00 ⁽⁵⁾
Wee Lee Capital Ventures Sdn Bhd	Investment holding (securities in private companies. As at the LPD, it is the holding company of Integrated DCS Sdn Bhd.)	Director/ Shareholder	23 November 2015	-	50.00	-
WHZ Construction Sdn Bhd	Investment holding company; activities of holding companies (As at the LPD, it does not have any investment.) ⁽⁸⁾	Director/ Shareholder	30 December 2016	-	50.00	-
Past directorships/shareholdings/Other business involvements outside our Group						
Sin Heng Chan (Malaya) Berhad	Investment holding, where its subsidiaries are principally involved in the cultivation of oil palm plantations, sale of fresh fruit bunches, EPCC of DCS and related activities, and the provision of energy and FM services	Director/ Shareholder	21 July 2017	13 August 2019	1.90 ⁽⁶⁾	-
Tunas Cool Energy Sdn Bhd	Build and supply of cooling energy	Director/ Shareholder	2 January 2015	17 September 2019	-	80.00 ⁽⁷⁾

Notes:

- (1) Our associated company, held through our subsidiary, KJ Technical Services.
- (2) He held 45.00% equity interest (direct) in DCS Energy between October 2016 and August 2022. DCS Energy became our associated company, held through our subsidiary, KJ Technical Services, following the acquisition by KJ Technical Services of 45.00% equity interest in DCS Energy from him which was completed on 17 August 2022.
- (3) Deemed interested by virtue of his interest in Divine Recipe Sdn Bhd pursuant to Section 8(4) of the Act.

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

- (4) Deemed interested by virtue of his interest in Wee Lee Capital Ventures Sdn Bhd pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of his interest in Certified Development Sdn Bhd pursuant to Section 8(4) of the Act.
- (6) He held 1.90% equity interest (direct) in Sin Heng Chan (Malaya) Berhad prior to the disposal of such interest on 5 July 2019. Lee Kok Choon decided to dispose his interest in Sin Heng Chan (Malaya) Berhad since Sin Heng Chan (Malaya) Berhad had ceased to be a shareholder in KJ Technical Services. The disposal of the shares in Sin Heng Chan (Malaya) Berhad was to a third party, not related to Lee Kok Choon.
- (7) Prior to the disposal by KJ Technical Services of 80.00% equity interest in Tunas Cool Energy Sdn Bhd to Sin Heng Chan (Malaya) Berhad which was completed on 18 August 2017, he was deemed interested in Tunas Cool Energy Sdn Bhd by virtue of his interest in KJ Technical Services pursuant to Section 8(4) of the Act.
- (8) As at the LPD, an application to strike off the company has been submitted to the Companies Commission of Malaysia.

(c) Sheldon Wee Tah Poh

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct %	Indirect %
<u>Present directorships/shareholdings/Other business involvements outside our Group</u>						
ACR Chiller Rental Sdn Bhd	Renting and leasing of air chiller and air conditioners	Shareholder	-	-	-	30.50 ⁽¹⁾
Acres Growth ⁽²⁾	Designing air-conditioning, cooling, heating and ventilation systems, repair and maintenance of air-conditioning systems, project contracting, assembly and trading in engineering products and as an investment holding company	Shareholder	-	-	-	30.00
Certified Development Sdn Bhd	Investment and holding company (securities in private companies. As at the LPD, it is the holding company of Victoria Crest Sdn Bhd.)	Director/ Shareholder	23 October 2015	-	27.00	-
DCS Energy ⁽²⁾	Designing, testing and managing cooling system, mechanical electrical system and related activities	Shareholder	-	-	-	45.00
Divine Catering Sdn Bhd	Restaurants	Director/ Shareholder	21 March 2019	-	-	100.00 ⁽³⁾

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

<u>Company name</u>	<u>Principal business activities</u>	<u>Position held</u>	<u>Date of appointment</u>	<u>Date of resignation</u>	<u>Equity interest held</u>	
					<u>Direct</u>	<u>Indirect</u>
					%	%
Divine Cuisine (M) Sdn Bhd	Restaurants	Shareholder	-	-	1.00	69.00 ⁽³⁾
Divine Meals Sdn Bhd	Restaurants	Director/ Shareholder	6 September 2016	-	20.00	-
Divine Recipe Sdn Bhd	Restaurants business	Director/ Shareholder	12 October 2015	-	40.00	-
Integrated DCS Sdn Bhd	Investment holding company; activities of holding companies (As at the LPD, it does not have any investment.) ⁽¹⁰⁾	Director/ Shareholder	9 March 2017	-	-	100.00 ⁽⁴⁾
KJ Technical Services (Thailand) ⁽²⁾	Engineering activities and related technical consultancy	Shareholder	-	-	-	30.00
LJ Pro Services Sdn Bhd	Investment holdings (property)	Director/ Shareholder	14 April 2005	-	40.00	-
SS Wee Services (M) Sdn Bhd	Processing of sausages, pies, pudding and related products	Director/ Shareholder	30 April 2004	-	20.00	-
Steady Land Sdn Bhd	Property investment company	Director/ Shareholder	3 November 2010	-	60.00	-
Victoria Crest Sdn Bhd	Trading and manufacturing of foods	Director/ Shareholder	29 August 2016	-	-	75.00 ⁽⁵⁾
Wee Lee Capital Ventures Sdn Bhd	Investment holdings (securities in private companies. As at the LPD, it is the holding company of Integrated DCS Sdn Bhd.)	Director/ Shareholder	7 September 2016	-	50.00	-
WHZ Construction Sdn Bhd	Investment holding company; activities of holding companies (As at the LPD, it does not have any investment.) ⁽¹⁰⁾	Director/ Shareholder	30 December 2016	-	50.00	-
<u>Past directorships/shareholdings/Other business involvements outside our Group</u>						
Mannar Cleaning Services Sdn Bhd	Cleaning Services	Director/ Shareholder	30 March 2006	-	50.00 ⁽⁶⁾	-

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

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
Notable Synergy Sdn Bhd	Intended activities of holding companies to takeover a restaurant/bar business	Director/ Shareholder	6 March 2014	-	17.00 ⁽⁷⁾	-
PWB (M) Sdn Bhd	Total facility management services	Director/ Shareholder	8 October 2007	27 June 2018	5.00 ⁽⁸⁾	-
Sin Heng Chan (Malaya) Berhad	Investment holding, where its subsidiaries are principally involved in the cultivation of oil palm plantations, sale of fresh fruit bunches, EPCC of DCS and related activities, and the provision of energy and FM services	Director/ Shareholder	1 June 2018	13 August 2019	1.90 ⁽⁹⁾	-

Notes:

- (1) Held in the name of his spouse, Sasha Joanne Povananthiran, who holds 30.50% equity interest in ACR Chiller Rental Sdn Bhd as at the LPD.
- (2) Our associated company, held through our subsidiary, KJ Technical Services.
- (3) Deemed interested by virtue of his interest in Divine Recipe Sdn Bhd pursuant to Section 8(4) of the Act.
- (4) Deemed interested by virtue of his interest in Wee Lee Capital Ventures Sdn Bhd pursuant to Section 8(4) of the Act.
- (5) Deemed interested by virtue of his interest in Certified Development Sdn Bhd pursuant to Section 8(4) of the Act.
- (6) He held 50.00% equity interest (direct) in Mannar Cleaning Services Sdn Bhd prior to its dissolution on 2 March 2023.
- (7) He held 17.00% equity interest (direct) in Notable Synergy Sdn Bhd prior to its dissolution on 24 June 2021.
- (8) He held 5.00% equity interest (direct) in PWB (M) Sdn Bhd prior to the disposal of such interest on 27 June 2018. The disposal was the last tranche of the sale of the family business to OCS Group International Limited.
- (9) He held 1.90% equity interest (direct) in Sin Heng Chan (Malaya) Berhad prior to the disposal of such interest on 5 July 2019. Sheldon Wee Tah Poh decided to dispose his interest in Sin Heng Chan (Malaya) Berhad since Sin Heng Chan (Malaya) Berhad had ceased to be a shareholder in KJ Technical Services. The disposal of the shares in Sin Heng Chan (Malaya) Berhad was to a third party, not related to Sheldon Wee Tah Poh.
- (10) As at the LPD, an application to strike off the company has been submitted to the Companies Commission of Malaysia.

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

(d) Ng Kok Ken

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct %	Indirect %
Present directorships/shareholdings/Other business involvements outside our Group						
AEC Properties (M) Sdn Bhd	Investment holding company of shares in a company that build a commercial centre in Thailand	Director/ Shareholder	25 September 2015	-	-	15.00 ⁽¹⁾
Agensi Pekerjaan Ravon Consulting Sdn Bhd	Recruitment activity	Director/ Shareholder	31 October 2013	-	50.00	-
AKL Builders Sdn Bhd	Property development	Director	6 August 2018	-	-	-
Five Star Synergies Sdn Bhd	General traders and investment holding company of shares in a few private businesses, property and listed shares	Director/ Shareholder	23 March 2011	-	25.00	-
General Produce Agency Sdn Berhad	Investment holding company of listed shares and property, and property management	Director/ Shareholder	25 September 2015	-	0.83	4.17 ⁽¹⁾
Longlife Pacific Sdn Bhd	Business of e-commerce	Director/ Shareholder	8 October 2015	-	80.00	-
Maluku Mitra Sdn Bhd	Activities of holding companies of agriculture related assets in Indonesia in exchange for rental income and rights of distribution, activities of vessels engaged both in fishing and in processing and preserving of fish, and fishing on a commercial basis in ocean and coastal waters	Director/ Shareholder	27 March 2018	-	24.02	75.98 ⁽²⁾
Mitra Development Sdn Bhd	Real estate activities with own or leased property not elsewhere classified and construction of buildings not elsewhere classified	Director/ Shareholder	18 August 2018	-	50.00	-
Ravon Consulting PLT ⁽³⁾	Business management consultancy services and other management consultancy activities	Partner	19 August 2018	-	-	-
Speed Consortium Sdn Bhd	Property development	Director/ Shareholder	6 November 2015	-	40.00	-

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

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
Tarim Capital Sdn Bhd	Activities of holding companies to co-invest with various companies in Indonesia's agriculture related projects	Shareholder	-	-	6.77	0.73 ⁽⁴⁾
<u>Past directorships/shareholdings/Other business involvements outside our Group</u>						
Farmedic Biotech Sdn Bhd (formerly known as DC Agro Marine Resources Sdn Bhd)	Activities of holding companies, wholesale of a variety of goods without any particular specialisation not elsewhere classified, wholesale of meat, fish, fruits and vegetables not elsewhere classified	Director	11 May 2022	17 June 2022	-	-
Letengon Sdn Bhd	To purchase any land, plot(s) of land or immovable property therein either singly or jointly or in partnership with any person(s) or body corporate or partnership firm and to develop and construct memorial gardens, burial ground, columbarium complexes, crematorium either singly or in partnership as aforesaid, or to act as agents, facilitators, consultants, trainers to aforesaid activities or to trade on electronic medium or e-commerce on related products and services of such activities; to carry out business in relation to astrological science, master feng shui practitioner or consultants for individuals, residential and commercial real estate properties, memorial gardens, cemeteries, columbarium complexes, crematorium, worshipping or ritual establishments; and to carry out general business management, advisory, consultancy or investment holding such as in shares, stocks, debenture, debenture stock, bonds, obligation, real estate properties in view of investment return such as capital gains, dividends, commissions, fees, rental or interests.	Director/ Shareholder	30 December 2016	-	50.00 ⁽⁵⁾	-

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

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
Manor Venture Sdn Bhd	Investment holding company in trading and privately held shares, real estate properties, funeral parlors, burial ground and columbarium and related business; provision of head quarter services to related companies; and provision of consultancy services in relation to astrological science, feng shui, rituals, funeral parlor, worshiping, burial ground, columbarium and related services; trading of products in relation to astrological science, feng shui, rituals; construction and managing funeral parlor, worshiping, columbarium and related products and services	Director/ Shareholder	30 December 2016	-	44.33 ⁽⁶⁾	-
Ng Kweng Hee Sdn Bhd	Investment holdings company of listed and unlisted shares	Shareholder	-	-	16.67 ⁽⁷⁾	-
Thousand Digital Sdn Bhd	Export and import of computer hardware, software and peripherals; export and import of a variety of goods without any particular specialization not elsewhere classified; and real estate activities with own or leased property not elsewhere classified.	Director/ Shareholder	2 October 2019	-	33.00 ⁽⁸⁾	-

Notes:

- (1) Deemed interest by virtue of his interest in Five Star Synergies Sdn Bhd pursuant to Section 8(4) of the Act.
- (2) Deemed interest by virtue of his interest in Tarim Capital Sdn Bhd and Five Star Synergies Sdn Bhd pursuant to Section 8(4) of the Act.
- (3) A limited liability partnership registered on 20 August 2018 pursuant to the Limited Liability Partnership Act 2012.
- (4) Deemed interest by virtue of his interest in Maluku Mitra Sdn Bhd pursuant to Section 8(4) of the Act.

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

- (5) He held 50.00% equity interest (direct) in Letengon Sdn Bhd prior to its dissolution on 7 October 2019.
- (6) He held 44.33% equity interest (direct) in Manor Venture Sdn Bhd prior to its dissolution on 7 October 2019.
- (7) He held 16.67% equity interest (direct) in Ng Kweng Hee Sdn Bhd prior to its dissolution on 8 June 2018.
- (8) He held 33.00% equity interest (direct) in Thousand Digital Sdn Bhd prior to its dissolution on 15 July 2020.

(e) Elaine Law Soh Ying

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct %	Indirect %
<u>Present directorships/shareholdings/Other business involvements outside our Group</u>						
Emerging Leaders Coaching & Consulting ⁽¹⁾	Coaching, training and consulting	Sole Proprietor	-	-	-	-
Kucingko Berhad (formerly known as Kucingo Sdn Bhd)	Activities of holding companies (As at the LPD, it does not have any investment. It is intended to be the holding company of a group of companies primarily engaged in the provision of two-dimension (2D) animation production services)	Independent Non-Executive Director	15 September 2023	-	-	-
Law Kuan Yew & Co ⁽²⁾	Law firm specialising in the areas of corporate and commercial, property and real estate	Partner	1 July 2021	-	-	-

Notes:

- (1) A business (sole proprietorship) registered on 16 October 2020 pursuant to the Registration of Business Act 1956. It has not commenced business as at the LPD.
- (2) A law firm registered with the Malaysian Bar pursuant to the Legal Profession Act 1976 which has commenced business since 8 July 2013.

Save as disclosed in Section 11 of this Prospectus, the involvement of our Directors in the business activities outside our Group as set out above, does not give rise to any conflict of interest situation with our business.

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

The involvement of our Directors mentioned above in the other principal business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group in their respective roles as Directors, as:

- (i) our Non-Executive Directors are not involved in the day-to-day operations of our Group. Their involvement in other business activities outside our Group will not affect their contributions to our Group as the principal activities of those companies are not similar to our Group's business; and
- (ii) our Executive Directors are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of Directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management.

Please refer to Section 11 of this Prospectus for details of conflict of interest between our Group and our Directors and Substantial Shareholders.

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

5.2.4 Directors' remuneration and benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our Directors for services rendered in all capacities to our Company for FYE 2022 and FYE 2023 are as follows:

<u>Paid for FYE 2022</u>	<u>Directors' fees</u>	<u>Salaries</u>	<u>Bonuses</u>	<u>EPF & SOCSO Contribution</u>	<u>Allowances</u>	<u>Benefit-in-kind</u>	<u>(1)Others</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Azura Binti Azman	(2)3	-	-	-	-	-	-	3
Lee Kok Choon	120	660	-	82	12	13	2	889
Sheldon Wee Tah Poh	120	660	-	82	12	13	3	890
Ng Kok Ken	(2)3	-	-	-	-	-	-	3
Elaine Law Soh Ying	(2)3	-	-	-	-	-	-	3
Dr. Teoh Pek Loo	(2)3	-	-	-	-	-	-	3
<u>Proposed for FYE 2023</u>	<u>Directors' fees</u>	<u>Salaries</u>	<u>Bonuses</u>	<u>EPF & SOCSO Contribution</u>	<u>Allowances</u>	<u>Benefit-in-kind</u>	<u>(1)Others</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Azura Binti Azman	(2)24	-	-	-	-	-	-	24
Lee Kok Choon	40	740	-	82	12	13	2	889
Sheldon Wee Tah Poh	40	740	-	82	12	13	2	889
Ng Kok Ken	(2)24	-	-	-	-	-	-	24
Elaine Law Soh Ying	(2)24	-	-	-	-	-	-	24
Dr. Teoh Pek Loo	(2)24	-	-	-	-	-	-	24

Notes:

- (1) These comprise contributions to Employment Insurance System, insurance premiums and medical benefits.
- (2) Being directors' fee of RM2,000 per month from the date they were appointed to our Board on 21 November 2022.

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

The remuneration for our Directors must be reviewed and recommended by our Remuneration Committee and subsequently, be approved by our Board. Any change in Director's fees as set out in our Constitution must be approved by our shareholders pursuant to an ordinary resolution passed at a general meeting where appropriate notice of the proposed changes should be given. Please refer to Section 15.2.1 of this Prospectus for further details.

5.3 KEY SENIOR MANAGEMENT

5.3.1 Particulars and shareholdings

Our Key Senior Management is set out below:

Name	Age	Designation
Lee Kok Choon	48	Managing Director
Sheldon Wee Tah Poh	47	Executive Director
Wong Nai Chien	46	Chief Operating Officer
Sarmila A/P Muniandy	39	Chief Financial Officer
Adrian Lim Hock Heng	42	Head of Project Department
Yap Yew Cheong	47	Head of Engineering Department

The details of our Key Senior Management and their respective shareholdings in our Company after the Acquisition but before and after our IPO assuming that our Key Senior Management fully subscribe for their respective allocations under the Pink Form Allocations are as follows:

Name	After Acquisition but before IPO				After IPO				After IPO and assuming full exercise of the first tranche of ESOS Options after Listing			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%	No. of Shares	(3)%	No. of Shares	(3)%
Lee Kok Choon	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Sheldon Wee Tah Poh	218,118,567	46.41	-	-	218,118,567	31.70	-	-	219,994,567	31.35	-	-
Wong Nai Chien	⁽⁴⁾ 2	-*	-	-	⁽⁵⁾ 600,002	0.09	-	-	1,184,002	0.17	-	-
Sarmila A/P Muniandy	-	-	-	-	⁽⁵⁾ 600,000	0.09	-	-	1,184,000	0.17	-	-
Adrian Lim Hock Heng	-	-	-	-	⁽⁵⁾ 600,000	0.09	-	-	1,184,000	0.17	-	-
Yap Yew Cheong	-	-	-	-	⁽⁵⁾ 600,000	0.09	-	-	1,184,000	0.17	-	-

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

Notes:

* Negligible

- (1) Based on the issued share capital of 469,972,800 Shares after the Acquisition but before our IPO.
- (2) Based on the enlarged issued share capital of 688,000,000 Shares after our IPO.
- (3) Calculated based on the enlarged issued share capital of 701,756,000 Shares after our IPO assuming full exercise of 13,756,000 ESOS Options.
- (4) Wong Nai Chien holds 2 Shares as at the LPD and his shareholdings in our Company will remain unchanged after the Acquisition but before our IPO.
- (5) Assuming he/she will fully subscribe for his/her respective allocations under the Pink Form Allocations and assuming he/she does not apply for any excess IPO Shares.

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

5.3.2 Profiles of our Key Senior Management

The profiles of Lee Kok Choon and Sheldon Wee Tah Poh are set out in Section 5.1.2 of this Prospectus. The profiles of our other Key Senior Management are as follows:

(i) Wong Nai Chien
Chief Operating Officer

Wong Nai Chien, a Malaysian aged 46, is our Chief Operating Officer and he reports to Lee Kok Choon, our Managing Director.

Wong Nai Chien graduated from the University of Malaya with a Bachelor Degree in Mechanical Engineering in 2000. He has been a graduate member of the Institute of Engineers of Malaysia since 2001.

He began his career with Cidar Engineering Sdn Bhd as a Project Engineer in April 2000 where he was responsible for assisting in design work for palm oil mills. He left Cidar Engineering Sdn Bhd in August 2000 and thereafter, he joined KJ Engineering as a Design and Project Engineer in September 2000. In January 2004, he was promoted to Senior Engineer in Design and Project Department where he was the lead engineer in tender and audit exercises, design work and management of the construction and commissioning of cooling systems. He was promoted to Contract Manager to head the new Contracts and Procurement Department in January 2006. Subsequently, he was promoted to Senior Contracts Manager in March 2011 where he was responsible for leading all tender, proposal, costing and procurement of KJ Engineering.

He remained in his position as Senior Contracts Manager until May 2013, before he was transferred to KJ Technical Services as a Senior Contracts Manager in the Contracts and Procurement Department due to an internal restructuring of our Group for the period from May 2013 till December 2017.

Wong Nai Chien was transferred to Sin Heng Chan (Malaya) Bhd as a Senior Contracts Manager in January 2018 to head the Contracts and Procurement Department after Sin Heng Chan (Malaya) Bhd acquired 25.00% equity interest in KJ Technical Services. Subsequently in April 2019, he was re-transferred to KJ Technical Services as a Senior Contracts Manager when Sin Heng Chan (Malaya) Bhd disposed of its 25.00% equity interest in KJ Technical Services.

In January 2020, Wong Nai Chien was promoted to his current position as the Chief Operating Officer of our Group. He is primarily responsible for overseeing the procurement, management, implementation and operation of contract tender, proposals and projects for our Group, as well as monitoring the cost of projects secured.

(ii) Sarmila A/P Muniandy
Chief Financial Officer

Sarmila A/P Muniandy, a Malaysian aged 39, is our Chief Financial Officer and she reports to Sheldon Wee Tah Poh, our Executive Director.

Sarmila A/P Muniandy graduated from Universiti Utara Malaysia with a Bachelor Degree in Accounting in 2008. In 2017, she obtained her Master of Business Administration with a specialisation in Finance from University of Southern Queensland. She has been a Chartered Accountant with the Malaysian Institute of Accountants since 2016.

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

She began her career in M.Guna & Co as an Audit Executive in June 2007 where she was responsible for the audit, accounting, tax and secretarial matters. She left M.Guna & Co in December 2008 and participated in a talent enrichment programme relating to the conventional banking, investment banking, Islamic banking and insurance/takaful organised by Asian Banking School in collaboration with the Central Bank of Malaysia for a period of 1 year from January 2009 to January 2010. As part of the programme, she served an internship with Tokio Marine Life Insurance Malaysia Berhad for a period of 3 months from November 2009 to January 2010. Upon completion of her internship, she joined Tokio Marine Life Insurance Malaysia Berhad as an Executive in January 2010 where she was responsible for accounts receivables.

Sarmila A/P Muniandy left Tokio Marine Life Insurance Malaysia Berhad in May 2011 and thereafter, she joined KJ Engineering as an Accounts Executive in the Finance Department in the same month. She was promoted to Accountant in December 2011, and to Accounts Manager in November 2012. She remained in her position as Accounts Manager until April 2013, before she was transferred to KJ Technical Services as an Accounts Manager due to an internal restructuring of our Group for the period from May 2013 till December 2017.

Sarmila A/P Muniandy was transferred to Sin Heng Chan (Malaya) Berhad as an Accounts Manager in January 2018 after Sin Heng Chan (Malaya) Berhad acquired 25.00% equity interest in KJ Technical Services. Subsequently in April 2019, she was re-transferred to KJ Technical Services as an Accounts Manager when Sin Heng Chan (Malaya) Bhd disposed its 25.00% equity interest in KJ Technical Services.

In October 2022, Sarmila A/P Muniandy was promoted to her current position as the Chief Financial Officer of our Group. She is responsible for leading the Finance Department and carrying out the finance function of our Group.

(iii) Adrian Lim Hock Heng
Head of Project Department

Adrian Lim Hock Heng, a Malaysian aged 42, is our Head of Project Department and he reports to Lee Kok Choon, our Managing Director.

He graduated from the University of Sheffield, United Kingdom with a Bachelor of Engineering in Electronic Engineering (Communications) in 2003. He has been a member of the Institute of Electrical Engineers (now known as the Institution of Engineering and Technology) since 2003 and a member of the Institution of Engineers of Malaysia since 2020. He is also a Professional Technologist registered with the Malaysian Board of Technologists since April 2022.

Adrian Lim Hock Heng began his career with JAT Engineering Sdn Bhd as a Sales and Technical Engineer in September 2003 where he was responsible for sales, technical and project implementation. In April 2004, he left JAT Engineering Sdn Bhd to join CNC Design Sdn Bhd as a Project Engineer in the same month where he was responsible for the management of the projects of the company.

He left CNC Design Sdn Bhd in October 2006 and thereafter, he joined KJ Engineering as a Project Engineer in November 2006 where he was responsible for technical and engineering aspects of the projects assigned to him and assisting in the implementation of the projects secured by KJ Engineering. He was promoted to Senior Project Engineer in January 2010 where he was responsible for the implementation of the projects secured by KJ Engineering. In August 2011, he was promoted to Project Manager and subsequently to Senior Project Manager in June 2016, where he was responsible for supervising and overseeing all the projects secured by KJ Engineering including cost control. In January 2020, he was promoted to General Manager of KJ Engineering.

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

In October 2022, Adrian Lim Hock Heng was appointed as Head of Project Department of our Group. He is primarily responsible for overseeing the implementation of the projects secured by our Group as well as design works.

(iv) Yap Yew Cheong
Head of Engineering Department

Yap Yew Cheong, a Malaysian aged 47, is our Head of Engineering Department and he reports to Lee Kok Choon, our Managing Director.

Yap Yew Cheong graduated from Monash University, Australia with a Bachelor of Engineering in the field of Mechanical Engineering in 1999. He has been a member of the Board of Engineers Malaysia since 1999.

He began his career with SMHB Sdn Bhd as a Mechanical Engineer in July 1999 where he was responsible for assisting in design work for water pumping system. He left SMHB Sdn Bhd in July 2000 and joined Western Digital (Malaysia) Sdn Bhd as a Process Engineer in August 2000 where he was responsible for assembly process optimisation, and waste reduction. He left Western Digital (Malaysia) Sdn Bhd in March 2002 and joined Johnson & Johnson Sdn Bhd as a Project Engineer in March 2002 where he was responsible for floor process optimisation. He left Johnson & Johnson Sdn Bhd in August 2002 and subsequently joined S.E.H Malaysia Sdn Bhd as an Engineer in September 2002 where he was responsible for the process involving wafer demounting and edge grinding and he left the company as a Senior Engineer in November 2008. He moved to Australia at the end of 2008 and joined Kraft Foods Inc. as a Process Engineer from February to June 2009 where he was responsible for food and beverage process optimisation.

In July 2009, he returned to Malaysia and joined MEMC Electronic Materials Sdn Bhd as a Process Engineer in September 2009 where he was responsible for the process involving wafer edge grinding and left in January 2010. He then took a career break for the remainder of 2010. In January 2011, he joined KJ Engineering as a Senior Engineer, where he was responsible for carrying out the energy audit exercises and assisting the operation and maintenance team in technical matters. In January 2012, he was promoted to Engineering Manager of KJ Engineering, a position he still holds. As Engineering Manager, he is responsible in the setup and implementation of specific procedure and project specification while also assisting in project design coordination.

In October 2022, Yap Yew Cheong was appointed as Head of Engineering Department of our Group. He is primarily responsible for managing all energy audit exercises, overseeing design works and providing technical support as well as the testing and commissioning of projects secured by our Group.

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

5.3.3 Principal directorships and principal business activities performed outside our Group

Save as disclosed below and the present directorship/ shareholdings, previous directorships and the involvement in principal business outside our Group of Lee Kok Choon and Sheldon Wee Tah Poh as set out in Section 5.2.3 of this Prospectus, none of our other Key Senior Management has any other principal directorship and/or principal business activities performed outside our Group within the past five (5) years up to the LPD:

(a) Sarmila A/P Muniandy

Company name	Principal business activities	Position held	Date of appointment	Date of resignation	Equity interest held	
					Direct	Indirect
					%	%
<u>Present directorships/shareholdings/Other business involvements outside our Group</u>						
AUNOA Solutions ⁽¹⁾	Provide technology solution that enables energy savings and enhances assets management through next generation wireless technology	Director	11 July 2019	-	-	-
<u>Past directorships/shareholdings/Other business involvements outside our Group</u>						
SM Corporate Solutions ⁽²⁾	Management services (provide accounting, taxation and Goods and Services Tax (GST) compliance services)	-	-	-	-	-

Notes:

- (1) AUNOA Solutions became our subsidiary pursuant to the acquisition of 51.00% shareholding in AUNOA Solutions by our subsidiary, KJ Technical Services which was completed in 16 October 2020.
- (2) A business (sole proprietorship) registered on 19 February 2016 pursuant to the Registration of Business Act 1956, which has expired on 19 December 2019.

Sarmila A/P Muniandy currently sits on the board of directors of AUNOA Solutions as a representative of KJ Technical Services.

Save as disclosed in Section 11 of this Prospectus, the involvement of our Key Senior Management in the business activities outside our Group as set out above, does not give rise to any conflict of interest situation with our business.

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

The involvement of Lee Kok Choon and Sheldon Wee Tah Poh in the other principal business activities outside our Group does not preclude them from allocating or committing their time and effort to our Group in their respective roles as Key Senior Management, as they are not involved in the management and day-to-day operations of these businesses, other than attending meetings of the board of directors on which they serve. Such businesses do not require their involvement on a daily basis as these businesses are managed by their respective management.

The other Key Senior Management, being Wong Nai Chien, Sarmila A/P Muniandy, Adrian Lim Hock Heng and Yap Yew Cheong do not have any principal business activities including principal directorships outside our Group as at the LPD.

5.3.4 Key Senior Management's remuneration and benefits

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to Lee Kok Choon and Sheldon Wee Tah Poh for services rendered in all capacities to our Group for FYE 2022 and FYE 2023 are set out in Section 5.2.4 of this Prospectus.

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid (in bands of RM50,000) to our other Key Senior Management for services rendered in all capacities to our Group for FYE 2022 and FYE 2023 are as follows:

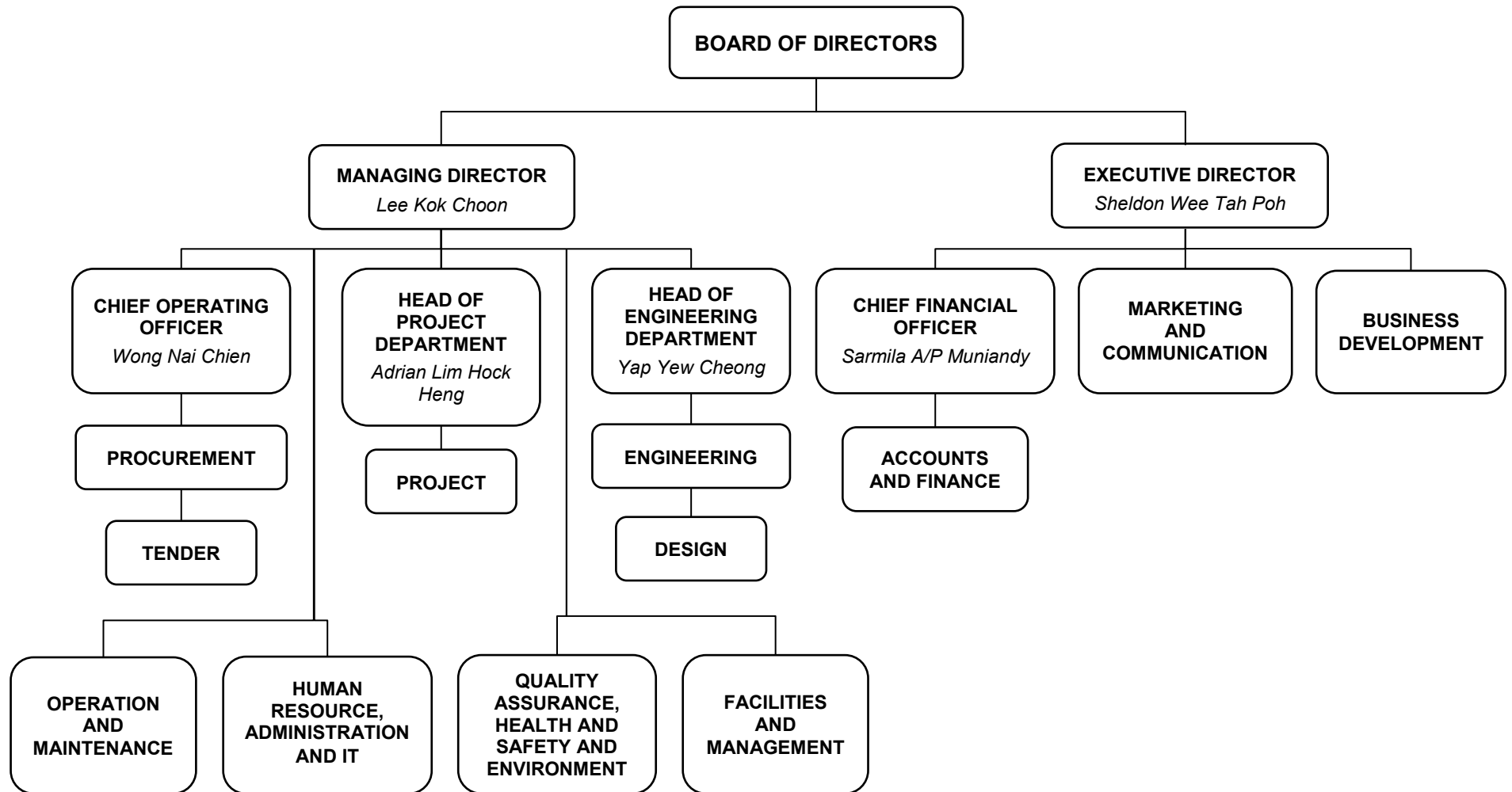
	Paid for FYE 2022			Proposed for FYE 2023		
	Remuneration (in bands of RM50,000)	⁽¹⁾ Others (in bands of RM50,000)	Total (in bands of RM50,000)	Remuneration (in bands of RM50,000)	⁽¹⁾ Others (in bands of RM50,000)	Total (in bands of RM50,000)
	RM	RM	RM	RM	RM	RM
Wong Nai Chien	300,000-350,000	0-50,000	300,000-350,000	300,000-350,000	0-50,000	300,000-350,000
Sarmila A/P Muniandy	150,000-200,000	0-50,000	150,000-200,000	200,000-250,000	0-50,000	200,000-250,000
Adrian Lim Hock Heng	250,000-300,000	0-50,000	300,000-350,000	250,000-300,000	0-50,000	300,000-350,000
Yap Yew Cheong	150,000-200,000	0-50,000	150,000-200,000	150,000-200,000	0-50,000	150,000-200,000

Note:

- (1) Comprising contributions to Employment Insurance System, insurance premiums and medical benefits.

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

5.4 MANAGEMENT REPORTING STRUCTURE



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

5.5 BOARD PRACTICES**5.5.1 Board**

Our Board members are from diversified backgrounds in terms of age and expertise. They have professional experience ranging from corporate, legal and accounting as well as industry experience from the building support services industry. Our Board is of the opinion that at present there is adequate diversity in skills, experience, age, cultural background and gender in its composition.

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

- (i) together with management, promoting good corporate governance culture within our Group which reinforces ethical, prudent and professional behaviour;
- (ii) reviewing and setting a strategic plan for our Group to ensure that the strategic plan of our Group supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
- (iii) reviewing, challenging and deciding on management's proposals for our Group, and monitoring its implementation by management;
- (iv) overseeing the conduct of our Group's business to ensure it is properly managed, including supervising and assessing corporate behaviour, management performance and conduct of the business of our Group;
- (v) identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the shareholders;
- (vi) reviewing the information and risk management and internal control system and the effectiveness of the management;
- (vii) ensuring there is an orderly succession of senior management positions who are of high calibre and have the necessary skills and experience. Our Board delegates to the Nominating Committee and Remuneration Committee to review succession plans and remuneration packages for our Directors respectively as well as our Group's policies and procedures on remuneration for the consultants who are employees of our Group. Our Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
- (viii) developing and implementing an investor relations programme or shareholders' communications policy for our Group to enable effective communication with stakeholders;
- (ix) reviewing and approving financial statements;
- (x) reviewing and approving the reports of the Audit and Risk Management Committee, Nominating Committee and Remuneration Committee at the end of each financial year;
- (xi) reviewing and approving our Company's annual report;
- (xii) ensuring the integrity of our Company's financial and non-financial reporting; and
- (xiii) undertaking a formal and objective annual evaluation to determine the effectiveness of our Board, our Board committees and each individual Director.

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

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

Our Company has adopted the recommendations under the MCCG that at least half of our Board comprises Independent Non-Executive Directors, the non-involvement of our Chairman in our Audit and Risk Management Committee, Nominating Committee and/or Remuneration Committee, and to have at least 30% women directors on our Board. As at the LPD, our Board comprises 2 females out of 6 members, which represents 33.33% of our Board.

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

5.5.2 Audit and Risk Management Committee

The main function of our Audit and Risk Management Committee is to assist our Board in fulfilling its responsibility to oversee our Group’s accounting, financial reporting and risk management matters, which include amongst others:

- (i) reviewing the quarterly results and the year-end financial statements of our Group, before submission to our Board for approval, focusing particularly on:-
 - any changes in or implementation of major accounting policy changes;
 - adoption of new and/or revised accounting standards;
 - any significant matters highlighted including financial reporting issues, significant judgement made by management, significant and unusual events or transactions and how these matters are addressed;
 - significant adjustment arising from audit;
 - major judgemental areas;
 - whether significant contingent liabilities and commitments have been properly disclosed;
 - the going concern assumption; and
 - compliance with accounting standards, regulatory and other legal requirements;
- (ii) reviewing and providing advice on whether the financial statements taken as a whole provide a true and fair view of our Company’s financial position and performance;
- (iii) asking probing questions to ascertain whether the financial statements are consistent with operational and other information known, where there are significant matters requiring judgement;
- (iv) ensuring that an appropriate risk reporting structure is established to facilitate reporting of risk to management and our Board;
- (v) overseeing our Group’s overall risk management framework and policies;
- (vi) reviewing and assessing the adequacy and effectiveness of the risk management framework, policies and processes, which include identifying, managing, monitoring, treating and mitigating significant risks of our Group, and recommend for approval by our Board;
- (vii) ensuring infrastructure, resources and systems are in place for risk management, i.e. ensure that staff responsible for implementing the risk management systems perform those duties independently of the risk originating activities of our Company and Group (where applicable);

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

- (viii) reviewing and assessing the risk appetite and risk tolerance for our Group;
- (ix) reviewing the significant and key risks identified including reviewing of periodic risk management and business exposures reports from the respective business units of our Company and Group (where applicable) on risk exposures, risk portfolio compositions and risk management activities and assess the mitigating actions put in place to manage these risks to ensure that the risks are effectively managed in accordance with our Group's risk management policies and strategies;
- (x) reviewing the Statement on Risk Management and Internal Control (which has been reviewed by the external auditors) for inclusion in our Company's Annual Report, and recommend for approval by our Board;
- (xi) reviewing the adequacy of resources for managing the risk management framework;
- (xii) considering and recommending to our Board on the appointment or re-appointment of external auditors and to fix the fees (audit and non-audit), after assessing the independence and capabilities as well as the effectiveness of the external audit process;
- (xiii) reviewing the following and report the same to our Board:-
 - letter of resignation from the external auditors or suggestions for the dismissal, including a copy of any written representations or statement of circumstances in relation with the resignation made by the external auditors, if applicable; and
 - whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment;
- (xiv) assessing the suitability, objectivity and independence of the external auditors on an annual basis based on the policies and procedures that have been established and the annual performance evaluation of the external auditors;
- (xv) reviewing the following with the external auditors and report the same to our Board:-
 - audit plan, its scope and nature;
 - the coordination with component auditors where more than one (1) audit firm is involved in the audit of our Group's financial statements;
 - audit report;
 - evaluation of the system of internal controls;
 - the assistance given by the employees to the external auditors, including any difficulties or disputes with management encountered during audit; and
 - external auditors' management letter and management's response thereto;
- (xvi) reviewing the following and reporting the same to our Board, in relation to the internal audit function:-
 - the adequacy of the scope, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - the internal audit plan, programme, processes, and the reporting structure;
 - whether the internal audit function is carried out in accordance with a recognised framework;
 - the findings of the internal auditor's reports, investigations undertaken and whether or not appropriate actions are taken by the management, based on the recommendations of the internal auditors;

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

- the effectiveness of internal audit function, including the ability, competency and qualifications of the internal audit team and / or outsourced internal auditors (if any) to perform its duties;
 - matters concerning the employment and the annual appraisal or appointment (or reappointment on annual basis) of head of in-house internal audit and / or outsourced internal auditors (as the case may be) and the reasons for the resignation or termination of either party; and
 - any special audit which our Audit and Risk Management Committee deems necessary; and
- (xvii) monitoring, reviewing and reporting to our Board any related party transactions, recurrent related party transactions and conflict of interest situation that arose, persist or may arise within our Company or Group, including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

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

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Ng Kok Ken	Chairman	Independent Non-Executive Director
Elaine Law Soh Ying	Member	Independent Non-Executive Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director

Our Nominating Committee will review the composition, performance and effectiveness of our Audit and Risk Management Committee annually.

5.5.3 Remuneration Committee

The main function of our Remuneration Committee is to assist our Board in fulfilling its responsibility on matters relating to our Group's compensation, bonuses, incentives and benefits, which include amongst others:

- (i) reviewing and recommending to our Board for approval on the remuneration of Non-Executive Directors on an annual basis, particularly on whether the remuneration remains appropriate to each Non-Executive Director's contribution, by taking into account, amongst others, the level of expertise, commitment and responsibilities undertaken;
- (ii) reviewing and recommending to our Board for approval the framework or broad policy for the remuneration, in all forms, of the Executive Directors and Key Senior Management and/or any other persons as the Remuneration Committee is designated to consider by our Board, drawing from outside advice as necessary;
- (iii) ensuring that the remuneration package of Executive Directors and Key Senior Management should be structured such that it is competitive and balance which should be sufficient to attract and retain Executive Directors and Key Senior Management of calibre, and yet not excessive;
- (iv) reviewing our Group's policies and procedures on remuneration periodically including reviewing and recommending matters relating to the remuneration of Directors and Key Senior Management to our Board for approval;
- (v) reviewing compensation policy of Directors and Key Senior Management, and ensure the compensations offered are in line with market practice (if any);

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

- (vi) ensuring fees and benefits payable to Directors, and any compensation for loss of employment of Executive Directors are approved by shareholders at general meetings of our Company in accordance with the Act;
- (vii) overseeing any major changes in employee remuneration and benefit structures throughout our Group;
- (viii) recommending to our Board any performance related pay schemes for our Company or Group; and
- (ix) recommending to our Board on the appointment of experts, consultants or professional advisers to assist and/or advise our Remuneration Committee and our Board, where necessary to fulfil its responsibilities.

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

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

Name	Designation	Directorship
Elaine Law Soh Ying	Chairman	Independent Non-Executive Director
Ng Kok Ken	Member	Independent Non-Executive Director
Dr. Teoh Pek Loo	Member	Independent Non-Executive Director

5.5.4 Nominating Committee

The main function of our Nominating Committee is to assist our Board in fulfilling its responsibility in nominating new nominees to our Board and Board committees and ensure that their composition meet the needs of our Company, which include amongst others:

- (i) considering and recommending to our Board for approval, the appropriate size of our Board and Board Committees to facilitate effective decision making after taking into consideration the scope and nature of the operations of our Group;
- (ii) evaluating, reviewing and assessing performance of our Board and Key Senior Management including, taking into consideration our Company's performance in managing material sustainability risks and opportunities and the achievement of sustainability targets;
- (iii) to establish and review the terms and conditions of employment of Executive Directors and Key Senior Management of our Group having regard to their duties and responsibilities;
- (iv) conducting the fit and proper assessment prior to making recommendation for the appointment of any candidate as a Director or making recommendation for the re-election of an existing Director who is retiring by rotation pursuant to our Constitution at the annual general meeting of our Company;
- (v) to establish and oversee the application of our Company's diversity policy for our Board and Key Senior Management;

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

- (vi) reviewing Board and senior management succession plans and overseeing the development of a diverse pipeline for Board and management succession, including the future Chairman, Managing Director and Executive Director(s);
- (vii) to undertake an annual review of the training programmes attended by our Directors for each financial year as well as training programmes required to aid our Directors in the discharge of the duties as Directors and to keep abreast with development in the industry, regulatory changes and board business trends;
- (viii) reviewing the following and reporting the same to our Board, in relation to the annual assessment:-
 - the effectiveness of our Board as a whole, Board Committees, and the contribution of each individual Director and the Managing Director including having regard to his/her character, competence, integrity, experience and time commitment, the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to our Board;
 - the tenure of each Director and ensure that the annual re-election of a Director is based on satisfactory evaluation of the Director's performance and contribution to our Board;
 - the term of office, effectiveness and performance of our Board Committees and each of its members to determine whether our Board Committees and its members have carried out their duties in accordance with the respective terms of reference; and
 - our Nominating Committee's performance.

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

As at the LPD, the members of our Nominating Committee are as follows:

Name	Designation	Directorship
Dr. Teoh Pek Loo	Chairman	Independent Non-Executive Director
Ng Kok Ken	Member	Independent Non-Executive Director
Elaine Law Soh Ying	Member	Independent Non-Executive Director

5.6 RELATIONSHIPS AND/OR ASSOCIATIONS BETWEEN OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, there is no family relationship or association between or amongst our Promoters, Substantial Shareholders, Directors and Key Senior Management.

5.7 EXISTING OR PROPOSED SERVICE CONTRACTS

As at the LPD, there is no existing or proposed service contract entered into between the companies within our Group, with our Directors or Key Senior Management which provides for benefits upon termination of employment.

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

5.8 DECLARATIONS BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

As at the LPD, none of our Promoters, Directors and Key Senior Management is or has been involved in any of the following events (whether in or outside Malaysia):

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

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6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 3 June 2022 as a private limited company under the name of KJTS Group Sdn Bhd. Subsequently, on 3 November 2022, our Company was converted into a public limited company and assumed its present name, KJTS Group Berhad. On 13 December 2023, we completed the Acquisition which resulted in KJ Technical Services becoming our wholly-owned subsidiary.

Our Company is principally an investment holding company. Through our subsidiaries, we are principally involved in providing building support services comprising cooling energy, cleaning and FM services.

Please refer to Section 7.1 of this Prospectus for detailed information of our Group's history.

6.2 SHARE CAPITAL

Our issued share capital as at 13 December 2023 is RM41,827,670.30 comprising 469,972,800 Shares. The movements in our share capital since our incorporation are set out below:

<u>Date of allotment</u>	<u>No. of Shares allotted</u>	<u>Consideration / Type of issue</u>	<u>Cumulative issued share capital</u>
			RM
3 June 2022	2	RM2.00 / Subscriber's shares	2.00
17 November 2022	98	RM98.00 / Cash	100.00
13 December 2023	469,972,700	RM41,827,570.30 / Other than cash ⁽¹⁾	41,827,670.30

Note:

(1) The issuance of KJTS Shares to satisfy the purchase consideration for the Acquisition.

Save for 13,756,000 ESOS Options to be granted upon Listing, we do not have any outstanding warrants, options, convertible securities or uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.3 ACQUISITION**

In preparation for our Listing, we entered into a conditional share sale agreement with the KJ Technical Services Vendors to acquire the entire equity interest in KJ Technical Services comprising 808,000 ordinary shares for a total purchase consideration of RM41,827,570.30 on 29 May 2023. The purchase consideration for the Acquisition was satisfied by the issuance of 469,972,700 new Shares to the KJ Technical Services Vendors at an issue price of RM0.0890 each, details of which are as follows:

KJ Technical Services Vendors	No. of KJ Technical Services shares acquired	% of share capital in KJ Technical Services	Purchase consideration	No. of Shares issued
			RM	
Lee Kok Choon	375,000	46.41	19,412,548.10	218,118,518
Sheldon Wee Tah Poh	375,000	46.41	19,412,548.10	218,118,518
Yeow Boon Siang	58,000	7.18	3,002,474.10	33,735,664
Total	808,000	100.00	41,827,570.30	469,972,700

The Acquisition was completed on 13 December 2023 and KJ Technical Services became our wholly-owned subsidiary. The total purchase consideration of RM41,827,570.30 for the Acquisition was arrived based on a “willing-buyer willing-seller” basis after taking into consideration the audited consolidated NA of KJ Technical Services as at 31 December 2022 (after adjusting for the share subscription by our Pre-IPO Investor, Yeow Boon Siang of RM6,139,880.00 which was completed on 26 April 2023) of RM41,889,980.00.

The new Shares issued pursuant to the Acquisition rank *pari passu* in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

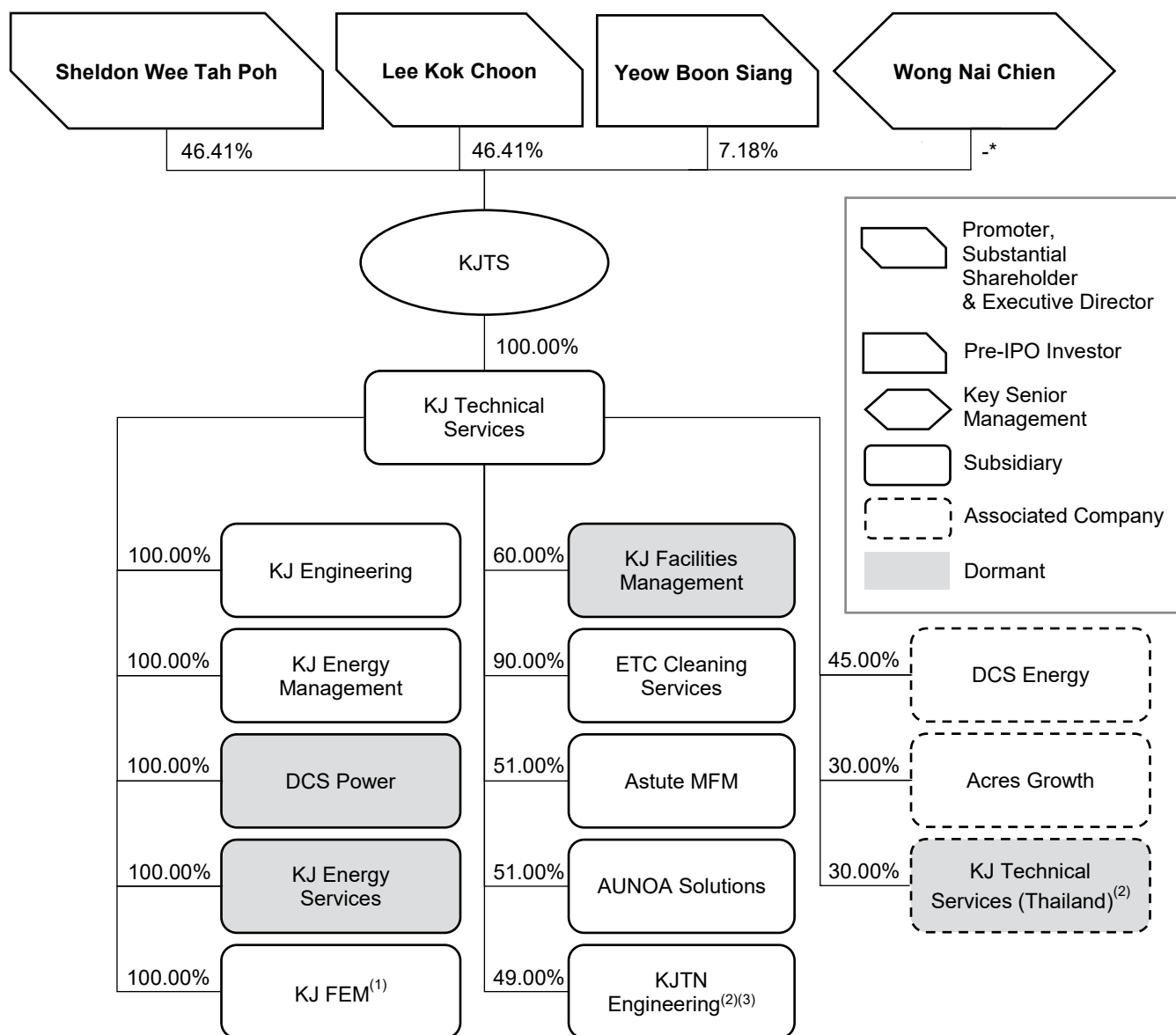
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6. INFORMATION ON OUR GROUP (Cont'd)

6.3.1 Group structure

The shareholding structure of our Group and associated companies before and after Listing are as follows:

Before Listing



Notes:

* Negligible

(1) Incorporated in Singapore.

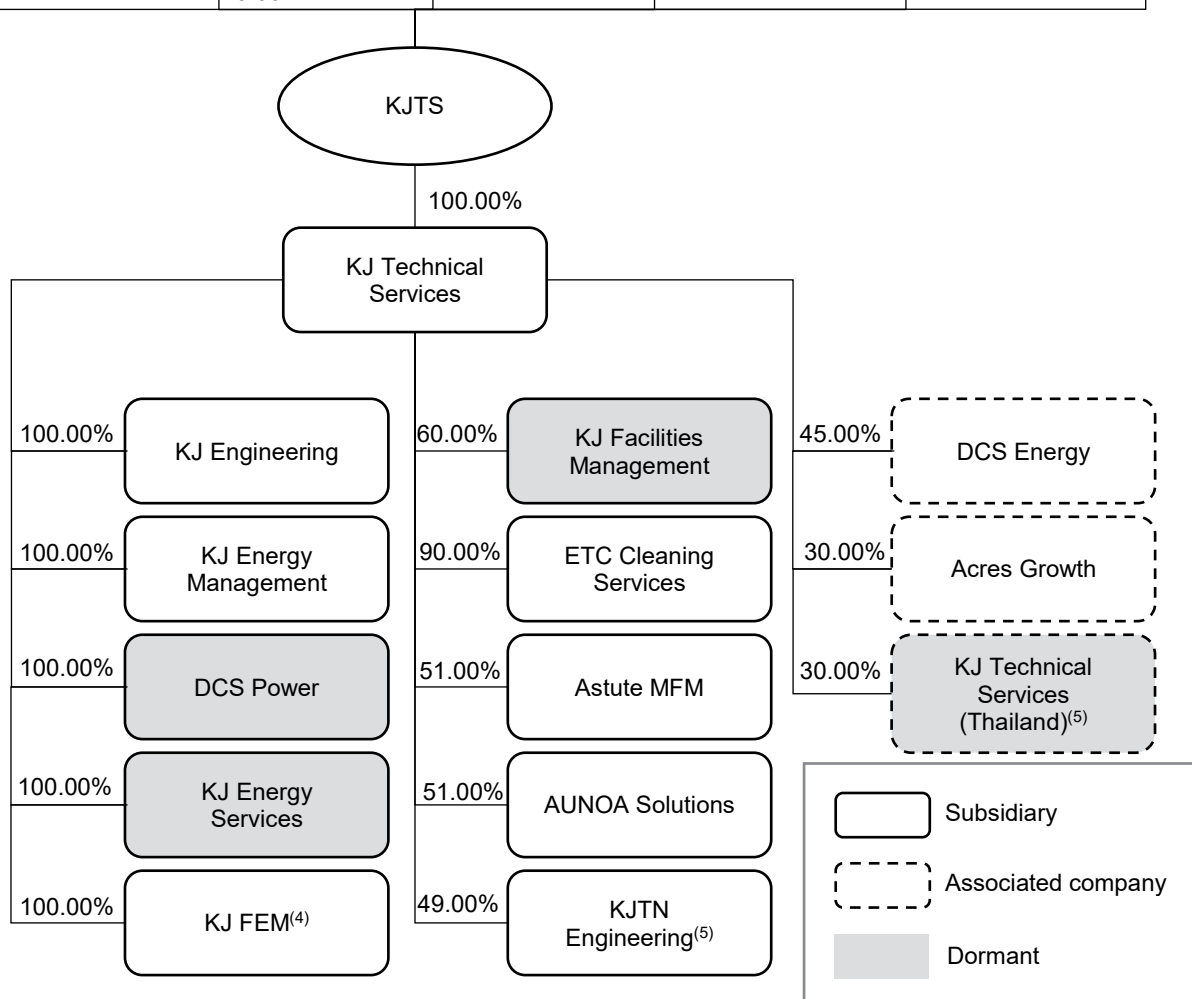
(2) Incorporated in Thailand.

(3) Deemed a subsidiary by virtue of KJ Technical Services' control over the composition of the board of directors of KJTN Engineering pursuant to Section 4(1)(a)(i) of the Act and the terms of the shareholders agreement dated 20 October 2020 entered into between KJ Technical Services, TN Group Corporation Co., Ltd and Yuvadee Prapakamol in relation to KJTN Engineering.

6. INFORMATION ON OUR GROUP (Cont'd)

After Listing

Promoters, Substantial Shareholders & Executive Directors⁽¹⁾	Independent Directors & Key Senior Management⁽²⁾	Malaysian Public	Institutional & Selected Investors	Eligible Employees & Other Persons⁽³⁾	Yeow Boon Siang
63.41%	0.60%	5.00%	24.51%	1.58%	4.90%



Notes:

- (1) Lee Kok Choon and Sheldon Wee Tah Poh will each hold 218,118,567 Shares representing 31.703% of the enlarged issued share capital of KJTS.
- (2) Assuming the eligible Independent Non-Executive Directors and eligible Key Senior Management will fully subscribe for their respective allocations under the Pink Form Allocations, and assuming they do not apply for any excess IPO Shares.
- (3) Assuming the eligible employees and eligible persons who have contributed to the success of our Group will fully subscribe for their respective allocations under the Pink Form Allocations, and assuming they do not apply for any excess IPO Shares.
- (4) Incorporated in Singapore.
- (5) Incorporated in Thailand.

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

The details of our subsidiaries and associated companies as at the LPD are summarised as follows:

Company / Company Registration Number	Date / Place of incorporation	Principal place of business	Effective equity interest (%)	Principal activities
Our subsidiary				
KJ Technical Services 200501009892 (686939-D)	1 April 2005 / Malaysia	Malaysia	100.00	Provision of cooling energy management services, EPCC of cooling energy systems, and facilities management services; and investment holding company.
Our subsidiaries held through KJ Technical Services				
KJ Engineering 198401017156 (129714-H)	30 October 1984 / Malaysia	Malaysia	100.00	EPCC of cooling energy systems.
KJ Energy Management 201901040562 (1349892-D)	11 November 2019 / Malaysia	Malaysia	100.00	Provision of cooling energy management services.
KJ Energy Services 202201019493 (1465190-D)	1 June 2022 / Malaysia	Malaysia	100.00	Provision of cooling energy management services.*
DCS Power 201301011915 (1041753-A)	9 April 2013 / Malaysia	Malaysia	100.00	Provision of cooling energy management services.*
KJ FEM 199204370H	15 August 1992 / Singapore	Singapore	100.00	Provision of cleaning services.
ETC Cleaning Services ⁽¹⁾ 201801019004 (1281020-H)	22 May 2018 / Malaysia	Malaysia	90.00	Provision of cleaning services.
KJ Facilities Management ⁽²⁾ 201701046591 (1260767-X)	20 December 2017 / Malaysia	Malaysia	60.00	Provision of facilities management services.*
Astute MFM ⁽³⁾ 201101033215 (961350-W)	23 September 2011 / Malaysia	Malaysia	51.00	Provision of mobile facilities management services.

6. INFORMATION ON OUR GROUP (Cont'd)

Company / Company Registration Number	Date / Place of incorporation	Principal place of business	Effective equity interest (%)	Principal activities
AUNOA Solutions ⁽⁴⁾ 201901024429 (1333758-P)	11 July 2019 / Malaysia	Malaysia	51.00	Software systems integrator.
KJTN Engineering ⁽⁵⁾ 0745564000556	18 January 2021 / Thailand	Thailand	49.00	Provision of cooling energy management services and EPCC of cooling energy systems.

Our associated companies held through KJ Technical Services

DCS Energy ⁽⁶⁾ 201101040228 (968350-K)	16 November 2011 / Malaysia	Malaysia	45.00	Designing, testing and managing cooling system, mechanical electrical system and related activities.
Acres Growth ⁽⁷⁾ 201701036701 (1250872-W)	11 October 2017 / Malaysia	Malaysia	30.00	Designing air-conditioning, cooling, heating and ventilation systems, repair and maintenance of air-conditioning systems, project contracting, assembly and trading in engineering products and as an investment holding company.
KJ Technical Services (Thailand) ⁽⁸⁾ 0105562061197	29 March 2019 / Thailand	Thailand	30.00	Engineering activities and related technical consultancy.*

Notes:

* Being the intended principal activities. The companies are dormant as at the LPD.

KJ Energy Services and DCS Power are intended to be the holders of our financial assets (being the new or retrofitted and/or upgraded cooling energy system where we fund the initial capital expenses) in the future, where the segregation of customer types has not been determined at this juncture.

KJ Facilities Management is intended to provide facilities management services to new customers jointly secured by us and the other shareholder of KJ Facilities Management.

KJ Technical Services (Thailand) is intended to be the holder of our financial assets (without the involvement of TN Group Corporation Co., Ltd) in Thailand in the future.

6. INFORMATION ON OUR GROUP (Cont'd)

- (1) The shareholding structure of ETC Cleaning Services as at the LPD is as follows:

Shareholders	%
KJ Technical Services	90.00
Kevin Gerard Quinn	10.00
Total	100.00

Kevin Gerard Quinn is a director of ETC Cleaning Services as at the LPD.

Kevin Gerard Quinn is not a person connected to the Promoters and Directors of our Company.

We leverage on the experience and marketing knowledge of Kevin Gerard Quinn in the cleaning and mobile FM services industries to secure new customers.

- (2) The shareholding structure of KJ Facilities Management as at the LPD is as follows:

Shareholders	%
KJ Technical Services	60.00
FD Holdings Sdn Bhd	40.00
Total	100.00

The shareholders and their shareholdings in FD Holdings Sdn Bhd as at the LPD are as follows:

Shareholders	%
Leong Khai Ric	50.00
Leong Khai Shaun	50.00
Total	100.00

Leong Khai Ric and Leong Khai Shaun do not hold any position in KJ Facilities Management as at the LPD.

Leong Khai Ric and Leong Khai Shaun are not persons connected to the Promoters and Directors of our Company.

We intend to leverage on the networks of Leong Khai Ric and Leong Khai Shaun to secure new customers.

- (3) The shareholding structure of Astute MFM as at the LPD is as follows:

Shareholders	%
KJ Technical Services	51.00
Angelina Corrina Fernandez	19.60
Quinn Corporate Sdn Bhd	19.60
Christopher Symonds	4.90
Shahran Sham Bin Shafie	4.90
Total	100.00

6. INFORMATION ON OUR GROUP (Cont'd)

The shareholder and his shareholding in Quinn Corporate Sdn Bhd as at the LPD are as follows:

Shareholder	%
Kevin Gerard Quinn	100.00
Total	100.00

Angelina Corrina Fernandez and Kevin Gerard Quinn are directors while Shahran Sham Bin Shafie is an employee of Astute MFM as at the LPD. Christopher Symonds does not hold any position in Astute MFM as at the LPD.

Angelina Corrina Fernandez, Christopher Symonds, Shahran Sham Bin Shafie and Kevin Gerard Quinn are not persons connected to the Promoters and Directors of our Company.

We leverage on the experience of Angelina Corrina Fernandez, Christopher Symonds, and Shahran Sham Bin Shafie in the mobile FM industry to manage the day-to-day operations of Astute MFM. We also leverage on the experience and marketing knowledge of Kevin Gerard Quinn in the cleaning and mobile FM services industries to secure new customers.

- (4) The shareholding structure of AUNOA Solutions as at the LPD is as follows:

Shareholders	%
KJ Technical Services	51.00
Absotherm Technologies Private Limited	49.00
Total	100.00

The shareholders and their shareholdings in Absotherm Technologies Private Limited as at the LPD are as follows:

Shareholders	%
Pradip Kumar Padmasan Menon	74.00
Mandeep Singh	26.00
Total	100.00

Pradip Kumar Padmasan Menon is a director while Mandeep Singh does not hold any position in AUNOA Solutions as at the LPD.

Pradip Kumar Padmasan Menon and Mandeep Singh are not persons connected to the Promoters and Directors of our Company.

We use the software and hardware owned by Absotherm Technologies Private Limited for our cooling energy and facilities management services, and we have the rights to use the software and hardware in South East Asia.

- (5) KJTN Engineering is deemed a subsidiary by virtue of KJ Technical Services' control over the composition of the board of directors of KJTN Engineering pursuant to Section 4(1)(a)(i) of the Act and the terms of the shareholders agreement dated 20 October 2020 entered into between KJ Technical Services, TN Group Corporation Co., Ltd and Yuvadee Prapakamol in relation to KJTN Engineering.

6. INFORMATION ON OUR GROUP (Cont'd)

The shareholding structure of KJTN Engineering as at the LPD is as follows:

Shareholders	%
KJ Technical Services	49.00
TN Group Corporation Co., Ltd	49.00
Yuvadee Prapakamol	2.00
Total	100.00

The shareholders and their shareholdings in TN Group Corporation Co., Ltd as at the LPD are as follows:

Shareholders	%
Kitti Chungswanant	3.99
Kijja Chungswanant	3.99
Pimporn Chungswanant	3.12
Suvimol Chungswanant	4.70
Wongpramol Co., Ltd	84.20
Total	100.00

The shareholders and their shareholdings in Wongpramol Co., Ltd as at the LPD are as follows:

Shareholders	%
Kitti Chungswanant	28.50
Kijja Chungswanant	29.50
Pimporn Chungswanant	24.50
Suvimol Chungswanant	17.50
Total	100.00

Kitti Chungswanant and Kijja Chungswanant are directors while Pimporn Chungswanant, Suvimol Chungswanant and Yuvadee Prapakamol do not hold any position in KJTN Engineering as at the LPD.

Yuvadee Prapakamol, Kitti Chungswanant, Kijja Chungswanant, Pimporn Chungswanant and Suvimol Chungswanant are not persons connected to the Promoters and Directors of our Company.

We leverage on the local knowledge and customer base of TN Group Corporation Co., Ltd and Yuvadee Prapakamol to secure new customers in Thailand.

- (6) The shareholding structure of DCS Energy as at the LPD is as follows:

Shareholders	%
KJ Technical Services	45.00
Dato' Kamarudin Bin Meranun	55.00
Total	100.00

Dato' Kamarudin Bin Meranun is a director of DCS Energy as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

Dato' Kamarudin Bin Meranun is not a person connected to the Promoters and Directors of our Company.

We, through KJ Technical Services, acquired 45.00% equity interest in DCS Energy on 17 August 2022. As our associated company, we are able to leverage on the networks of Dato' Kamarudin Bin Meranun (the 55.00% direct shareholder) to secure new customers.

- (7) The shareholding structure of Acres Growth as at the LPD is as follows:

Shareholders	%
KJ Technical Services	30.00
Khoo Kim Huat	20.00
FD Holdings Sdn Bhd	50.00
Total	100.00

Leong Khai Ric is a director while Leong Khai Shaun and Khoo Kim Huat do not hold any position in Acres Growth as at the LPD.

Khoo Kim Huat is not a person connected to the Promoters and Directors of our Company.

The shareholders and their shareholdings in FD Holdings Sdn Bhd as at the LPD is set out in Note (2) above.

We, through KJ Technical Services, incorporated Acres Growth together with FD Holdings Sdn Bhd on 11 October 2017. As our associated company, we are able to leverage on the networks of Khoo Kim Huat (the 20.00% direct shareholder), Leong Khai Ric and Leong Khai Shaun (the 50.00% indirect shareholders) to secure new customers.

- (8) The shareholding structure of KJ Technical Services (Thailand) as at the LPD is as follows:

Shareholders	%
KJ Technical Services	30.00
A&P Consulting Co., Ltd	69.99
Richard Thomas Sumner	0.01
Total	100.00

The shareholders and their shareholdings in A&P Consulting Co., Ltd as at the LPD are as follows:

Shareholders	%
Anurat Pongkrdlap	60.00
Rangsima Fuknoy	25.00
Charunan Suksroem	15.00
Total	100.00

Richard Thomas Sumner, Anurat Pongkrdlap, Rangsima Fuknoy and Charunan Suksroem do not hold any position while Yuvadee Prapakamol is a director of KJ Technical Services (Thailand) as at the LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

Richard Thomas Sumner, Anurat Pongkrdlap, Rangsimma Fuknony and Charunan Suksroem are not persons connected to the Promoters and Directors of our Company.

A&P Consulting Co., Ltd and Richard Thomas Sumner are local partners of KJ Technical Services (Thailand) in Thailand.

6.4.1 Share capital of KJ Technical Services

As at the LPD, the issued share capital of KJ Technical Services is RM6,889,880.00 comprising 808,000 ordinary shares. The movements in the share capital of KJ Technical Services during the Financial Years and Period Under Review and up to the LPD are set out below:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration / Type of issue</u>	<u>Cumulative issued share capital</u>
			RM
26 April 2023	58,000	RM6,139,880.00 / Cash	6,889,880.00

None of the abovementioned ordinary shares of KJ Technical Services were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, KJ Technical Services does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.2 Share capital of KJ Engineering

As at the LPD, the issued share capital of KJ Engineering is RM5,000,000.00 comprising 5,000,000 ordinary shares. There has been no change in the issued share capital of KJ Engineering during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, KJ Engineering does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.3 Share capital of KJ Energy Management

As at the LPD, the issued share capital of KJ Energy Management is RM100,000.00 comprising 100,000 ordinary shares. The movements in the share capital of KJ Energy Management during the Financial Years and Period Under Review and up to the LPD are set out below:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration / Type of issue</u>	<u>Cumulative issued share capital</u>
			RM
19 February 2020	99,900	RM99,900.00 / Cash	100,000.00

None of the abovementioned ordinary shares of KJ Energy Management were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, KJ Energy Management does not have any outstanding warrants, options, convertible securities or uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)**6.4.4 Share capital of KJ Energy Services**

As at the LPD, the issued share capital of KJ Energy Services is RM10,100.00 comprising 10,100 ordinary shares. The movements in the share capital of KJ Energy Services during the Financial Years and Period Under Review and up to the LPD are set out below:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration / Type of issue</u>	<u>Cumulative issued share capital</u> RM
1 June 2022	100	RM100.00 / Subscriber's shares	100.00
3 November 2022	10,000	RM10,000.00 / Cash	10,100.00

None of the abovementioned ordinary shares of KJ Energy Services were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, KJ Energy Services does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.5 Share capital of DCS Power

As at the LPD, the issued share capital of DCS Power is RM2.00 comprising 2 ordinary shares. There has been no change in the issued share capital of DCS Power during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, DCS Power does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.6 Share capital of KJ FEM

As at the LPD, the issued share capital of KJ FEM is SGD500,000.00 (equivalent to approximately RM1.74 million based on an exchange rate of SGD1.00:RM3.4810 as at the LPD) comprising 500,000 ordinary shares. There has been no change in the issued share capital of KJ FEM during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, KJ FEM does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.7 Share capital of ETC Cleaning Services

As at the LPD, the issued share capital of ETC Cleaning Services is RM100,000.00 comprising 100,000 ordinary shares. There has been no change in the issued share capital of ETC Cleaning Services during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, ETC Cleaning Services does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.8 Share capital of KJ Facilities Management

As at the LPD, the issued share capital of KJ Facilities Management is RM100,000.00 comprising 100,000 ordinary shares. There has been no change in the issued share capital of KJ Facilities Management during the Financial Years and Period Under Review and up to the LPD.

None of the abovementioned ordinary shares of KJ Facilities Management were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, KJ Facilities Management does not have any outstanding warrants, options, convertible securities or uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.9 Share capital of Astute MFM

As at the LPD, the issued share capital of Astute MFM is RM10,000.00 comprising 10,000 ordinary shares. The movement in the share capital of Astute MFM during the Financial Years and Period Under Review and up to the LPD is set out below:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration / Type of issue</u>	<u>Cumulative issued share capital</u> RM
15 March 2021	98	RM98.00 / Cash	100.00
20 June 2023	9,900	RM9,900.00 / Cash	10,000.00

None of the abovementioned ordinary shares of Astute MFM were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, Astute MFM does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.10 Share capital of AUNOA Solutions

As at the LPD, the issued share capital of AUNOA Solutions is RM100,000.00 comprising 100,000 ordinary shares. There has been no change in the issued share capital of AUNOA Solutions during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, AUNOA Solutions does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.11 Share capital of KJTN Engineering

As at the LPD, the issued share capital of KJTN Engineering is THB11,000,000.00 (equivalent to approximately RM1.46 million based on an exchange rate of THB100.00:RM13.3006 as at the LPD) comprising 2,200,000 ordinary shares. The movements in the share capital of KJTN Engineering during the Financial Years and Period Under Review and up to the LPD are set out below:

<u>Date of allotment</u>	<u>No. of ordinary shares allotted</u>	<u>Consideration / Type of issue</u>		<u>Cumulative issued share capital</u>	
		<u>THB</u>	<u>RM⁽¹⁾</u>	<u>THB</u>	<u>RM⁽¹⁾</u>
18 January 2021	200,000	1,000,000.00 / Subscriber's shares	129,877.00 / Subscriber's shares	1,000,000.00	129,877.00
1 December 2021	2,000,000	10,000,000.00 / Cash	1,298,770.00 / Cash	11,000,000.00	1,428,647.00

Note:

- (1) Translated based on an exchange rate of THB100.00:RM12.9877, which is the average of the actual exchange rate transacted with the financial institutions for the conversion of the consideration paid from RM into THB during the year.

None of the abovementioned ordinary shares of KJTN Engineering were issued at a discount, on special terms or based on instalment payment terms. As at the LPD, KJTN Engineering does not have any outstanding warrants, options, convertible securities or uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.12 Share capital of DCS Energy

As at the LPD, the issued share capital of DCS Energy is RM900,000.00 comprising 900,000 ordinary shares. There has been no change in the issued share capital of DCS Energy during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, DCS Energy does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.13 Share capital of Acres Growth

As at the LPD, the issued share capital of Acres Growth is RM100.00 comprising 100 ordinary shares. There has been no change in the issued share capital of Acres Growth during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, Acres Growth does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.4.14 Share capital of KJ Technical Services (Thailand)

As at the LPD, the issued share capital of KJ Technical Services (Thailand) is THB1,000,000.00 (equivalent to approximately RM0.13 million based on an exchange rate of THB100.00:RM13.3006 as at the LPD) comprising 10,000 ordinary shares. There has been no change in the issued share capital of KJ Technical Services (Thailand) during the Financial Years and Period Under Review and up to the LPD.

As at the LPD, KJ Technical Services (Thailand) does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.5 PUBLIC TAKE-OVERS

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

- (i) no public take-over offers by third parties in respect of our Shares; and
- (ii) no public take-over offers by our Company in respect of other companies' shares.

6.6 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for the Financial Years and Period Under Review and up to the date of this Prospectus:

- (i) shareholders agreement dated 4 June 2020 entered into between Wee Lee Capital Ventures Sdn Bhd, Absotherm Technologies Private Limited and AUNOA Solutions in relation to AUNOA Solutions (as supplemented by Deed of Ratification dated 1 September 2020 by KJ Technical Services). The material terms of the said shareholders agreement are as follows:

Agreements with Manufacturer	AUNOA Solutions in carrying on its business in accordance with the business plan shall enter into contracts with AUNOA Solutions Pvt Ltd (" Manufacturer ") for the purposes of procuring software and hardware. Absotherm Technologies Private Limited shall be responsible for procuring the software and hardware from the Manufacturer on terms agreed in writing by KJ Technical Services.
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6. INFORMATION ON OUR GROUP (Cont'd)

Reserved Matters	The reserved matters that shall not be taken by AUNOA Solutions or its affiliates unless with the prior written approval of Absotherm Technologies Private Limited and KJ Technical Services include, amongst others, the declaration or distribution of any dividends (which shall in all cases be in proportion to the shareholding percentage).
Non-Competition	In the event any shareholder ceases to be a shareholder of AUNOA Solutions (" Exiting Shareholder "), the Exiting Shareholder shall not conduct a business similar to or competing with AUNOA Solutions in the South East Asia region or Asia Pacific region for a period of 2 years after the date the Exiting Shareholder ceases to be a shareholder of AUNOA Solutions.

- (ii) shareholders agreement dated 12 June 2020 entered into between KJ Technical Services and Cask Holdings Sdn Bhd in relation to Astute MFM. The said shareholders agreement was subsequently terminated on 10 May 2023 pursuant to Clause 22.1(a) of the said shareholders agreement given that Cask Holdings Sdn Bhd has ceased to be a shareholder of Astute MFM (as confirmed in the letter of confirmation dated 6 July 2023 entered into between KJ Technical Services and Cask Holdings Sdn Bhd);
- (iii) shareholders agreement dated 20 October 2020 entered into between KJ Technical Services, TN Group Corporation Co., Ltd and Yuvadee Prapakamol in relation to KJTN Engineering (as supplemented by the supplemental letter dated 6 July 2023 entered into between KJ Technical Services, TN Group Corporation Co., Ltd and Yuvadee Prapakamol). The material terms of the said shareholders agreement are as follows:

Non-Competition	While this shareholders agreement is in force, no party to the said agreement, including but not limited to their employee and director, shall, directly or indirectly, through any natural or juristic person in which it holds any rights of ownership, participate in management or enter into a contract with, engage or allow such natural or juristic person to engage in any other businesses or ventures in Thailand that competes with the business of KJTN Engineering in any manner whatsoever. The provision of this non-competition clause shall survive the termination of the shareholders agreement for period of 3 years.
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- (iv) sale and purchase agreement dated 1 March 2021 entered into between KJ Technical Services, MDSA Ventures Sdn Bhd and MDSA Capital Sdn Bhd in relation to 1 unit of apartment at Unit No. A-28-29, Level 28, Imperio Residence @ Hatten City, 75000, Melaka for a net purchase consideration of RM682,393.98, after taking into account rebates and discounts amounting to RM322,604.52, which was settled by way of contra of the amount due from MDSA Resources Sdn Bhd to KJ Technical Services. The transfer of the said property was completed on 1 March 2021;
- (v) sale and purchase agreement dated 1 March 2021 entered into between KJ Technical Services, MDSA Ventures Sdn Bhd and MDSA Capital Sdn Bhd in relation to 1 unit of apartment at Unit No. A-29-31, Level 29, Imperio Residence @ Hatten City, 75000, Melaka for a net purchase consideration of RM418,750.16, after taking into account rebates and discounts amounting to RM120,876.34, which was settled by way of contra of the amount due from MDSA Resources Sdn Bhd to KJ Technical Services. The transfer of the said property was completed on 1 March 2021;

6. INFORMATION ON OUR GROUP (Cont'd)

- (vi) share sale agreement dated 2 December 2022 entered into between the Company, Lee Kok Choon and Sheldon Wee Tah Poh in relation to the acquisition of the entire issued share capital of KJ Technical Services for a consideration of RM30,361,993.54, to be satisfied by the issuance of 469,999,900 new KJTS Shares at an issue price of RM0.0646 per Share. The said share sale agreement was subsequently terminated on 26 April 2023 in view of the subscription by the Pre-IPO Investor pursuant to the termination letter dated 26 April 2023;
- (vii) subscription agreement dated 26 April 2023 entered into between KJ Technical Services and the Pre-IPO Investor in relation to the subscription of 58,000 new ordinary shares in KJ Technical Services for a cash consideration of RM6,139,880.00, which was completed on 26 April 2023;
- (viii) share sale agreement dated 29 May 2023 entered into between our Company and the KJ Technical Services Vendors for the Acquisition, which was completed on 13 December 2023; and
- (ix) Underwriting Agreement. Further details of the Underwriting Agreement are set out in Sections 4.8.3 and 4.9 of this Prospectus.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.7 MAJOR APPROVALS AND LICENCES

As at the LPD, save as disclosed below and the general business approvals and licences issued by local councils, there are no other major approvals, licences and permits issued to our Group in order for us to carry out our operations:

No.	Licencee	Issuing Authority	Date of Issuance / Validity Period	Nature of approval / Licences	Equity and/or major conditions imposed	Compliance status
(i)	KJ Technical Services	CIDB	8 February 2023 / 8 February 2023 to 10 March 2026	Certificate of Registration with registration no. 0120131017-SL152928 in respect of Grade G7, Category Building, Category Building, Category Civil Engineering, Category Mechanical and Electrical and Category Facilities, for the following scope of work:	(i) The certificate is non-transferable;	Noted
				B04 (Construction work on buildings)	(ii) The contractor shall comply with the provisions of the LPIPA, the regulations made thereunder and any term, conditions or restrictions imposed by CIDB from time to time;	Complied
				CE21 (General civil engineering construction)	(iii) The contractor shall not participate in any tender or execute any construction after the expiry of the certificate and until such time the certificate has been renewed; and	Noted
				E03 (Building automation system)	(iv) The contractor shall not undertake any construction project which exceeds the value of the construction project specified under the registration grade and shall not execute any construction project which is outside the registered category.	Complied
				E05 (High voltage installation up to 11KV)		
				E06 (Special lighting system)		
				E10 (Special control panel)		
				E11 (General electrical works)		
				E15 (Airport runway lights)		

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
				E16 (Street lights and traffic lights)		
				E17 (Low voltage underground cabling)		
				E18 (High voltage underground cabling up to 11KV)		
				E21 (Low voltage aerial lines)		
				E32 (Low voltage power generation)		
				M01 (Air conditioning and ventilation system)		
				M15 (Miscellaneous mechanical equipment)		
				F01 (General building and infrastructure facilities)		
(ii)	KJ Technical Services	CIDB	13 February 2023 / 13 February 2023 to 10 March 2026	Certificate of Government Procurement Works with registration no. 0120131017-SL152928 in respect of Grade G7, Category Building, Category Building, Category Civil Engineering, Category Mechanical and Electrical and Category Facilities:	(i) The certificate shall not be used as a license for commencing or undertaking any construction works. The certificate can only be used for government procurement works or other government agency procurement works; (ii) The certificate should be provided together with the Certificate of Registration when the company tenders for government contracts;	Complied Complied
				B (Building)		

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
				CE (Civil Engineering)	(iii) The certificate should be renewed together with the Certificate of Registration issued by CIDB;	Noted
				ME (Mechanical and Electrical)	(iv) The company or certificate holder shall not lend, lease, transfer, allow or cause the certificate to be used by other persons not named in the certificate for the purpose of obtaining government procurement works;	Complied
				F (Facilities)		
				Authorised person: Lee Kok Choon	(v) The contractor shall not be involved in tender or any construction works after the expiry of the certificate and until such time the certificate has been renewed;	Noted
					(vi) The officers of the company named in the certificate (Lee Kok Choon) are allowed to execute the contracts, obtain the tender documents and participate in the tender. The company is not allowed to be represented by other officers for the matters as mentioned; and	Complied
					(vii) If there is any change in the information provided to CIDB, the company or certificate holder shall inform CIDB within 30 days from the effective date of change.	Complied
(iii)	KJ Technical Services	Energy Commission Malaysia	8 February 2023 / 19 February 2023 to 18 February 2024	Certificate of Registration as an ESCO bearing no. ESCO 133(2017)/18/2023	(i) The applicant has employed, on a full-time basis, a Registered Electrical Energy Manager as prescribed under the Efficient Management of Electrical Energy Regulations 2008;	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					(ii) The Certificate of Registration as an ESCO cannot be transferred without prior written approval from Energy Commission Malaysia;	Noted
					(iii) Any change of name, address and other details of the business or company stated in the Certificate of Registration must be informed in writing to Energy Commission Malaysia within 14 days of such change;	Complied
					(iv) In the event of any change or replacement of an appointed Registered Electrical Energy Manager, the registered ESCO shall ensure that a new Registered Electrical Energy Manager be appointed to effect such change or replacement and shall notify in writing to Energy Commission Malaysia within 14 days of such change or replacement; and	Complied
					(v) All electrical works in relation to the energy services provided by the registered ESCO must be performed by competent persons in accordance with the Electricity Supply Act 1990 and the Electricity Regulations 1994.	Complied
(iv)	KJ Technical Services	Ministry of Finance Malaysia	23 February 2023 / 23 February 2023 to 24 March 2026	Certificate of Registration bearing no. K65925098043445678 with registration no. 357-02210234	(i) Any change in the information provided must be updated online in Modul Kemaskini Profit at www.eperolehan.gov.my within 21 days from the effect date of change, failing which the company shall be penalised;	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
				Authority is given by the company to the following persons to manage the government procurement works: (i) Lee Kok Choon; and (ii) Sheldon Wee Tah Poh	(ii) The company must ensure that the registered sector in the certificate shall not overlap with the sectors approved for any other companies which; (A) has the same shareholders or Board of Directors, management and workers; or (B) operate on the same premise; (iii) A company that is newly registered is not allowed to have any changes to its shareholders or directors within 6 months from the date it is registered; and (iv) The company must ensure that the registration with MOF is valid throughout the duration of the contract.	Complied
(v)	KJ Engineering	CIDB	19 April 2021 / 19 April 2021 to 13 April 2024	Certificate of Registration with registration no. 1970308-SL024563 in respect of Grade G7, Category Building, Category Building, Category Civil Engineering and Category Mechanical and Electrical, for the following scope of work: B04 (Construction work on buildings) CE21 (General civil engineering construction) M01 (Air conditioning and ventilation system)	(i) The certificate is non-transferable; (ii) The contractor shall comply with the provisions of the LPIPA, the regulations made thereunder and any term, conditions or restrictions imposed by CIDB from time to time; (iii) The contractor shall not participate in any tender or execute any construction after the expiry of the certificate and until such time the certificate has been renewed; and (iv) The contractor shall not undertake any construction project which exceeds the value of the construction project specified under the registration grade and shall not	Noted Complied Noted Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
				M15 (Miscellaneous mechanical equipment)	execute any construction project which is outside the registered category.	
(vi)	KJ Engineering	Ministry of Finance Malaysia	13 April 2021 / 13 April 2021 to 12 April 2024	Certificate of Registration bearing no. K10352520482867758 with registration no. 357-0002287829 Authority is given by the company to Adrian Lim Hock Heng to manage the government procurement works.	(i) Any change in the information provided must be updated online in Modul Kemaskini Profit at www.eperolehan.gov.my within 21 days from the effect date of change, failing which the company shall be penalised; (ii) The company must ensure that the registered sector in the certificate shall not overlap with the sectors approved for any other companies which; (A) has the same shareholders or Board of Directors, management and workers; or (B) operate on the same premise; and	Complied
					(iii) A company that is newly registered is not allowed to have any changes to its shareholders or directors within 6 months from the date it is registered.	Complied
					(iv) The company must ensure that the registration with MOF is valid throughout the duration of the contract.	Complied
(vii)	KJ Energy Management	Energy Commission Malaysia	3 March 2023 / 3 March 2023 to 2 March 2024	Certificate of Registration as an ESCO bearing no. ESCO 234(2020)/ 34/2023	(i) The applicant has employed, on a full-time basis, a Registered Electrical Energy Manager as prescribed under the Efficient Management of Electrical Energy Regulations 2008;	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					(ii) The Certificate of Registration as an ESCO cannot be transferred without prior written approval from Energy Commission Malaysia;	Noted
					(iii) Any change of name, address and other details of the business or company stated in the Certificate of Registration must be informed in writing to Energy Commission Malaysia within 14 days of such change;	Complied
					(iv) In the event of any change or replacement of an appointed Registered Electrical Energy Manager, the registered ESCO shall ensure that a new Registered Electrical Energy Manager be appointed to effect such change or replacement and shall notify in writing to Energy Commission Malaysia within 14 days of such change or replacement; and	Complied
					(v) All electrical works in relation to the energy services provided by the registered ESCO must be performed by competent persons in accordance with the Electricity Supply Act 1990 and the Electricity Regulations 1994.	Complied
(viii)	KJ Energy Services	Energy Commission Malaysia	23 October 2023 / 17 November 2023 to 16 November 2026	Certificate of Registration as an ESCO bearing no. ESCO 309(2022)/134/2023	(i) The applicant has employed, on a full-time basis, a Registered Electrical Energy Manager as prescribed under the Efficient Management of Electrical Energy Regulations 2008;	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					(ii) The Certificate of Registration as an ESCO cannot be transferred without prior written approval from Energy Commission Malaysia;	Noted
					(iii) Any change of name, address and other details of the business or company stated in the Certificate of Registration must be informed in writing to Energy Commission Malaysia within 14 days of such change;	Complied
					(iv) In the event of any change or replacement of an appointed Registered Electrical Energy Manager, the registered ESCO shall ensure that a new Registered Electrical Energy Manager be appointed to effect such change or replacement and shall notify in writing to Energy Commission Malaysia within 14 days of such change or replacement; and	Complied
					(v) All electrical works in relation to the energy services provided by the registered ESCO must be performed by competent persons in accordance with the Electricity Supply Act 1990 and the Electricity Regulations 1994.	Complied
(ix)	KJ FEM	Workplace Safety and Health Council Singapore	8 November 2023 / 8 November 2023 to 15 December 2026	BizSAFE Level STAR certificate bearing no. E02178 in recognition that the company's Workplace Safety and Health Management System (WSHMS) identifies, manages and controls workplace risks or hazards in compliance with the Workplace Safety and Health Act 2006 in Singapore (WSHA) and	KJ FEM must submit risk management implementation audit report conducted by an accredited auditing organisation and one of the following certifications with a risk management audit report: - SS651; or - ISO 45001 accredited by Singapore Accreditation Council; or	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
				international standards such as ISO 45001	- ISO 45001 accreditation body recognised under Mutual Recognition Arrangement.	
(x)	KJ FEM	National Environment Agency Singapore	1 June 2023 / 1 June 2023 to 29 June 2024	Cleaning business licence bearing no. NEA230731/4370H/R09	<p>(i) Licensees must notify the National Environment Agency Singapore of any change to: -</p> <p>(a) information contained in the licence application (for the grant or renewal of a cleaning business licence) or any document accompanying the licence application;</p> <p>(b) particulars of any progressive wage plan submitted by the licensee; or</p> <p>(c) information the licensee submitted to the National Environment Agency Singapore for the purposes of the licensee's application for the grant or renewal of its cleaning business licence, no later than 14 days after the date of the change.</p> <p>(ii) The Commissioner for Labour may, from time to time, vary the order specifying the wage levels for the purposes of the progressive wage plan and contract of service for different classes of cleaners. Licensees will have to ensure that the wage levels stated in the cleaners' employment contracts are no less than the wage levels specified in the prevailing order by the Commissioner for Labour.</p> <p>(iii) The holder of a cleaning business licence must keep all of the following records in relation to the licensee's cleaning business: -</p>	<p>Complied</p> <p>Complied</p> <p>Noted and complied</p>

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					<ul style="list-style-type: none"> (a) a copy of every cleaning contract entered into (on or after 1st April 2014), including contracts that have not started and contracts completed 12 months before the date of the licence application; (b) accounts of the cleaning business; (c) a copy of the contract of service entered into (whether before, on or after 1st April 2014) between licensee and every cleaner who is employed: - <ul style="list-style-type: none"> - as on the date of licence application; or - after the date of licence application, including any amendment, variation or addition to the contract of service; (d) pay records of every cleaner employed, with respect to payments made to the cleaner on or after 1st April 2014; (e) such records, accounts or documents relating to the business or activities of the cleaning business licensee is authorised to carry out under the licence and retain those for a prescribed period. 	
					<ul style="list-style-type: none"> (iv) The licensee shall retain the records stated above for a period of 7 years: - <ul style="list-style-type: none"> (a) After expiry of cleaning contract concerned; (b) After the end of the period to which the accounts relate; (c) After the end of employment of the cleaner to whom the records relate; 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					(d) After the date on which the payment concerned were made.	
					(v) The licensee must keep training records for each cleaner (for so long as the cleaner is employed by the licensee) containing the particulars (including name, date of birth, NRIC number, foreign identification number or work permit number (as applicable), courses and training modules (including name and course code) that the cleaner has attended on or after 1 st April 2014 during his employment with the licensees, name of the training provider of each course and training module and date and results of any assessment that the cleaner has taken on or after 1 st April 2014 during his employment with the licensee.	Complied
					(vi) Conditions requiring every contract of service entered into between the cleaning business licensee and every cleaner who is a citizen or permanent resident of Singapore (called in this section a resident cleaner) to provide for the payment of a basic wage or a progressive wage model bonus to the resident cleaner, that: <ul style="list-style-type: none"> (a) is not less than the minimum amount of basic wage and minimum amount of progressive wage model bonus, respectively; and (b) in the case of a progressive wage model bonus, is to be paid at the frequency, specified by order for the class of cleaners that the resident cleaner belongs to. 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					(vii) The licensee shall enter into a contract of service (i.e. Employment contract) in writing for every cleaner the licensee employs.	Complied
					(viii) Conditions requiring the cleaning business licensee to ensure that every cleaner employed by the cleaning business licensee satisfies the training requirements as may be specified by the Director-General for the class of cleaners that the cleaner belongs.	Complied
					(ix) Conditions prohibiting the cleaning business licensee from deploying any individual who is not employed by the cleaning business licensee to carry out any cleaning work, unless the individual is a cleaner employed by another cleaning business licensee.	Noted and complied
					(x) The licensee must issue, at least once every month but no later than 7 days after the last day of that month, a payslip in respect of that month to each cleaner the licensee employs, including (a) name of the cleaner; (b) name of the licensee; (c) date or dates on which payment; (d) commencement and end dates of each salary period within the month in which the payment was made to the cleaner; (e) details of the payment (including the nature and amount of the payment) to the cleaner.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					(xi) For licensees without any cleaning contract prior to licence application, the licensee must have at all times at least one officer or employee who has: - (a) no less than 2 years of practical experience in supervising cleaning work; or (b) has been trained in all of the following training modules under the WS Advanced Certificate in Environmental Cleaning: - "Supervise service operations"; - "Demonstrate and apply understanding of cleaning methods and processes".	Noted
					(xii) Licensees must not engage unlicensed cleaning businesses to provide cleaning work on premises or any public places that are not owned, occupied or managed by the licensee.	Complied
(xi)	KJ FEM	Building and Construction Authority Singapore	2 July 2021 / 2 July 2021 to 1 June 2024	Workhead FM01 (Facilities Management) - provisions of integrated facilities management and/ or managing agent services by facilities management companies. Grade: M4	(i) To have a minimum paid-up capital and minimum net worth of SGD50,000 which must be met separately and submit either the latest audited or management accounts that are not more than 12 months old; (ii) To obtain the BizSafe Level 3/ISO45001 certification which is issued by the Workplace Safety and Health Council; (iii) To have a track record of SGD100,000 completed or ongoing contracts in the past five (5) years; and	Complied Complied Complied

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Licencee</u>	<u>Issuing Authority</u>	<u>Date of Issuance / Validity Period</u>	<u>Nature of approval / Licences</u>	<u>Equity and/or major conditions imposed</u>	<u>Compliance status</u>
					(iv) To have one (1) personnel with a) a recognised degree in Facilities Management, or b) two (2) personnel accredited in Tier 1 to Tier 3 of Facilities Management accreditation scheme by SIFMA, or two (2) personnel with a recognised diploma in Facilities Management, Civil/Structural, Mechanical/Electrical/Electronic Engineering, Architectural, Building or Advance National Building Qualification (NBQ)/Specialist Diploma in M&E Coordination, in which one has a recognised diploma in Facilities Management. or b) is a personnel accredited in Tier 4 of Facilities Management accreditation scheme by Singapore International Facility Management Association (SIFMA).	Complied
(xii)	KJ FEM	Building and Construction Authority Singapore	2 July 2021 / 2 July 2021 to 1 June 2024	Workhead FM02 (Housekeeping, Cleansing, Desilting and Conservancy Service) - includes cleaning and housekeeping services for offices, buildings, compounds, industrial and commercial complexes, desilting and cleansing of drains. Grade: L5	(i) To have a minimum paid-up capital and minimum net worth of SGD500,000 which must be met separately; (ii) To obtain the BizSafe Level 3/ISO45001 certification which is issued by the Workplace Safety and Health Council; (iii) To have a track record of SGD10 million of which SGD1 million of minimum size single main contract or sub-contract of the completed projects in the past three (3) years;	Complied Complied Complied


6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing Authority	Date of Issuance / Validity Period	Nature of approval / Licences	Equity and/or major conditions imposed	Compliance status
					(iv) To have two (2) personnel with a recognised diploma in Facilities Management supervision or equivalent, in which one has a Basic Concept in Construction Productivity Enhancement (Certificate of Attendance) conducted by BCA Academy.	Complied

As at the LPD, save as disclosed in Section 6.10, we have not experienced any non-compliance issues and/or failure to renew any of our licenses and permits which has materially affected our business or financial performance.

6.8 TRADEMARKS

As at the LPD, save as disclosed below, our Group had not registered any brand names, patents, trademarks or other intellectual properties:

Trademark	Registered Owner	Trademark Application No. / Class	Class	Place of registration
	KJ Technical Services	TM2020024899 / Class 42	Architectural project management; computer project management services; engineering project management services; computer engineering project management services; computer project management in the field of EDP; building project management [construction drafting, design and planning]; computer project management in the field of electronic data processing; computer project management in the field of electronic data processing [EDP]; construction project management [construction drafting, design and planning]; construction project management services [construction drafting, design and planning]; off-site building project management [construction drafting, design and planning]; energy auditing; energy auditing services; energy auditing services relating to electricity; energy auditing services relating to electricity and natural gas; programming of energy management software; design and development of energy management software; development of energy and power management systems; infrastructure as a service [IaaS]; planning of buildings and infrastructure systems for buildings; advice in the field of deploying cloud computing environments in the field of infrastructure as a service [IaaS]; advice in the field of deploying cloud storage environments in the field of infrastructure as a service [IaaS]; consultancy and information	Malaysia

6. INFORMATION ON OUR GROUP (Cont'd)

<u>Trademark</u>	<u>Registered Owner</u>	<u>Trademark Application No. / Class</u>	<u>Class</u>	<u>Place of registration</u>
			<p>services relating to information technology architecture and infrastructure; consultancy in the field of deploying cloud computing environments in the field of infrastructure as a service [IaaS]; consultancy in the field of deploying cloud storage environments in the field of infrastructure as a service [IaaS]; engineering; civil engineering; chemical engineering; computer engineering; design engineering; engineering consultancy; engineering design; engineering drawing; engineering research; engineering services; engineering studies; engineering surveying; mechanical engineering; plant engineering; software engineering; architectural and engineering services; civil engineering drawing services; civil engineering services; computer aided engineering design; computer engineering services; conducting engineering surveys; design of engineering products; development of engineering products; engineering consultancy services; engineering design services; engineering drawing services; engineering feasibility studies; engineering project studies; engineering project surveys; engineering research services; engineering services for the gas industry; environmental engineering services; plant engineering services; preparation of engineering reports; surveying and engineering services; computer aided engineering design services; construction engineering services [construction design]; construction engineering services [construction planning]; consultancy in the field of engineering; engineering services in the field of environmental technology; engineering services in the field of energy technology; engineering services in the field of building technology; engineering services relating to energy supply systems; engineering services in the field of motive power; genetic engineering services relating to plants; providing information relating to industrial engineering; technical project planning in the field of engineering; analysis and testing services relating to electrical engineering apparatus; consultancy services in the fields of science, engineering and information technology; development and testing services in the field of engineering; engineering research and design services in the field of drilling technology; engineering services relating to gas transport and supply systems; product development consultancy for inventors in the field of engineering; research, development, analysis and consultancy services in the field of engineering; consultancy in the field of energy efficiency; technical consultancy in the field of energy saving and energy efficiency; technical design services relating to cooling appliances and installations.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTIES OF OUR GROUP

6.9.1 Properties owned by our Group

The details of the properties owned by our Group as at the LPD are set out below:

No.	Details of properties	Description / Existing use / Tenure	Built-up area (sq ft)	Date of purchase / Date of issuance of CF/CCC	Encumbrance	Audited NBV as at 31 July 2023 RM'000
(i)	<p>Registered Owner:⁽¹⁾ MDSA Capital Sdn Bhd</p> <p>Beneficial owner: KJ Technical Services</p> <p>Postal address: Unit No. A-28-29, Level 28, Imperio Residence @ Hatten City, 75000, Melaka</p>	One unit of apartment on 28 th Floor / Investment property ⁽²⁾ / 99 years lease expiring on 5 August 2119 with a remaining lease period of about 96 years as at the LPD	869	1 March 2021 / 9 November 2018	Not applicable	590
(ii)	<p>Registered Owner:⁽¹⁾ MDSA Capital Sdn Bhd</p> <p>Beneficial owner: KJ Technical Services</p> <p>Postal address: Unit No. A-29-31, Level 29, Imperio Residence @ Hatten City, 75000, Melaka</p>	One unit of apartment on 29 th Floor / Investment property ⁽²⁾ / 99 years lease expiring on 5 August 2119 with a remaining lease period of about 96 years as at the LPD	463	1 March 2021 / 9 November 2018	Not applicable	315

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) KJ Technical Services (as purchaser) had on 1 March 2021 entered into sale and purchase agreements with MDSA Ventures Sdn Bhd (as developer) and MDSA Capital Sdn Bhd (as proprietor) in relation to 2 units of apartments at Imperio Residence @ Hatten City in Melaka. The net purchase consideration of the properties (after taking into account rebates and discounts) were settled by way of contra of the amount due from MDSA Resources Sdn Bhd to KJ Technical Services. As at the LPD, the individual strata titles for the properties have not been issued.
- (2) The investment properties are currently vacant, and our Group has plans to sell the investment properties at an opportune time.

As at the LPD, the properties owned by our Group are not in breach of any other land use conditions and are in compliance with the current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

6.9.2 Material properties rented by our Group

The details of material properties rented by us as operational facilities as at the LPD are set out below:

No.	Details of properties rented	Description / Existing use	Built-up area (sq ft)	Date issuance of CF/CCC	Period of tenancy ⁽¹⁾ / Rental per annum
(i)	<p><u>Landlord:</u> Desa Samudra Sdn Bhd</p> <p><u>Tenant:</u> KJ Technical Services</p> <p><u>Address:</u> Suite 3.03, Level 3, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur</p>	One office unit on 3rd Floor of Wisma E&C / Group head office	970	27 December 2003	1 December 2023 to 30 November 2024 / RM45,396.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Details of properties rented	Description / Existing use	Built-up area (sq ft)	Date issuance of CF/CCC	Period of tenancy⁽¹⁾ / Rental per annum
(ii)	<p>Landlord: Desa Samudra Sdn Bhd</p> <p>Tenant: KJ Technical Services</p> <p>Address: Suite 3-841-3, Level 3, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur</p>	One office unit on 3rd Floor of Wisma E&C / Group head office	3,998	27 December 2003	1 December 2023 to 30 November 2024 / RM187,106.40
(iii)	<p>Landlord: Desa Samudra Sdn Bhd</p> <p>Tenant: KJ Technical Services</p> <p>Address: Suite B1-03, Basement Level B1, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur</p>	One office unit at basement level of Wisma E&C / Storage area	565	27 December 2003	15 April 2023 to 14 April 2024 / RM13,560.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Details of properties rented	Description / Existing use	Built-up area (sq ft)	Date issuance of CF/CCC	Period of tenancy⁽¹⁾ / Rental per annum
(iv)	<p>Landlord: Desa Samudra Sdn Bhd</p> <p>Tenant: KJ Energy Management</p> <p>Address: Suite G.01, Ground Floor, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur</p>	One office unit on Ground Floor of Wisma E&C / Group CC	1,011	27 December 2003	<p>First Term 1 January 2022 to 31 December 2022 / RM36,396.00</p> <p>Second Term 1 January 2023 to 31 December 2023 / RM48,528.00</p> <p>Renewed Term 1 January 2024 to 31 December 2024 / RM48,528.00</p>
(v)	<p>Landlord: Desa Samudra Sdn Bhd</p> <p>Tenant: ETC Cleaning Services</p> <p>Address: Suite B1-01, Basement Level B1, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur</p>	One office unit at basement level of Wisma E&C / Office	1,161	27 December 2003	<p>1 February 2022 to 31 January 2024 / RM27,864.00</p> <p>Renewed Term 1 February 2024 to 31 January 2025 / RM27,864.00</p>

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Details of properties rented	Description / Existing use	Built-up area (sq ft)	Date issuance of CF/CCC	Period of tenancy⁽¹⁾ / Rental per annum
(vi)	<p>Landlord: Desa Samudra Sdn Bhd</p> <p>Tenant: ETC Cleaning Services</p> <p>Address: Suite B1-02, Basement Level B1, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur</p>	One office unit at basement level of Wisma E&C / Storage area	385	27 December 2003	1 April 2022 to 31 January 2024 / RM9,240.00
					<p>Renewed Term 1 February 2024 to 31 January 2025 / RM9,240.00</p>
(vii)	<p>Landlord: Tan Mooi Gaik</p> <p>Tenant: ETC Cleaning Services</p> <p>Address: B-4-16, Krystal Point Jalan Sultan Azlan Shah 11900 Bayan Baru, Penang</p>	One office unit on 4 th floor of Krystal Point / Office	1,049	16 June 2008	1 March 2023 to 28 February 2025 / RM24,000.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Details of properties rented	Description / Existing use	Built-up area (sq ft)	Date issuance of CF/CCC	Period of tenancy⁽¹⁾ / Rental per annum
(viii)	<p>Landlord: Sheldon Wee Tah Poh</p> <p>Tenant: ETC Cleaning Services</p> <p>Address: 426, Ground Floor Jalan 5/132 Gasing Indah 46000 Petaling Jaya, Selangor Malaysia</p>	One shoplot / Storage area	1,442	21 October 1993	1 May 2023 to 30 April 2024 / RM38,400.00
(ix)	<p>Landlord: Noorul Fadzlee Bin Khamis</p> <p>Tenant: KJ Technical Services</p> <p>Address: Suite EL-11-06, Business Suite, Menara Melawangi, Pusat Perdagangan Amcorp, No. 18 Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor</p>	One office unit on 11 th Floor of Menara Melawangi / Office	818	25 April 2005	11 November 2021 to 12 November 2026 / RM54,000.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Details of properties rented	Description / Existing use	Built-up area (sq ft)	Date issuance of CF/CCC	Period of tenancy⁽¹⁾ / Rental per annum
(x)	<p>Landlord: Thaker Sabir Husein</p> <p>Tenant: KJ FEM</p> <p>Address: No. 8 Boon Lay Way, #08-16 @ Tradehub 21, Singapore 609964</p>	One office unit on 8 th Floor of Tradehub 21/ Singapore office	2,110	28 March 2006	1 September 2023 to 31 August 2024 / SGD52,800 (equivalent to approximately RM0.18 million based on an exchange rate of SGD1.00:RM3.4810 as at the LPD)
(xi)	<p>Landlord: TN Asset Corporation Co. Ltd</p> <p>Tenant: KJTN Engineering</p> <p>Address: No. 18/4 Village No.13, Petchkasem 91 Lane, Petchkasem Road, Omnoi Sub-district, Krathumbaen District Samut Sakom Province 74130, Thailand</p>	One office unit / Thailand office	1,399	7 April 2020	1 January 2023 to 31 December 2023 / THB102,000 (equivalent to RM13,566.61 based on an exchange rate of THB100.00:RM13.3006 as at the LPD)

Note:

- (1) Our Group will continue to renew all tenancies until the relocation of our offices in Malaysia and Thailand. We will terminate all our tenancies for the offices in Malaysia and Thailand upon such relocation, and thereafter, we intend to only renew our tenancy for the office in Singapore.

Please refer to Section 4.7 and Section 7.17.3 of this Prospectus respectively for our intended utilisation of proceeds and expansion of offices in Malaysia, Singapore and Thailand.

6. INFORMATION ON OUR GROUP (Cont'd)Properties rented by our Group as accommodations

As at the LPD, ETC Cleaning Services has entered into 33 tenancy agreements in respect of 80 properties and 2 foreign worker accommodation service agreements for the purposes of providing accommodations for 548 of its employees.

The aggregate rental of said 33 tenancy agreements is approximately RM1.48 million per annum. A summary of the properties rented as accommodations under the tenancy agreements is as set out below:

<u>Lessor</u>	<u>Location</u>	<u>No. of properties</u>	<u>Rental per annum (RM'000)</u>
ETC Cleaning Services	Kuala Lumpur	11	227
	Selangor	1	16
	Pahang	68	1,237
	Total	80	1,480

The aggregate service fee payable under the 2 foreign worker accommodation service agreements is approximately RM0.32 million per annum. A summary of the 2 foreign worker accommodation service agreements is as set out below:

<u>Parties</u>	<u>Date of Agreement / Period of Service</u>	<u>No. of workers</u>	<u>Service fee per annum (RM'000)</u>
EFS Residential Sdn Bhd as service provider and ETC Cleaning Services	1 September 2023 / 1 September 2023 to 31 August 2024	70	151
	1 September 2023 / 1 September 2023 to 31 August 2024	80	173
	Total	150	324

Most of the properties above were rented near the locations specified by our customers of cleaning services contracts as accommodations for employees deployed to the specified locations.

The tenancy agreements and the foreign worker accommodation service agreements generally range between 1 and 2 years and with an option to renew for another 1 year, in line with the duration of the respective cleaning services contracts. ETC Cleaning Services may not renew the tenancy agreements and the foreign worker accommodation service agreements upon their expiry, and the employees may be relocated to other properties upon completion of the respective cleaning services contracts.

As at the LPD, all the properties rented by our Group and provided under the foreign worker accommodation service agreements as accommodations for our employees have been issued with valid CF/CCCs and certificates of accommodations, are not in breach of any other land use conditions and are in compliance with the current statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations.

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

6.9.3 Acquisition of properties

Save as disclosed in Section 6.9.1, we have not entered into any sale and purchase agreement to acquire any other real properties during the Financial Years and Period Under Review and up to the LPD.

6.10 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Our businesses in Malaysia, Singapore and Thailand are subject to a number of laws, regulations, rules and/or requirements. The following is an overview of the regulatory requirements governing our Group which are material to our business operations:

(i) in respect of our business in Malaysia:

- **Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 (“LPIPA”)**

The LPIPA regulates the establishment of CIDB and its function relating to the construction industry and for matters connected therewith.

Under the LPIPA, all contractors are required to be registered with CIDB.

The LPIPA imposes a duty on contractors undertaking any construction works to, amongst others:

- (a) notify and submit to CIDB any information and documents, including any supporting documents relating to the construction works, whether new or otherwise, in accordance with the LPIPA;
- (b) ensure the construction works are carried out in accordance with the provisions of the LPIPA, any regulations, terms and conditions imposed by CIDB and any other written laws; and
- (c) ensure the safety of the building and the construction works whether during or post construction works.

KJ Engineering carried out construction works without being registered with CIDB between July 1995 and March 1998. Notwithstanding, KJ Engineering obtained the Certificate of Registration from CIDB effective from 4 March 1998 and there is no resultant issue in renewing the Certificate of Registration from CIDB. Lee Kok Choon and Sheldon Wee Tah Poh were not directors, managers, secretaries, or other similar officers of KJ Engineering between July 1995 and March 1998. As at the LPD, KJ Engineering has not been fined or issued with any notice of non-compliance from CIDB in relation to the above.

KJ Technical Services was blacklisted by CIDB from 21 March 2020 to 15 June 2020 due to an isolated incident whereby KJ Technical Services inadvertently missed an audit request from CIDB via email as the said email was identified as junk mail by the security system and quarantined by our server. Upon discovery of the blacklist status, KJ Technical Services promptly submitted an appeal to CIDB, and a new date was set by CIDB for the audit on 2 June 2020. Upon completion of the audit, the blacklist status of KJ Technical Services was removed by CIDB on 15 June 2020. In order to prevent such event from reoccurring in the future, we have instructed our third party IT provider to put in place a system and sufficient safeguards to ensure emails from certain parties, including CIDB, will not be wrongly identified as junk mails and quarantined by our server.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, KJ Technical Services and KJ Engineering hold and maintain valid CIDB licences issued by CIDB.

- **Occupational Safety and Health Act 1994 and Occupational Safety and Health (Amendment) Act 2022 (“OSHA”)**

The OSHA regulates the safety, health and welfare of persons at work, including protecting others against the risk to safety or health in connection with the activities of persons at work.

The OSHA imposes a duty on employers to, amongst others:

- (a) provide and maintain plants and systems of work that are safe and without risks to health;
- (b) make arrangements to ensure safety and absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;
- (c) provide information, instruction, training and supervision as is necessary to ensure the safety and health at work of the employees;
- (d) maintain any place of work under the control of the employer, in a condition that is safe and without risks to health and provide and maintain means of access to and egress from it that are safe and without such risks;
- (e) provide and maintain a working environment for the employees that is safe without risks to health, and adequate as regards facilities for their welfare at work; and
- (f) formulating and implementing safety and health policies.

(ii) in respect of our business in Singapore:

- **Environmental Public Health Act 1987 of Singapore (“EPHA”)**

The EPHA is administered by the National Environment Agency Singapore and consolidates the laws relating to environmental public health.

Under Section 80D of the EPHA, no person shall carry on a cleaning business in Singapore except under and in accordance with a cleaning business licence.

Under Section 80H of the EPHA, a licensed cleaning service business must continue to comply with the following licence conditions:

- (a) to enter into a contract of service in writing with each cleaner employed by the cleaning business licensee;
- (b) requiring every contract of service entered into between the cleaning business licensee and every cleaner who is a citizen or permanent resident to provide for the payment of a basic wage or a progressive wage model bonus to the resident cleaner that (i) is not less than the amount; and (ii) in the case of a progressive wage model bonus, is to be paid at the frequency, specified by order for the class of cleaners that the resident cleaner belongs to;

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

- (c) to ensure that every cleaner employed by the cleaning business licensee satisfies the training requirements as may be specified by the director general for the class of cleaners that the cleaner belongs to;
- (d) prohibiting the cleaning business licensee from deploying any individual who is not employed by the cleaning business licensee to carry out any cleaning work, unless the individual is a cleaner employed by another cleaning business licensee; and
- (e) to keep such records, accounts or documents relating to the business or activities that the cleaning business licensee is authorised to carry out under the cleaning business license, as may be prescribed, and retain those records, accounts or documents for a prescribed period.

As at the LPD, KJ FEM holds and maintain a valid cleaning business licence issued by the National Environment Agency Singapore. The cleaning service licence is valid for 1 year and renewable on a yearly basis.

- **Building and Construction Authority Act 1999 of Singapore**

The Building and Construction Authority of Singapore (“**BCA**”) is a statutory board under the Ministry of National Development of the Government of Singapore. The built environment sector in Singapore is regulated by the BCA, established under the Building and Construction Authority Act 1999, which oversees areas such as safety, quality, inclusiveness, sustainability and productivity. The functions of the BCA include leading and transforming the built environment sector, ensuring high safety standards and championing environmental sustainability.

The construction industry in Singapore is regulated by the BCA, whose primary role is to develop and regulate Singapore’s building and construction industry. Registration in the Contractors Registry maintained by the BCA is a pre-requisite to tendering for projects in the Singapore public sector. The tendering limit for public sector projects is determined by a registered contractor’s qualified grade under the contractor’s registration system.

Registration of a contractor with the BCA is dependent on the contractor fulfilling certain requirements such as personnel qualification and the value of previously completed projects. The grade assigned to each contractor is dependent on its minimum net worth and paid-up capital. Registration is valid for a period of three (3) years and lapses automatically unless a renewal is filed and approved by the BCA.

As at the LPD, KJ FEM is duly registered with the BCA.

- **Workplace Safety and Health Act 2006 of Singapore (“**WSHA 2006**”)**

The WSHA 2006 which is regulated by the Ministry of Manpower of Singapore provides that every employer has the duty to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of persons at work. These measures include:

- (a) providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards to facilities and arrangements for their welfare at work;
- (b) ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons;

6. INFORMATION ON OUR GROUP (Cont'd)

- (c) ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organisation, processing, storage, transport, working or use of things in their workplace or near their workplace and under the control of the employer;
- (d) developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and
- (e) ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

As at the LPD, there are no claims or disputes taken by any employee or ex-employee against KJ FEM nor through the Ministry of Manpower of Singapore and/or any trade unions against KJ FEM.

(iii) in respect of our business in Thailand:

- **Energy Conservation Promotion Act, B.E. 2535 (1992) (the “ECP Act”)**

Energy conservation under the ECP Act means that the production and use of energy shall be efficient and economical. Under the ECP Act, owner of designated factories and buildings shall conserve energy, audit and analyse energy utilisation of their premise(s).

The designated buildings according to the ECP Act include hotel, hospital, department store and shopping center, with an area of more than 2,000 square meters.

Energy conservation in buildings includes any of the following activities: efficient use of air-conditioning, including maintaining temperature in the building at an appropriate level, use of construction materials that contribute to energy conservation and demonstration of qualities of such materials, use and installation of machinery, equipment and materials that contribute to energy conservation in the building, use of operational control systems for machinery and equipment, and other means of energy conservation as prescribed in the relevant ministerial regulations.

In addition, the ECP Act establishes the standards, criteria, and procedures for the energy conservation design of designated factories and buildings which all stakeholders, such as owners, engineers, service providers, manufacturers or distributors must follow. Failure to comply with those standards, criteria, and procedures shall render the building unfit to obtain building construction permit/certificate.

As at the LPD, our Group is not in breach of the ECP Act.

6. INFORMATION ON OUR GROUP (Cont'd)

Ancillary laws and regulations in respect of our business in Malaysia

(A) Employees' Minimum Standards of Housing and Amenities Act 1990 ("EMSHAA") and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("EMSHAA Regulations")

The EMSHAA prescribes the minimum standards for accommodations for employees and centralised accommodations and requires employers to provide health, hospital, medical and social amenities. The EMSHAA further provides that an employer or centralised accommodation provider shall ensure that every accommodation provided for employees complies with the minimum standards required under EMSHAA and the EMSHAA Regulations.

Section 24D(1) of the EMSHAA provides that no accommodation shall be provided to an employee unless certified with a certificate of accommodation ("CA"), and an employer or centralised accommodation provider who contravenes Section 24D(1) shall be liable on conviction to a fine not exceeding RM50,000.00.

Our subsidiary, ETC Cleaning Services is required to comply with the EMSHAA and EMSHAA Regulations as it provides accommodation to its employees.

As at the LPD, ETC Cleaning Services has entered into 33 tenancy agreements in respect of 80 properties and 2 foreign worker accommodation service agreements for the purposes of providing accommodation for its employees. All properties rented and provided by ETC Cleaning Services as accommodation to its employees under the 33 tenancy agreements and 2 foreign worker accommodation service agreements have been issued with a valid CA as at the LPD.

As at the LPD, ETC Cleaning Services has not been penalised, and has not received any penalty in relation to the accommodation to our employees.

ETC Cleaning Services has designated a person-in-charge to ensure that all renting of properties intended for accommodation for employees comply with the minimum standards and requirements provided under the EMSHAA before the signing of tenancy agreement. Further, our Group's Quality, Health, Safety and Environment ("QHSE") department has a monthly compliance monitoring register in place which all the subsidiaries are required to submit to the QHSE department on a monthly basis for monitoring and verifying the compliance status.

(B) Street, Drainage and Building Act 1974 ("SDBA")

The SDBA regulates laws relating to street, drainage and buildings in local authority areas in Peninsular Malaysia. It provides for the requirement to have a CF/CCC to ensure that a building is safe and fit for occupation.

Section 70(27)(f) of the SDBA provides that any person who occupies or permits to be occupied any building or any part thereof without a CF/CCC shall be liable on conviction to a fine not exceeding RM250,000.00 or to imprisonment for a term not exceeding 10 years or to both.

As at the LPD, all of our Group's owned and tenanted properties have been issued with a valid CF/CCC.

Our Group will ensure all the renting of properties intended for business use must have CF/CCC before the signing of tenancy agreement. Further, our Group's QHSE department has a monthly compliance monitoring register in place which all the subsidiaries are required to submit to the QHSE department on a monthly basis for monitoring and verifying the compliance status.

6. INFORMATION ON OUR GROUP (Cont'd)

(C) Local Government Act 1976

Section 102 of the Local Government Act 1976 provides that local authorities are empowered to make, amend and revoke by-laws.

As our offices are located in Kuala Lumpur and Petaling Jaya, we come under the jurisdiction of the Kuala Lumpur City Hall and Petaling Jaya City Council, and consequently we are required to comply with the Licensing of Trade, Business and Industries (Wilayah Persekutuan Kuala Lumpur) By-Laws 2016 and the Licensing of Trade, Business and Industries (Petaling Jaya City Council) By-Laws 2007 ("**By-Laws**"). The By-Laws provides that any person who uses any premises for operating any business activities without a licence, when necessary, shall be liable on conviction to a fine not exceeding RM2,000.00 or to imprisonment for a term not exceeding 1 year or to both.

Our subsidiaries, KJ Technical Services, ETC Cleaning Services and KJ Energy Management have previously occupied some of our operational facilities at the following locations prior to obtaining the business licences:

- (a) B1-03, Basement 1, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia occupied by KJ Technical Services as a storage;
- (b) Amcorp Business Suite EL-11-06, Menara Melawangi, Amcorp Trade Centre, No. 18, Jalan Persiaran Barat, 46050 Petaling Jaya, Selangor, Malaysia occupied by KJ Technical Services as an office;
- (c) B1-02, Basement 1, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia occupied by ETC Cleaning Services as a storage; and
- (d) Suite G.01, Ground Floor, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia occupied by KJ Energy Management as an office.

As at the LPD, our subsidiaries, KJ Technical Services, ETC Cleaning Services and KJ Energy Management have not received any penalty for this non-compliance.

As at the LPD, our Group holds and maintains valid business licences issued by Kuala Lumpur City Hall and Petaling Jaya City Council.

Our Group has implemented a policy to set renewal reminder of the business licences to 60 days prior to expiry date for all the properties used for business purposes.

As at the LPD, there are no environmental issues which may materially affect our Group's business or operations.

6. INFORMATION ON OUR GROUP (Cont'd)

6.11 MATERIAL INVESTMENTS AND DIVESTITURES IN SUBSIDIARIES AND ASSOCIATED COMPANIES

Save as disclosed below, we do not have any material investments and divestitures in subsidiaries and associated companies for the Financial Years and Period Under Review and up to the LPD:

Description	Principal place of business	Consideration				Between 1 August 2023 up to the LPD (RM'000)
		FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2023 (RM'000)	
Investments						
Subsidiaries:						
- Astute MFM ⁽¹⁾	Malaysia	-	*	-	5	-
- AUNOA Solutions ⁽²⁾	Malaysia	51	-	-	-	-
- ETC Cleaning Services ⁽³⁾	Malaysia	*	-	*	-	-
- KJ Energy Management ⁽⁴⁾	Malaysia	100	-	-	-	-
- KJ Energy Services ⁽⁵⁾	Malaysia	-	-	10	-	-
- KJ Facilities Management ⁽⁶⁾	Malaysia	-	51	-	-	-
- KJTN Engineering ⁽⁷⁾	Thailand	-	700	-	-	-
Associated companies:						
- Astute MFM ⁽¹⁾	Malaysia	*	-	-	-	-
- DCS Energy ⁽⁸⁾	Malaysia	-	-	405	-	-
Total		151	751	415	5	-
Divestiture						
Subsidiary:						
- KJ Facilities Management ⁽⁶⁾	Malaysia	-	(40)	-	-	-

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

* Less than RM1,000.00.

- (1) KJ Technical Services had on 17 March 2020, acquired 1 ordinary share representing 50.00% of the total issued share capital of Astute MFM from IAQ Resources (M) Sdn Bhd for a total sale consideration of RM1.00.

Subsequently, KJ Technical Services had on 15 March 2021, subscribed for 49 ordinary shares in Astute MFM for a total cash consideration of RM49.00. Consequently, Astute MFM became a 51.00% owned subsidiary of KJ Technical Services.

On 20 June 2023, KJ Technical Services subscribed for 5,049 ordinary shares in Astute MFM for a total cash consideration of RM5,049.00.

- (2) KJ Technical Services had on 16 October 2020, acquired 51,000 ordinary shares representing 51.00% of the total issued share capital of AUNOA Solutions from Wee Lee Capital Ventures Sdn Bhd for a total sale consideration of RM51,000.00. Consequently, AUNOA Solutions became a subsidiary of KJ Technical Services.

- (3) KJ Technical Services had on 20 October 2020, acquired 57,000 ordinary shares representing 57.00% of the total issued share capital of ETC Cleaning Services from Yim See See for a total sale consideration of RM0.57. Consequently, ETC Cleaning Services became a subsidiary of KJ Technical Services.

Subsequently, KJ Technical Services had on 22 November 2022 further acquired 33,000 ordinary shares representing 33.00% of the total issued share capital of ETC Cleaning Services from Chin Kong Weng and Tan Hui Sean for a total sale consideration of RM33.00, and accordingly, our equity interest in ETC Cleaning Services increased to 90.00%.

- (4) KJ Technical Services had on 19 February 2020, subscribed for 99,900 ordinary shares in KJ Energy Management for a total cash consideration of RM99,900.00.

- (5) On 1 June 2022, KJ Technical Services incorporated a wholly-owned subsidiary, KJ Energy Services with an initial issued share capital of RM100.00 comprising of 100 ordinary shares.

Subsequently, KJ Technical Services had on 3 November 2022, subscribed for 10,000 ordinary shares in KJ Energy Services for a total cash consideration of RM10,000.00.

- (6) On 2 September 2021, KJ Technical Services acquired 51,000 ordinary shares representing 51.00% of the total issued share capital of KJ Facilities Management from Ahmad Zaidi Bin Abu Bakar @ Avob and Dato' Sri Shahril Bin Mokhtar for a total sale consideration of RM51,000.00. Consequently, KJ Facilities Management became a wholly-owned subsidiary of KJ Technical Services.

Subsequently, KJ Technical Services had on 1 November 2021 disposed 40,000 ordinary shares representing 40.00% of the total issued share capital of KJ Facilities Management to FD Holdings Sdn Bhd for a total sale consideration of RM40,000.00, and our equity interest in KJ Facilities Management reduced to 60.00%.

- (7) On 18 January 2021, KJ Technical Services incorporated KJTN Engineering with an initial issued share capital of THB1,000,000 (equivalent to approximately RM133,006.00 based on an exchange rate of THB100.00:RM13.3006 as at the LPD) comprising of 200,000 ordinary shares. KJ Technical Services subscribed for 98,000 ordinary shares in KJTN Engineering for a total cash consideration of RM63,640. Consequently, KJTN Engineering became a 49.00% owned subsidiary of KJ Technical Services.

6. INFORMATION ON OUR GROUP (Cont'd)

Subsequently, KJ Technical Services had on 1 December 2021 further subscribed for 980,000 ordinary shares in KJTN Engineering for a total cash consideration of THB4,900,000.00 (equivalent to approximately RM651,729.40 based on an exchange rate of THB100.00:RM13.3006 as at the LPD).

- (8) KJ Technical Services had on 17 August 2022, acquired 405,000 ordinary shares representing 45.00% of the total issued share capital of DCS Energy from Lee Kok Choon for a total sale consideration of RM405,000.00. Consequently, DCS Energy became an associated company of KJ Technical Services.

Please refer to Section 12.4.9 of this Prospectus for details on our capital expenditure and divestitures for the Financial Years and Period Under Review and up to the LPD.

6.12 MATERIAL PLANS TO CONSTRUCT, EXPAND OR IMPROVE OUR FACILITIES

Save as disclosed under the proposed utilisation of proceeds and expansion of offices in Malaysia, Singapore and Thailand in Section 4.7 and Section 7.17.3 of this Prospectus respectively, as at the LPD, our Group has no other immediate plans to construct, expand or improve our facilities.

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7. BUSINESS OVERVIEW

7.1 OUR HISTORY

The history of KJ Engineering can be traced back to 1984 with the incorporation of KJ Engineering on 30 October 1984 and commencement of the company as a contractor of cooling energy systems in the same year.

Dalkia Group, a multinational energy service company headquartered in France, acquired 51.00% equity interest in KJ Engineering on 30 December 1994 while the remaining 49.00% was held by Tan Kie Lu (24.00%), Hariz Pritam Bin Abdullah (12.50%) and Tan Seak Hong (12.50%). Companies in the Dalkia Group included, amongst others, Esys Montenay (Malaysia) Sdn Bhd, Dalkia (M) Sdn Bhd, Dalkia Technical Services Sdn Bhd and Dalkia Asia Pte Ltd. Dalkia Group's equity interest in KJ Engineering was subsequently reduced to 30.00% when it disposed some of its direct equity interest of 21.00% to Habibah Bte Suleiman on 9 July 1996.

KJ Technical Services was incorporated by Tan Kie Lu (50.00%) and Tan Seak Hong (50.00%) on 1 April 2005. On 24 February 2010, Dalkia Group and KJ Engineering acquired 69.99% and 29.99%, respectively of the direct equity interest of KJ Technical Services. Subsequently on 12 May 2010, Dalkia Group and KJ Engineering increased their shareholdings to 70.00% and 30.00% respectively with the acquisition of one share each from Tan Kie Lu and Tan Seak Hong.

On 27 December 2011, Dalkia Group increased its shareholdings in KJ Engineering to 49.00% with the subscription of additional shares in KJ Engineering. Dalkia Group eventually held the entire equity interest of KJ Engineering after it acquired 39.32% equity interest from Wong Cho Hon and Hariz Pritam Bin Abdullah on 28 February 2013, and 11.68% equity interest from Tan Kie Lu and Tan Seak Hong on 2 October 2014 respectively.

Lee Kok Choon, our Managing Director, initially joined KJ Engineering as a Contract Project Engineer in March 2002 before he was promoted to various positions and subsequently appointed as Chief Operating Officer in 2009. Sheldon Wee Tah Poh, our Executive Director, was initially appointed as a Director of KJ Technical Services in October 2012. On 22 October 2012, Lee Kok Choon and Sheldon Wee Tah Poh acquired their first direct equity interests in our Group when they acquired 10.00% and 20.00% equity interests, respectively, in KJ Technical Services. Following this, the equity interests of Dalkia Group (through Dalkia Technical Services) and KJ Engineering in KJ Technical Services were 60.00% and 10.00%, respectively. They subsequently acquired the entire equity interest of KJ Technical Services on 26 April 2013, following which Lee Kok Choon and Sheldon Wee Tah Poh each had 50.00% of the equity interest in KJ Technical Services.

On 4 July 2014, KJ Technical Services acquired 100.00% equity interest in DCS Power (which was incorporated on 9 April 2013) as DCS Power was, at that time, the asset holding company for the cooling energy management services contract for the Solaris district cooling system in Kuala Lumpur. DCS Power is dormant as at the LPD and it is intended to be holder of our financial assets (being the new or retrofitted and/or upgraded cooling energy system where we fund the initial capital expenses) in the future, where the segregation of customer types has not been determined at this juncture.

Our Group then carried out a management restructuring via a buyout of KJ Engineering, where KJ Technical Services acquired the entire equity interest of KJ Engineering from Dalkia Group (held by Dalkia Asia Pte Ltd) on 9 December 2014.

Astute MFM acquired 80.00% equity interest in Customer B on 2 January 2015. KJ Technical Services acquired 50.00% equity interest in Astute MFM⁽¹⁾ (which was incorporated on 23 September 2011) on 5 January 2015 and it became an associate company. Astute MFM commenced business operations as an investment holding company holding Customer B in 2015, and subsequently divested its investment in Customer B in 2017. Astute MFM subsequently commenced the provision of mobile FM services in December 2020.

7. BUSINESS OVERVIEW (Cont'd)

On 22 August 2017, Sin Heng Chan (Malaya) Berhad acquired 25.00% equity interest in KJ Technical Services following which Lee Kok Choon and Sheldon Wee Tah Poh's equity interests in KJ Technical Services were 37.50% and 37.50%, respectively. The acquisition was believed to be able to bring opportunities to the expansion of cooling energy business of KJ Technical Services with Sin Heng Chan (Malaya) Berhad being a substantial shareholder of KJ Technical Services owing to Sin Heng Chan (Malaya) Berhad's reputation and its business diversification into the cooling energy industry in 2017.

Acres Growth was incorporated on 11 October 2017 as an associated company of KJ Technical Services (30.00%). We leverage on the networks of the other shareholders of Acres Growth to secure new customers.

KJ Facilities Management was incorporated by KJ Technical Services on 20 December 2017 as a wholly-owned subsidiary.

KJ Technical Services acquired 30.00% equity interest in KJ Technical Services (Thailand) (which was incorporated on 29 March 2019) on 1 April 2019 and it became an associated company. The other shareholders are local partners of KJ Technical Services (Thailand) in Thailand. KJ Technical Services (Thailand) is dormant as at the LPD and it is intended to be the holder of our financial assets (without the involvement of TN Group Corporation Co., Ltd) in Thailand in the future.

On 12 June 2019, Lee Kok Choon and Sheldon Wee Tah Poh collectively reacquired the 25.00% equity interest in KJ Technical Services from Sin Heng Chan (Malaya) Berhad after which Lee Kok Choon and Sheldon Wee Tah Poh had 50.00% and 50.00% equity interests in KJ Technical Services, respectively.

In 2019, we expanded our business to Singapore when KJ Technical Services acquired the entire equity interest in KJ FEM⁽²⁾ (which was incorporated on 15 August 1992) on 31 October 2019. We acquired KJ FEM to establish our presence in Singapore as it is the regional base of many multinational companies. We plan to integrate and provide all three of our main services, namely cooling energy segment, cleaning services and facilities management services on a regional contract basis to multinational companies. There has not been a change in the principal activities of KJ FEM from the time of its acquisition up to the LPD.

KJ Energy Management was incorporated by KJ Technical Services on 11 November 2019 as a wholly-owned subsidiary.

In 2020, KJ Technical Services acquired equity interests in the following companies:

- the remaining 50.00% equity interest in Astute MFM on 17 March 2020, making Astute MFM a wholly-owned subsidiary;
- 51.00% equity interest in AUNOA Solutions (which was incorporated on 11 July 2019) on 16 October 2020. We use the software and hardware owned by Absotherm Technologies Private Limited for our cooling energy and facilities management services, and we have the rights to use the software and hardware in South East Asia; and
- 57.00% equity interest in ETC Cleaning Services (which was incorporated on 22 May 2018) on 20 October 2020.

KJTN Engineering was incorporated on 18 January 2021 as a subsidiary of KJ Technical Services (49.00%).

7. BUSINESS OVERVIEW (Cont'd)

On 15 March 2021, Cask Holdings Sdn Bhd subscribed for new Astute MFM shares resulting in Cask Holdings Sdn Bhd holding 49.00% equity interest while we held the remaining 51.00% equity interest of Astute MFM. Cask Holdings Sdn Bhd subsequently sold its 49.00% equity interest of Astute MFM, and as at 20 June 2023 and the LPD, the 49.00% equity interest is held by Angelina Corrina Fernandez (19.60%), Quinn Corporate Sdn Bhd (19.60%), Christopher Symonds (4.90%), and Shahrhan Sham Bin Shafie (4.90%). We leverage on the experience of Angelina Corrina Fernandez, Christopher Symonds, and Shahrhan Sham Bin Shafie in the mobile FM industry to manage the day-to-day operations of Astute MFM. We also leverage on the experience and marketing knowledge of Kevin Gerard Quinn, the sole shareholder of Quinn Corporate Sdn Bhd in the cleaning and mobile FM services industry to secure new customers.

KJ Technical Services' equity interest in KJ Facilities Management was reduced to 60.00% on 1 November 2021. We leverage on the networks of the other shareholder of KJ Facilities Management to secure new customers. KJ Facilities Management is dormant as at the LPD and it is intended to provide facilities management services to new customers jointly secured by us and the other shareholder of KJ Facilities Management.

KJ Technical Services also acquired equity interests in the following companies in 2022:

- 45.00% equity interest in DCS Energy (which was incorporated on 16 November 2011) on 17 August 2022. We leverage on the networks of the other shareholder of DCS Energy to secure new customers; and
- additional 33.00% equity interest in ETC Cleaning Services, resulting in our equity interest in the company of 90.00% on 22 November 2022. We leverage on the experience and marketing knowledge of the other shareholder of ETC Cleaning Services in the cleaning and mobile FM services industry to secure new customers.

KJ Energy Services was incorporated by KJ Technical Services on 1 June 2022 as a wholly-owned subsidiary. KJ Energy Services is dormant as at the LPD and it is intended to be holder of our financial assets (being the new or retrofitted and/or upgraded cooling energy system where we fund the initial capital expenses) in the future, where the segregation of customer types has not been determined at this juncture.

Further details on the other shareholders of our non wholly-owned subsidiaries and associated companies are as set out in Section 6.4 of this Prospectus.

For the Financial Years and Period Under Review, our principal operations and markets are in Malaysia, Singapore and Thailand. In Malaysia, we commenced our business operations in 1984, and we established a presence in Singapore in 2019 with the acquisition of KJ FEM, which has been in business since 1992. In addition, we established our presence in Thailand in 2021 with the incorporation of KJTN Engineering, which commenced business in the same year when it secured its first contract.

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

Year	Key Events and Milestones
1984	<ul style="list-style-type: none"> • KJ Engineering commenced business operations in 1984 as a contractor for cooling energy systems focusing on air-cooled split units (ACSU).
1997	<ul style="list-style-type: none"> • In July 1997, KJ Engineering secured a contract for the design, supply, construction, erection, testing and commissioning of a DCS located in Pantai, Kuala Lumpur to supply cooling energy to connected buildings including office towers, commercial properties and hotel. This was our first EPCC contract for a DCS.

7. BUSINESS OVERVIEW (Cont'd)

2002	<ul style="list-style-type: none"> Lee Kok Choon, our Managing Director, joined KJ Engineering as a Contract Project Engineer in March 2002. Following several promotions, he was appointed as the Chief Operating Officer of KJ Engineering in May 2009.
2003	<ul style="list-style-type: none"> KJ Engineering secured the contract to provide cooling energy management services for a shopping complex, office, residential and hotel mixed development in Kuala Lumpur (Mid Valley City). The contract was from July 2003 to June 2008.
2008	<ul style="list-style-type: none"> KJ Engineering secured the contract to provide both cooling energy management and FM services for a shopping complex in Penang (Queensbay Mall). KJ Engineering secured our first contract from a manufacturer of semiconductors to provide IBS for their semiconductor manufacturing facility in Muar, Johor (the Muar IBS Contract).
2012	<ul style="list-style-type: none"> KJ Technical Services commenced business operations in 2012 when it began to provide cooling energy management services.
2013	<ul style="list-style-type: none"> DCS Power commenced business operations in 2013 as an investment holding company. The company subsequently ceased business operations in 2019 and is dormant as at the LPD. In December 2013, KJ Technical Services secured the JB DCS EPCC Project. The project was completed in April 2018.
2015	<ul style="list-style-type: none"> In 2015, Astute MFM commenced business operations as an investment holding company, and subsequently divested its investment in 2017. Astute MFM subsequently commenced the provision of mobile FM services in December 2020 when it commenced providing mobile FM services. In November 2015, Customer B (which, at that time, was our associate company through Astute MFM) secured the concession agreement for the EPCC and subsequent operations and management of the DCP to supply chilled water for space cooling for designated buildings at a higher education facility in Muar, Johor. Following the completion of the EPCC portion of the concession, Customer B engaged KJ Technical Services to provide cooling energy management services comprising O&M of the DCP to supply chilled water for the designated buildings in January 2017 (the Muar Education Facilities CEMS Contract).
2017	<ul style="list-style-type: none"> KJ Technical Services was first certified to use the MyHIJAU Mark by the Malaysian Green Technology and Climate Change Corporation (GreenTech Malaysia) on 29 May 2017, and its current certification is valid from 3 August 2023 to 2 August 2024. KJ Technical Services was first registered as an Energy Service Company (ESCO) by the Energy Commission Malaysia on 14 September 2017. The current registration is valid from 19 February 2023 to 18 February 2024.
2018	<ul style="list-style-type: none"> In March 2018, KJ Technical Services secured the Seri Iskandar DCP EPCC Project. The project was completed in October 2020. ETC Cleaning Services commenced business operations in 2018 as a provider of cleaning services.

7. BUSINESS OVERVIEW (Cont'd)

	<ul style="list-style-type: none"> KJ Technical Services secured the JB DCS CEMS Contract to provide cooling energy management services for the DCS that it had constructed under the JB DCS EPCC Project. This cooling energy management services contract is from August 2018 to July 2038.
2019	<ul style="list-style-type: none"> AUNOA Solutions commenced business operations in 2019 as a systems integrator. In 2019, we expanded our business to Singapore when KJ Technical Services acquired the entire equity interest in KJ FEM on 31 October 2019. KJ Energy Management commenced business in 2019 in the provision of cooling energy management when it secured the Johor Hospitals CEMS Contract.
2020	<ul style="list-style-type: none"> On 28 February 2020, KJ Energy Management was first registered as an ESCO by the Energy Commission Malaysia. The current registration is valid from 3 March 2023 to 2 March 2024. KJ Energy Management was first certified to use the MyHIJAU Mark by GreenTech Malaysia on 31 March 2020, and its current certification is valid from 31 May 2023 to 8 June 2024. KJ Facilities Management commenced business operations in 2020 as a provider of FM services.
2021	<ul style="list-style-type: none"> KJTN Engineering commenced business operations in 2021 when it secured its first contract, the Bangkok Mixed Development CEMS Contract.

Notes:

- The company's name upon incorporation on 23 September 2011 was Astute Consultancy Sdn Bhd and it changed to its present name Astute MFM on 25 August 2021.
- The company's name upon incorporation on 15 August 1992 was Don-Thaker Cleaning Services Pte Ltd, and changed its name to OCS Facilities Management Singapore Pte Ltd on 31 March 2016, and subsequently to its present name KJ FEM on 9 January 2020.

7.2 KEY ACHIEVEMENTS AND RECOGNITIONS

Some of our awards and recognitions are as follows:

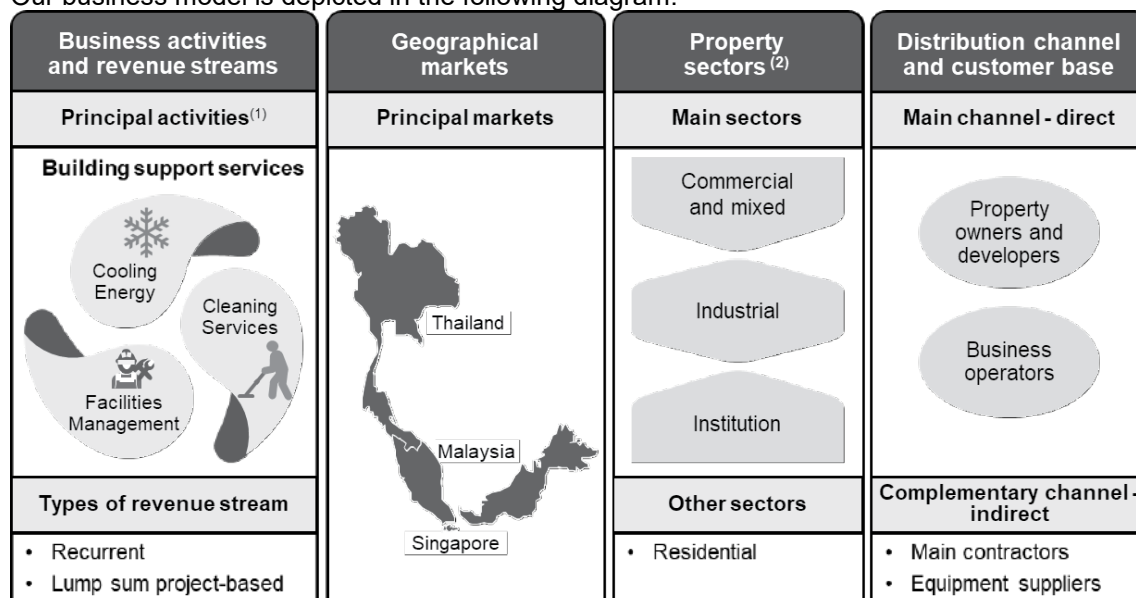
Year	Subsidiary	Awarding Party	Awards and Recognitions
2021	KJ FEM	National Environment Agency, Singapore	Clean Mark Silver for "Average achievement of 65% and above on performance factors at client's premises."
		Workspace Safety and Health (WSH) Council, Singapore	bizSAFE STAR for the "Achievement of WSH Management System and ISO 45001:2015 certification."

7. BUSINESS OVERVIEW (Cont'd)

7.3 OVERVIEW OF OUR BUSINESS

7.3.1 Our business model

Our business model is depicted in the following diagram:



Notes:

(1) We also carried out building construction in FYE 2021.

(2) We serve the following property industry sectors.

7.3.2 Business activities and revenue streams

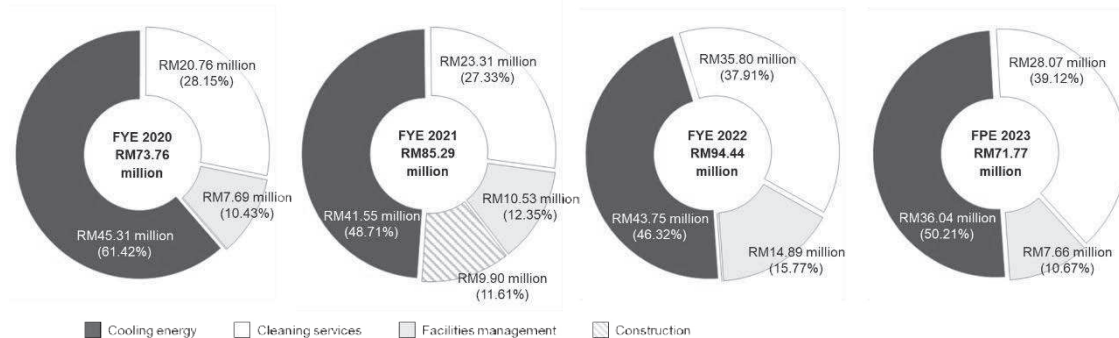
Business activities

We are principally a provider of building support services focusing on providing cooling energy, cleaning and FM services. Within our Cooling Energy Segment, we provide cooling energy management services, and EPCC including new, retrofitting and/or upgrading of cooling energy systems. Our cleaning services are focused on ensuring the cleanliness, tidiness and hygiene of buildings and facilities. Our FM services are focused on the repair and maintenance of M&E machinery and equipment, process utilities including plumbing, drainage and sewerage, and F&B and retail outlet equipment. In FYE 2021, we also carried out building construction, which was a one-off project.

Our three business segments are synergistic as they are all supporting services for the safe operation and functioning of buildings and facilities. We are also able to cross-sell these three services to the same customer for their buildings and facilities.

7. BUSINESS OVERVIEW (Cont'd)

Our revenue segmentation by business activities is as follows:



Types of revenue stream

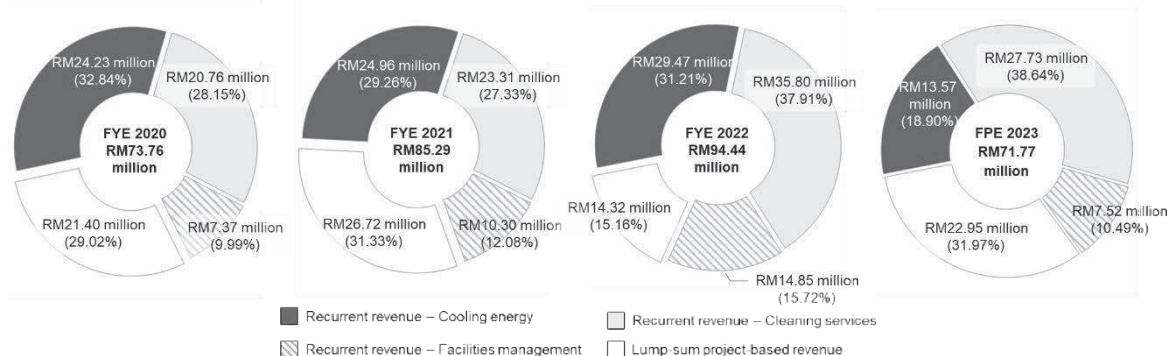
Our business model comprises two types of revenue stream. One is based on recurrent revenue that provides some assurance of regular revenue streams during the contract period, while the other is lump sum project-based revenue. For the Financial Years and Period Under Review, the majority of our revenue is based on recurrent revenue.

- Recurrent revenue is from rendering of services and management fees which are recognised in the reporting period in which the services are rendered. Recurrent revenue is derived from maintenance and management services which are recognised based on monthly fixed fee, and recognised when earned over the term of the concession.

Recurrent revenue services are provided on a continuous basis over the contract duration period (range between 1 year and 20 years) for our Cooling Energy Segment, cleaning services and FM services business activities. These contracts will specify the scope of work that we perform, and the commencement and expiry dates.

- Lump-sum project-based revenue is recognised over the period of the contract based on the proportion of work done and completed. The lump-sum project-based contracts are mainly EPCC of cooling energy systems and building construction projects with the scope of work, deliverables, and commencement and completion dates. We also had some lump-sum project-based revenue from providing cooling energy management and FM services to customers on an ad hoc basis.

Our revenue segmentation by recurrent and lump-sum project-based revenue is as follows:



7. BUSINESS OVERVIEW (Cont'd)

7.3.2.1 Cooling Energy Segment

Our Cooling Energy Segment is focused on providing space cooling for the comfort of occupants mainly in large commercial and industrial buildings where the main cooling energy system is a centralised system, namely a DCS that serves multiple nearby buildings or a chiller plant that serves a single building. The concept of a centralised cooling energy system is based on economies of scale in providing space cooling to multiple areas within one or more buildings, as opposed to decentralised space cooling equipment for each room or enclosed area. Centralised cooling energy systems achieve economies of scale through lower electricity usage and operations and maintenance costs, and are characterised by easier implementation of upgrades compared to decentralised space cooling equipment while maintaining similar levels of comfort.

During the Financial Years and Period Under Review and up to the LPD, our Cooling Energy Segment mainly involved centralised systems, with decentralised systems making up only a small proportion of our contracts and projects

Our Cooling Energy Segment comprises two activities and revenue streams as follows:

- cooling energy management; and
- EPCC of cooling energy systems.

For the Financial Years and Period Under Review, revenue contribution from our Cooling Energy Segment is broken down as follows:

Cooling Energy Segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Cooling energy management	24,265	32.90	25,105	29.44	30,016	31.78	14,061	19.59
EPCC of cooling energy systems	21,039	28.52	16,436	19.27	13,734	14.54	21,974	30.62
Segment total	45,304	61.42	41,541	48.71	43,750	46.32	36,035	50.21

Note:

* As a percentage of total revenue.

(i) Cooling energy management

Our cooling energy management is mainly based on the supply of chilled water for space cooling as well as providing O&M of cooling energy systems.

To supply chilled water, we undertake cooling energy management for DCS or chiller plants that are owned by our customers, as well as those that are partially or wholly financed by us. The DCS or chiller plants may be designed and constructed by us, or retrofitted and/or upgraded by us.

We are responsible for the entire cooling energy management contract to ensure the supply of chilled water, which includes energy audit, O&M, monitoring and reporting. For repair and maintenance of some specialised equipment such as chillers, heat exchangers and generator sets, we engage specialists (such as, in some cases, the original equipment manufacturer) with the required technical skills, experience and access to original spare parts and specialised tools to carry out the preventive, corrective and major maintenance.

7. BUSINESS OVERVIEW (Cont'd)

(ii) EPCC of cooling energy systems

We carry out EPCC of cooling energy systems, focusing on DCS and chiller plants, as well as airside equipment. Our EPCC services include constructing new or retrofitting and/or upgrading existing cooling energy systems. For EPCC of new cooling energy systems, we work as a sub-contractor to the main contractor of the overall building construction. For retrofitting and/or upgrading, we mainly deal directly with the property owner or business operator, or in some cases, third-party service providers. In addition to the design of the cooling energy systems, we also incorporate sensors, measurement and monitoring devices, and our energy management system to facilitate cooling energy management and connection to our CC (in some cases).

We are responsible for the entire EPCC of cooling energy system project including engineering design, procurement of all machines, equipment, materials and parts, construction, testing and commissioning of the facility. As for installation works, they are mainly mechanical, electrical and process control works which are carried out by third party sub-contractors under our supervision and management.

For EPCC works, the design and specification of the entire cooling energy system are carried out in-house by our engineers, or jointly by our in-house engineers and third-party consultants engaged by our customers. Revenue contribution from EPCC of new cooling energy systems not including retrofitting and/or upgrading existing systems amounted to RM11.02 million (14.94%), RM14.34 million (16.81%), RM12.75 million (13.51%) and RM3.81 million (5.31%) for our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

7.3.2.2 Cleaning services

Cleaning services are focused on the built environment, especially within buildings as well as their immediate surroundings and outdoor areas. Cleaning services are mainly to keep our customers' premises clean, tidy and hygienic, and to ensure consumables such as hand soaps, sanitisers, paper towels and tissues are adequately stocked at relevant places. We provide cleaning services mainly for commercial and mixed properties including offices and shopping centres, and manufacturing facilities. We also provide specialised cleaning services for cleanrooms in manufacturing facilities, theme park ride furniture as well as event halls. In some situations, our cleaning services include landscaping and cleaning common areas and pavements, and amenities such as swimming pools.

Revenue from the provision of cleaning services accounted for RM20.76 million (28.15%), RM23.31 million (27.33%), RM35.80 million (37.91%) and RM28.07 million (39.12%) for FYE 2020, FYE 2021, FYE 2022 and FPE 2023 respectively.

7.3.2.3 FM services

Our FM services are mainly involved in repair and maintenance of machinery and equipment in the following areas:

- M&E including distribution box, lighting, public address systems, backup power, elevators, pumps, fans and blowers;
- process utility including plumbing, drainage, sewerage, air compressors, driers, vacuum systems and fire protection systems;
- F&B outlet equipment such as liquefied petroleum gas (LPG) and cooking system, refrigeration equipment, outlet air conditioning and mechanical ventilation equipment, furniture, fittings and signage; and
- retail outlet equipment such as outlet air conditioning and mechanical ventilation equipment, refrigeration equipment, electrical system, lighting and roller shutters.

7. BUSINESS OVERVIEW (Cont'd)

Our services include preventive (regular or scheduled), corrective (emergency or ad hoc) and major maintenance (according to manufacturers' guidelines or recommendations) of mechanical, electrical and process utility (MEP) machines, equipment and systems.

Our FM services are segmented as follows:

- Static FM; and
- Mobile FM.

For the Financial Years and Period Under Review, revenue contribution from our FM services is broken down as follows:

FM segment	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Mobile FM	791	1.07	4,500	5.28	7,705	8.16	4,051	5.64
Static FM	6,900	9.36	6,034	7.07	7,186	7.61	3,609	5.03
Segment total	7,691	10.43	10,534	12.35	14,891	15.77	7,660	10.67

Note:

* As a percentage of total revenue.

(i) Static FM

Static FM services is where our personnel are stationed at customers' premises to provide repair and maintenance services for the duration of the contract.

(ii) Mobile FM

Mobile FM is where we do not have personnel stationed at our customers' premises, but our personnel will call on their premises to carry out repair and maintenance services when scheduled or as and when required.

While we carry out many of the maintenance works in-house, for some specialised equipment, the manufacturer or supplier's specialists are called in to carry out preventive, corrective and major maintenance according to warranties and service contracts, and as required. Examples of specialised equipment include process equipment such as air compressors, drier and vacuum systems, generator sets, water and sewage treatment systems, active and passive fire protection systems, and public address systems. In such cases, we will provide support where necessary.

For the Financial Years and Period Under Review, FM services provided to one of our customers included value-added services mainly to support the operations of our customers such as, amongst others, life cycle asset management of machinery and equipment.

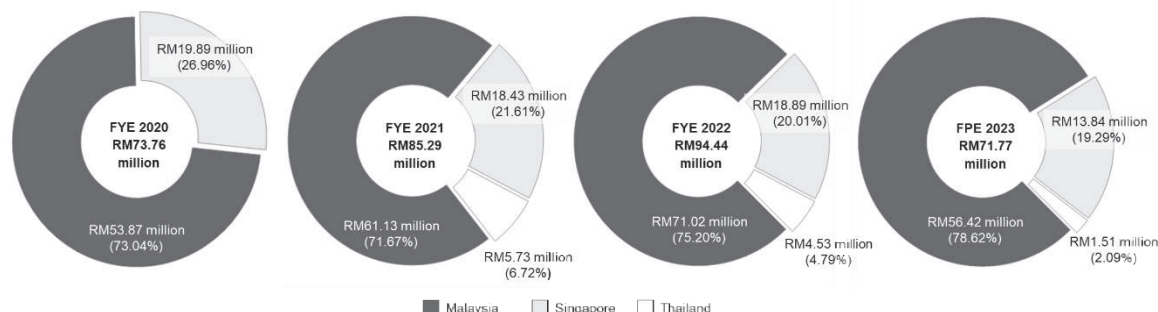
7.3.2.4 Building construction

In FYE 2021, we carried out building construction for some parts of an international school, where we were a sub-contractor. As a sub-contractor, our responsibilities included procurement and construction works based on designs and specifications provided by the main contractor. This is a one-off project and moving forward, we will not carry out building construction as a standalone project. Our plan in securing this building construction contract was to subsequently cross-sell our cooling energy management, cleaning services and/or FM services to the international school operator.

7. BUSINESS OVERVIEW (Cont'd)

7.3.3 Geographical markets

Our principal markets are Malaysia, Singapore and Thailand, which accounted for all of our revenue during the Financial Years and Period Under Review:



For the Financial Years and Period Under Review, Malaysia was our largest overall market while Singapore was our largest foreign market. We commenced business operations in Thailand and began to recognise revenue from this country in FYE 2021.

7.3.4 Building focus

Our business activities are focused on built environments particularly relating to buildings and their immediate surroundings. Our services are focused on two segments of the property market, namely existing buildings and new developments. While new developments may depend on the property and construction industry, existing buildings provide an established and addressable market for our business. As such, these two segments provide us with business sustainability and growth, as well as business diversification from over-dependence on any one segment of the property market.

For the Financial Years and Period Under Review, our revenue from providing services to existing and new developments is segmented as follows:

Property markets	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Existing buildings	62,732	85.05	60,735	71.21	81,680	86.49	67,895	94.60
New developments	11,016	14.94	24,550	28.79	12,758	13.51	3,872	5.40
Non-property-related [^]	9	0.01	-	-	-	-	-	-
Total	73,757	100.00	85,285	100.00	94,438	100.00	71,767	100.00

Notes:

* As a percentage of total revenue.

[^] Non-property-related comprises provision of software services.

7. BUSINESS OVERVIEW (Cont'd)

We also serve several industry sectors that provide us with business growth and market diversification as follows:

Industry sectors	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Commercial and mixed [#]	33,902	45.96	50,982	59.78	65,619	69.48	49,306	68.70
Industrial	20,944	28.40	18,254	21.40	22,008	23.30	18,805	26.20
Institutional	18,902	25.63	16,049	18.82	6,811	7.22	3,656	5.10
Non-property-related [^]	9	0.01	-	-	-	-	-	-
Total	73,757	100.00	85,285	100.00	94,438	100.00	71,767	100.00

Notes:

* As a percentage of total revenue.

A small proportion of the revenue is from mixed developments comprising commercial and residential properties.

[^] Non-property-related comprises provision of software services.

7.3.5 Distribution channels and customer base

We utilise two distribution channels for our sales and marketing. Most of our revenue for the Financial Years and Period Under Review was from the direct distribution channel where our customers are the ultimate decision-makers and users of our services. They include property owners and developers, and business operators who either own or lease the property or facilities that they are using.

We also adopt an indirect distribution channel where our customers are intermediaries such as main contractors, concession holders and equipment suppliers. During the Financial Years and Period Under Review, we utilised the indirect distribution channel for our Cooling Energy Segment, cleaning services and building construction business.

For the Financial Years and Period Under Review, our revenue segmented by direct and indirect distribution channels was as follows:

Distribution channel	FYE 2020		FYE 2021		FYE 2022		FPE 2023	
	RM'000	%*	RM'000	%*	RM'000	%*	RM'000	%*
Direct	45,981	62.34	45,980	53.91	67,651	71.64	57,430	80.02
Indirect	27,776	37.66	39,305	46.09	26,787	28.36	14,337	19.98
Total	73,757	100.00	85,285	100.00	94,438	100.00	71,767	100.00

Note:

* As a percentage of total revenue.

7. BUSINESS OVERVIEW (Cont'd)

7.3.6 Modes of operation

Our modes of operation are based on the type and payment structures of our contracts comprising the following main categories:

- lump sum project-based contracts; and
- recurrent revenue-based contracts.

7.3.6.1 Lump sum project-based contracts

These are mainly EPCC including new, retrofitting and/or upgrading projects with the scope of work, deliverables, and commencement and completion dates comprising the following:

- fixed lump sum contracts (“**FLS**”); or
- fixed lump sum plus scheduled rates contracts (“**F+SR**”).

Lump-sum project-based revenue is recognised over the period of the contract based on the proportion of work done. The proportion of work done is certified by engineers towards complete satisfaction of our performance obligation under the contract.

(i) Fixed lump sum

FLS mode of operation is for the following project-based types of services:

- EPCC projects including new, retrofitting and/or upgrading cooling energy systems; and
- building construction project.

The EPCC of cooling energy system contracts will specify the scope of work which includes, amongst others, the type and specification of cooling energy system to be constructed or retrofitted and/or upgraded, contract value, schedule of payments and project timeline.

As is common in the industry, we are subjected to performance penalties and we also provide defect liability period (“**DLP**”) as follows:

- liquidated ascertained damages; and
- DLP of 12 to 24 months upon project handover or certificate of practical completion.

We provide DLP for system defects which we are required to make good at our expense. We have a back-to-back arrangement with the manufacturers or authorised suppliers to replace defective parts, machines or equipment for the main machinery and equipment that we install for our customers. Some of the expenses in carrying out the replacement process such as labour and transportation costs will be borne by us.

In some situations, our contracts also include the construction of related buildings mainly to house the DCP, chiller plants or related equipment. These buildings are also subjected to liquidated ascertained damages as well as DLP.

Our building construction contract was also lump sum project-based. In FYE 2021, we carried out the building construction of parts of an international school as a sub-contractor. Our building construction contract was based on the scope of work and deliverables, as well as the completion and end date. We are subjected to performance penalties and we also provide DLP, as follows:

- liquidated ascertained damages; and
- DLP of a total of 27 months from the date of the overall project’s certificate of practical completion.

7. BUSINESS OVERVIEW (Cont'd)

In addition, we have to make good any faults identified by the main contractor at our own expense.

(ii) Fixed lump sum plus scheduled rates

We use F+SR mode of operation for some of our EPCC of cooling energy systems contracts and one-off purchase orders for cleaning and FM services. F+SR contracts are project-based consisting of two parts, namely:

- fixed lump sum part as described above; and
- variable part based on agreed scheduled rates.

The variable part of the contract covers additional services and/or goods that may be provided to the customer that are not covered by the fixed lump sum part, and specifies the goods and/or services covered and their respective rates. The final value will be based on the actual quantity of the goods and/or services used in the project multiplied by their respective specified rates. The variable part of the contract is to cater for goods and/or services that cannot be ascertained before the commencement of the project or additional goods and services that may be requested by the customer over the course of the project. Some examples of goods and services that are subjected to variable rates include:

- for EPCC of cooling energy systems, changes in the type and/or quantity of piping, fittings, valves and equipment used in the system; and
- for cleaning and FM services, providing manpower and/or providing additional consumables such as hand soaps, sanitisers, paper towels and tissues.

The variable part of the contract commonly constitutes a small proportion of the total contract value.

7.3.6.2 Recurrent revenue-based contracts

Recurrent revenue refers to revenue that is recognised for services rendered on a continuous basis in the reporting period. The customer simultaneously receives and consumes the services provided by us, and we have a present right to payment for the services.

We have recurrent revenue-based contracts for services we provide on a continuous basis over the contract duration period, mainly relating to cooling energy management, cleaning and FM services. These contracts will specify the scope of work that we perform, and the commencement and expiry dates. They comprise the following:

- fixed monthly charges ("FMC");
- fixed plus variable monthly charges ("F+V");
- fixed plus supply of chilled water monthly charges ("F+CW");
- fixed monthly charges with monthly capital repayment charges ("F+MCP");
- fixed plus variable monthly charges, with monthly capital repayment charges ("F+V+MCP");
- fixed plus supply of chilled water monthly charges, with monthly capital repayment charges ("F+CW+MCP"); or
- variable monthly charges ("VMC").

(i) Fixed monthly charges

We use the FMC mode of operation for our recurrent revenue contracts for some of the following business activities:

- cooling energy management services;
- cleaning services; and
- FM services.

7. BUSINESS OVERVIEW (Cont'd)

FMC contracts are based on the continuous provision of services for the duration of the contract.

These contracts will specify, amongst others, the following:

- scope of work of the services to be provided;
- fixed monthly charges for the services rendered;
- price adjustment mechanism for the fixed monthly charges (if any);
- service level agreements or key performance indicators (if any);
- contract duration and contract renewal terms (if any); and
- location or locations where services are to be provided.

The customer will pay us the applicable fixed charges on a monthly basis that may be subject to variations based on the price adjustment mechanisms that are dependent on meeting service level agreements and/or key performance indicators (if applicable).

(ii) Fixed plus variable monthly charges

We use the F+V mode of operation for our recurrent revenue contracts for some of the following business activities:

- cooling energy management services;
- cleaning services; and
- FM services.

These contracts comprise two parts, namely:

- fixed monthly charges part as described above; and
- variable monthly charges based on agreed scheduled rates.

The variable part of the contract specifies the goods and/or services covered, and their respective unit rates. The final value will be based on the actual quantity of the goods and/or services supplied during each month multiplied by their respective specified rates. The variable part of the contract is to cater for goods and/or services whose quantity cannot be ascertained before carrying out the work, and those based on requests by the customers for additional goods and/or services not covered by the contract.

The schedule of rates in some of our contracts specifies one or a combination of the following:

- per unit price for specified services that the customer may request as and when required;
- per unit price for specified goods that are supplied to the customer above the quantity specified in the contract; and
- hourly or daily rates for personnel working overtime or providing additional personnel above what is specified in the contract.

(iii) Fixed plus supply of chilled water monthly charges

We use the F+CW mode of operation for our recurrent revenue contracts for the provision of cooling energy management services where the main portion of our payment is based on the amount of energy (measured in the amount of chilled water supplied for space cooling) that we supply to our customer's premises.

7. BUSINESS OVERVIEW (Cont'd)

The contract will specify, amongst others, the specifications of the chilled water to be supplied (in terms of supply temperature range) and energy supply tariff. The monthly charges for the chilled water portion of the contract are calculated by multiplying the energy supply tariff by the quantity of energy supplied (based on the quantity of chilled water supplied, and the difference between supply and return temperatures of the chilled water) during the month.

We would be subjected to penalties for any failures to meet specifications, such as:

- the temperature of the chilled water supplied is higher than the specified range; or
- no chilled water is supplied during the specified supply hours.

We are also paid a fixed monthly charge, which is payable by the customer regardless of the quantity of chilled water supplied.

Under the terms of the Muar Education Facilities CEMS Contract, Melaka Shopping Mall CEMS Contract, Subang Shopping Mall CEMS Contract, JB DCS CEMS Contract and Bangsar Mixed Development CEMS Contract, the maintenance of specified portions of the respective cooling energy systems is included as part of the respective contract at no additional charge to the respective customer.

(iv) Fixed monthly charges with monthly capital repayment charges

The F+MCP contracts are entered into with customers where we wholly or partially finance the new construction or upgrading and/or retrofitting of cooling energy systems, and subsequently provide cooling energy management services for the cooling energy system under the same contract.

These contracts comprise two parts, namely:

- fixed monthly charges part as described above; and
- capital repayment part represents the customer's progressive repayment of our capital expenditure.

The capital repayment part is a fixed amount made over a specified number of months. As we fund the initial capital expenses for the new or retrofitted and/or upgraded cooling energy system, the system that we construct, retrofit or upgrade and installed is recognised as our financial asset. Our ownership interest in the complete or specific part of the cooling energy system is reverted to the customer when the capital repayment is completed.

Under the terms of the Johor Hospitals CEMS Contract, the maintenance of specified portions of the cooling energy system is included as part of the contract at no additional charge to the customer.

(v) Fixed monthly and variable monthly charges, with monthly capital repayment charges

The F+V+MCP contracts are similar to F+MCP contracts described above, with the inclusion of additional variable monthly charges based on agreed scheduled rates.

These contracts comprise three parts that are described above, namely:

- fixed monthly charges;
- variable charges based on the agreed schedule of rates; and
- capital repayment charges.

7. BUSINESS OVERVIEW (Cont'd)

Under the terms of the PJ Shopping Mall and Office CEMS Contract, the maintenance of specified portions of the cooling energy system is included as part of the contract at no additional charge to the customer.

(vi) Fixed plus supply of chilled water monthly charges, with monthly capital repayment

The F+CW+MCP contracts are entered into with customers where we wholly or partially finance the new construction or upgrading and/or retrofitting of cooling energy systems, and subsequently provide cooling energy management services for the cooling energy system with monthly charges based on the amount of energy (in the form of chilled water for space cooling) that we supply to our customer's premises.

These contracts comprise three parts that are described above, namely:

- fixed monthly charges;
- monthly supply of chilled water charges; and
- capital repayment charges.

Under the terms of the Bangkok Mixed Development CEMS Contract, the maintenance of specified portions of the cooling energy system is included as part of the contract at no additional charge to the customer.

(vii) Variable monthly charges

We use the VMC mode of operation for our recurrent revenue contracts for cleaning services. Our variable monthly charges are calculated based on summing up the number of our personnel engaged by the customer during each day of the month (the number of man-days worked), multiplied by the specified rate per man-day.

As at the LPD, we maintain four insurance policies in the aggregate sum insured of RM6.36 million to cover the costs of repairing or replacing specified machinery and equipment for specific cooling energy management contracts.

7.4 OUR COMPETITIVE ADVANTAGES AND KEY STRENGTHS

7.4.1 We have an established track record for the services that we provide in Malaysia, Singapore and Thailand to serve as a platform for business growth

We have an established track record for the provision of various services as follows:

- 39 years in the EPCC of cooling energy systems, since KJ Engineering commenced business as a contractor for ACSU in 1984;
- 31 years since KJ FEM was incorporated to provide cleaning services in Singapore in 1992;
- 20 years in providing O&M of cooling energy systems, since KJ Engineering secured its first contract for the service in 2003;
- 15 years in providing static FM services, since KJ Engineering secured its first contract for the service in 2008; and
- 3 years in providing mobile FM services, since Astute MFM secured its first contract for this service in 2020.

We have an established track record of 39 years where the business of Cooling Energy Segment commenced in 1984 through KJ Engineering. In addition, we expanded our cleaning services segment into Singapore when we acquired the entire equity interest in KJ FEM in 2019 as well as expanded our Cooling Energy Segment into Thailand through KJTN Engineering in 2021.

7. BUSINESS OVERVIEW (Cont'd)

Our established track record will provide us with the platform for sustaining our business with existing customers and growing our business by securing new customers in Malaysia, Singapore and Thailand.

7.4.2 We provide a range of synergistic building support services that we can cross-sell to our customers

We have synergistic building support services including EPCC and management of cooling energy systems, and provision of cleaning and FM services. In addition, we can provide a range of value-added services to support the operations of our customers such as life cycle asset management of machinery and equipment.

The services that we provide are synergistic as cooling energy, cleaning and FM services are necessary for the proper functioning of many types of buildings, including commercial properties such as shopping complexes and offices, manufacturing facilities and institutional buildings such as universities and hospitals.

We thus have the opportunity to cross-sell our three main services and we have been successful in doing so. For example, we have been providing IBS to the operator of a semiconductor manufacturing facility at Muar, Johor since 2008 and up to the LPD, namely the Muar IBS Contract. Having established the business relationship, we subsequently secured 2 EPCC contracts from the customer (the first in 2010 and the second in 2022, the Muar Manufacturing Facility Chiller EPCC Project) to retrofit and upgrade the semiconductor manufacturing facility's cooling energy system.

We are also able to provide integrated cooling energy services where we carry out EPCC of cooling energy systems followed by cooling energy management services. Since we carry out the EPCC of the cooling energy systems, we would have designed and specified the systems such that it meets customers' requirements while optimising energy efficiency and ease of operating and maintaining the systems.

In addition, in some cases, we subsequently secured the contract to provide cooling energy management services for some of our EPCC of cooling energy systems projects. As at the LPD, these included the following:

- We secured the JB DCS EPCC Project in December 2013, which was completed in April 2018. We subsequently secured the JB DCS CEMS Contract to provide cooling energy management services for this DCS, which commenced in August 2018 up to July 2038;
- We secured the Bangsar Mixed Development Chiller EPCC Project in January 2020. We then secured the Bangsar Mixed Development CEMS Contract to provide cooling energy management services for the commercial, office and hotel properties of this mixed development in January 2021, which will commence for a period of 12 years after the mixed development becomes operational;
- We secured the Damansara Mixed Development Chiller EPCC Project – Phase 1 in May 2019. In December 2022, we subsequently secured the 1-year Damansara Mixed Development Operations Contract to operate the chiller plant, which commenced in September 2023 up to August 2024.

7. BUSINESS OVERVIEW (*Cont'd*)

7.4.3 Our in-house engineering capability supports the complete cooling energy system lifecycle

Our in-house engineering capability supports the complete cooling energy system lifecycle, from the energy audit, initial conceptualisation, engineering and design phase, to construction and installation, and subsequently operations and maintenance.

We provide energy audit services for existing cooling energy systems to determine the baseline energy consumption and operations and maintenance costs, followed by identifying potential energy, operations and maintenance efficiencies that can be achieved by redesigning, retrofitting and/or upgrading parts, components, equipment and sub-systems.

We have in-house EPCC capability for new-build cooling energy systems, as well as upgrading and/or retrofitting of existing systems. We apply our expertise and knowledge to optimise the engineering and design for new, upgrading and/or retrofitting cooling energy systems to achieve efficient energy usage and operations and maintenance requirements based on the space to be cooled, cooling energy demand profile and other customer requirements. We also offer cooling energy management services where we operate and maintain cooling energy systems for our customers, which is supported by our CC. Our in-house engineers are also involved in this service, where some of them are stationed as on-site engineers to supervise the day-to-day operations of the cooling energy system. We also have in-house engineers to support FM services where they are stationed at the premises of some of our customers, as stipulated in the respective contracts.

As at the LPD, we have a total of 36 in-house engineers including those involved in our Cooling Energy Segment and the provision of FM services, segmented by function as follows:

Function	Number of Engineers
Director and senior management	4
Business development	3
Cooling Energy Segment:	
<i>Engineering department</i>	4
<i>Project engineers</i>	14
<i>Cooling energy management services site engineers</i>	6
FM services:	
<i>FM site engineer</i>	5
Total	36

5 of our engineers are certified under the ASEAN Energy Management Scheme (AEMAS) by the Malaysian Green Technology and Climate Change Corporation (MGTC), and 5 engineers are Registered Electrical Energy Managers (REEM) with the Energy Commission Malaysia as prescribed under the Efficient Management of Electrical Energy Regulations 2008 to carry out works relating to energy efficiency including cooling energy systems.

7. BUSINESS OVERVIEW (Cont'd)

Our in-house engineering capability in providing end-to-end services incorporating construction and installation, and subsequently operations and maintenance of cooling energy systems without the need to rely on external engineering service providers will provide us with a platform for business and financial sustainability and allows us to pursue business and geographic expansion. We utilise our in-house engineering capability to provide solutions to meet customers' specific needs and requirements without relying on external engineering service providers. We will use our in-house engineering capability as the base to organically grow our capability to implement new cooling energy management services and EPCC of cooling energy systems contracts in Malaysia, Singapore and Thailand, as and when we secure them. With our in-house engineering team in Malaysia, we can support our operations in Singapore and Thailand in preparing proposals and carrying out engineering design work as and when required, without the need to engage third-party engineering service providers in the respective countries.

7.4.4 Our cooling energy services enable us to take advantage of opportunities from the growing awareness of ESG

We believe that awareness of ESG is growing in Malaysia, as well as in other countries including Singapore and Thailand. Amongst the ESG considerations is the reduction of carbon dioxide (CO₂) emissions (carbon footprint), including through reduced electricity consumption, to mitigate against climate change.

Our value proposition in helping our customers reduce the electricity consumption of their cooling energy systems through our cooling energy management services and EPCC of cooling energy systems can also contribute to their ESG efforts by reducing CO₂ emissions. We estimate that between January 2017 (when we first started to collect the data) and November 2023, our cooling energy system projects that involved the upgrading and/or retrofit of existing cooling energy systems followed by providing cooling energy management services have collectively saved approximately 52,441 megawatt hours ("MWh") of electricity and avoided approximately 32,619 tonnes of CO₂ emissions.

The electricity savings for each relevant cooling energy system project involves the following:

- Conducting an energy audit before carrying out upgrading and/or retrofitting works to determine the baseline quantity of electricity used by the customer's existing chiller plant to produce 1 unit of cooling energy ("**Baseline electricity usage**");
- Measuring and recording the actual quantity of electricity used by the upgraded and/or retrofitted chiller plant that is operated and maintained by us to produce 1 unit of cooling energy ("**Actual electricity usage**"); and
- Measuring and recording the quantity of cooling energy produced by the upgraded and/or retrofitted chiller plant ("**Cooling energy produced**").

The electricity savings for each relevant cooling energy system project is estimated based on the following formula:

$$\text{Electricity savings} = (\text{Baseline electricity usage} - \text{Actual electricity usage}) \times \text{Cooling energy produced}$$

Our ability to provide a tangible contribution to our customers' ESG efforts provides us with a strong selling point in marketing our services to prospective customers, as well as growing and sustaining our business.

7. BUSINESS OVERVIEW (Cont'd)

7.4.5 We have operations in several countries to drive business growth and market diversification

As at the LPD, we have business operations in Malaysia, Singapore and Thailand. Malaysia is our major market and business operations where we provide our full range of services comprising cooling energy, cleaning and FM services. For FYE 2020, FYE 2021, FYE 2022 and FPE 2023, revenue derived from Malaysia amounted to RM53.87 million (73.04%), RM61.13 million (71.67%), RM71.02 million (75.20%) and RM56.42 million (78.62%) respectively. Our remaining revenue for the Financial Years and Period Under Review was derived from Singapore and Thailand.

We established our presence in Singapore in 2019 with the acquisition of KJ FEM, where we provide cleaning services. Revenue from providing cleaning services in Singapore was RM19.89 million (26.96%), RM18.43 million (21.61%), RM18.89 million (20.01%) and RM13.84 million (19.29%) in FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. We selected Singapore as the location of our first overseas operations as it is the regional base of many multinational companies. We plan to integrate all three of our main services on a regional contract basis to multinational companies.

We decided to establish our operations in Thailand to address the potential growing awareness of energy efficiency, particularly for space cooling, and ESG in Thailand. We established our presence in Thailand in 2021 with the incorporation of KJTN Engineering, and we commenced business operations in 2021 when we secured the Bangkok Mixed Development CEMS Contract. We began to recognise revenue from this contract during FYE 2021, and the contract will expire in February 2037. Our revenue from Thailand was RM5.73 million (6.72%), RM4.53 million (4.79%) and RM1.50 million (2.09%) for FYE 2021, FYE 2022 and FPE 2023, respectively. The other shareholder in KJTN Engineering is a company based in Thailand, and may assist us in securing new customers in Thailand through their local knowledge and customer base.

Our business operations in multiple countries are one of our key strengths as it expands our addressable market size to provide opportunities for business growth. It also provides mitigation against the risk of a business downturn in one particular country.

7.4.6 The majority of our revenue is recurring in nature and several of them are based on long-term contracts to provide some assurance of continuous revenue streams

Our recurring revenue accounted for RM 52.36 million (70.98%), RM58.57 million (68.67%), RM80.12 million (84.84%) and RM48.82 million (68.03%) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively.

Our recurrent revenue provides our business with revenue visibility as it is relatively large in terms of absolute amount and as a percentage of our total revenue. It also provides us with some assurance of revenue for the duration of the respective contracts.

Our recurrent revenue is based on monthly billings, which comprise a fixed monthly component that is stipulated in the respective contract. The fixed monthly component of our cooling energy management services contracts includes a price adjustment mechanism based on, amongst other factors, the prevailing electricity tariff, while some of our cleaning and FM service contracts include price adjustment mechanism based on, amongst others, the consumer price index. Some of our recurring contracts include a variable monthly component. Examples of variable monthly components include charges based on the quantity of chilled water that we supply for some cooling energy system contracts, and charges for additional consumables, services and/or manpower supplied for some cleaning services and FM services contracts.

Our strong recurrent revenue stream will also provide internally generated funds to serve as the platform for business and financial sustainability, and consequently provide the basis to enable us to pursue further business and geographic expansion to drive business growth.

7. BUSINESS OVERVIEW (Cont'd)

We have entered into long-term contracts ranging between 5 years to 20 years for the provision of cooling energy management, cleaning and FM services.

As at the LPD, our subsisting long-term contracts with estimated annual recurrent revenue of at least RM1.00 million per contract are as follows:

Contract Expiry Date ⁽¹⁾	Number of Subsisting Contracts as at the LPD
Between 1 January 2028 and 31 December 2032	2
<ul style="list-style-type: none"> • Melaka Shopping Mall CEMS Contract ⁽²⁾ • PJ Shopping Mall and Office CEMS Contract ⁽²⁾ 	
Between 1 January 2033 and 31 December 2038	5
<ul style="list-style-type: none"> • Muar Education Facilities CEMS Contract ⁽²⁾ • JB DCS CEMS Contract ⁽²⁾ • Subang Shopping Mall CEMS Contract ⁽²⁾ • Bangsar Mixed Development CEMS Contract ^(2,3) • Bangkok Mixed Development CEMS Contract ⁽²⁾ 	

Notes:

- (1) Contract expiry date as agreed in the respective contracts, without taking into consideration optional contract extension or renewal, if any.
- (2) For the provision of cooling energy management services.
- (3) The contract has not commenced as at the LPD.

Revenue contribution from the long-term contracts listed above collectively amounted to RM17.62 million (23.89% of total revenue) for FYE 2020, RM22.27 million (26.12% of total revenue) for FYE 2021, RM22.38 million (23.70% of total revenue) for FYE 2022 and RM12.27 million (17.10% of total revenue) for FPE 2023.

Our long-term contracts provide some assurance of revenue streams and business continuity with our customers for the duration of the respective contract. Our long-term contracts will help sustain our business as well as provide us with the platform to pursue business growth and market expansion and diversification.

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7. BUSINESS OVERVIEW (Cont'd)

7.4.7 We have a central command centre that enables us to monitor cooling energy systems remotely to support our on-site personnel as well as to collect data to carry out big data analytics

We operate a CC at our head office in Kuala Lumpur to provide continuous real-time monitoring of the cooling energy systems that we operate and maintain in Malaysia. We provide 24 hours per day, 7 days per week (24/7) monitoring with at least one of our personnel monitoring our CC at all times.

Many of the cooling energy systems that we either carry out the EPCC or upgrade and/or retrofit incorporate our energy management system, which is linked to our CC. The operational real-time data collected and displayed on the dashboard of the on-site command centre are reflected at our CC. As at the LPD, 11 cooling energy systems are linked to our CC.

Our CC provides us with a key advantage as it enables us to provide 24/7 monitoring and oversight of the operations at linked customer sites throughout Malaysia. Our CC is also able to detect abnormal system performance and can alert our on-site personnel to take appropriate remedial actions. This provides an additional layer of monitoring and oversight to further ensure the efficient, effective and safe operation of the cooling energy systems. In some situations, our CC can remotely control some on-site machinery and equipment to intervene, if necessary.

Our CC collects data that enables us to carry out big data analytics to improve the effectiveness, efficiency and safety of the cooling energy system, as well as facilitate predictive maintenance to minimise potential costly system failure. Big data analytics also help us in continuously improving our design and specification of cooling energy systems when we carry out EPCC works.

7.4.8 We have experienced Executive Directors and Key Senior Management to grow our business

We have an experienced management team headed by our Managing Director, Lee Kok Choon, and our Executive Director, Sheldon Wee Tah Poh, who both have extensive experience. Lee Kok Choon has approximately 21 years of experience in the building support services industry, while Sheldon Wee Tah Poh has approximately 24 years of experience in the building support services industry. They have been instrumental to the growth and development of our Group, with Lee Kok Choon responsible for driving our Group's business growth, formulating and implementing our Group's business strategies and providing technical and financial input on our business development, and Sheldon Wee Tah Poh responsible for our business development and managing our corporate finances.

They are supported by our Key Senior Management comprising the following:

- Wong Nai Chien, our Chief Operating Officer, has approximately 23 years of experience in the cooling energy industry;
- Sarmila A/P Muniandy, our Chief Financial Officer, has approximately 14 years of experience in accounting;
- Adrian Lim Hock Heng, our Head of Project Department, has approximately 20 years of experience working as an engineer, including approximately 17 years of experience in the cooling energy industry; and
- Yap Yew Cheong, our Head of Engineering Department, has approximately 22 years of experience working as an engineer, including approximately 12 years of experience in the cooling energy industry.

Please refer to Sections 5.1.2 and 5.3.2 of this Prospectus for the profiles of our Executive Directors and Key Senior Management.

7. BUSINESS OVERVIEW (Cont'd)

7.5 BUSINESS ACTIVITIES AND SERVICES

7.5.1 Cooling energy

One of our main businesses is in cooling energy involving providing cooling energy management and EPCC of cooling energy systems. For the Financial Years and Period Under Review, our Cooling Energy Segment contributed RM45.31 million (61.42%), RM41.55 million (48.71%), RM43.75 million (46.32%) and RM36.04 million (50.21%) of our total revenue for FYE 2020, FYE 2021, FYE 2022 and FPE 2023, respectively. Our Cooling Energy Segment is focused on EPCC and management of cooling energy systems including DCS, chiller plants and airside equipment.

7.5.1.1 Overview of cooling energy systems

Cooling energy systems are used for space cooling in buildings and process cooling. While there are several types of cooling energy systems, our business is focused on large-scale centralised cooling energy systems to provide space cooling to an entire building or several buildings close to each other, comprising the following:

- DCS, which are centralised facilities that provide space cooling for several buildings; and
- chiller plants, which are centralised facilities that provide space cooling for a single building.

The electricity costs to operate cooling energy systems are typically the highest compared to other electrical equipment and systems used to provide building functionality, such as lighting, elevators, pumps, fans and blowers. As such, our provision of cooling energy management and EPCC of cooling energy systems is focused on reducing electricity costs while meeting the requirements of our customers for space cooling.

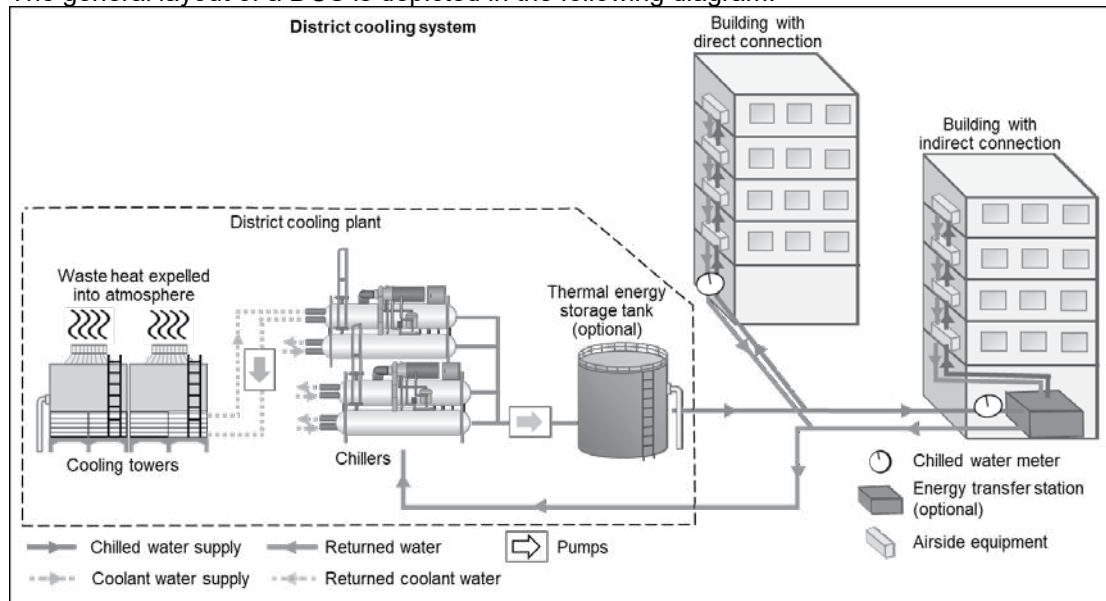
7.5.1.2 District cooling system

A district cooling plant



7. BUSINESS OVERVIEW (Cont'd)

The general layout of a DCS is depicted in the following diagram:



A DCS comprises a DCP, distribution piping network, energy transfer stations (optional) and airside equipment. The DCP is a central facility that generates and supplies cooling energy in the form of chilled water. The DCP can generate chilled water for immediate use and/or stored for later use in a thermal energy storage tank, if one is installed. Chilled water is distributed through an insulated chilled water distribution piping network to connected buildings for their airside equipment to provide space cooling by transferring excess heat from indoor spaces into the chilled water, which is warmed in the process. The warmed water is then returned to the DCP to be chilled again and re-circulated to the connected buildings. The distribution piping network is a closed loop system.

An energy transfer station may be used if the DCS network is large and/or there is a need to decouple the building's piping system from the chilled water distribution piping network. Connected buildings are equipped with their own airside equipment but do not require independent chiller plants.

The benefits of DCS to provide cooling energy for a network of connected buildings compared to independent chiller plants include:

- Connected buildings do not need on-site chiller plants, thereby reducing costs and freeing up space for other uses;
- Centrally operated DCS can generate chilled water at lower per-unit electricity consumption compared to several independent chiller plants of the same combined capacity, thereby resulting in lower electricity costs and CO₂ emissions;
- Similarly, operations and maintenance costs of a centrally operated DCS are generally lower compared to several independent chiller plants of the same combined capacity as only a single control room and team are required for the entire DCS, compared to one control room and one team at each chiller plant. For the same reason, it is easier to implement system-wide upgrades, efficiency improvements and major maintenance for a single DCS compared to several chiller plants.

7. BUSINESS OVERVIEW (Cont'd)

Main machinery and equipment

A DCP consists of the following main machinery and equipment:

- **Chillers:** The objective of the chillers is to cool water to between 5°C and 11°C. The chilled water will be circulated by a piping network to airside equipment located in various parts of the building that require space cooling, where excess heat from the space is transferred to the water and warms it in the process. The returned water from the airside equipment to the chiller is usually between 11°C and 17°C, and it is chilled again for reuse.
- **Pumps:** Pumps are used to circulate liquid along piping systems, such as coolant water between chillers and cooling towers, chilled water to connected buildings and airside equipment, and recirculating warm water to chillers to be chilled again.
- **Cooling towers:** The objective of the cooling tower is to remove heat from the coolant water returned from the chillers. The heat from the returned coolant is expelled into the atmosphere through evaporation encouraged by airflow, and cooled coolant water is returned to the chillers.



Left: Cooling towers; Right: Thermal energy storage tanks.

- **Thermal energy storage tank:** Some DCS are installed with one or more thermal energy storage tanks, which are large insulated tanks where chilled water is stored. Thermal energy storage tanks function in a similar manner as batteries. With thermal energy storage tanks, chilled water is accumulated (“charged”) during periods of lower electricity tariff (such as at night), and the chilled water is released into the chilled water distribution piping network (“discharged”) when electricity tariffs are higher (such as during the day). In this way, thermal energy storage tanks can reduce overall electricity costs. In addition, thermal energy storage tanks store chilled water so that cooling is available even when the chillers are not running.

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