NOTICE ACCOMPANYING THE ELECTRONIC PROSPECTUS OF AMBEST GROUP BERHAD ("AMBEST" OR THE "COMPANY") DATED 21 JANUARY 2026 ("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, Malacca Securities Sdn Bhd ("**Malacca Securities**"), or Malaysian Issuing House Sdn Bhd. Alternatively, the applicant may obtain a copy of the Prospectus from participating organisations of Bursa Securities, members of the Association of Banks in Malaysia and members of the Malaysian Investment Banking Association.

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

Jurisdictional Disclaimer

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

Close of Application

Applications will be accepted from 10.00 a.m. on 21 January 2026 and will close at 5.00 p.m. on 27 January 2026.

In the event the Closing Date is extended, Ambest will advertise the notice of the extension in a widely circulated English and Bahasa Malaysia daily newspaper in Malaysia prior to the original Closing Date, and make an announcement on the Website.

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

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

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

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

AMBEST GROUP BERHAD
(Registration No.: (202301005265 (1499184-T))
(Incorporated in Malaysia under the Companies Act, 2016)

No 9, 11 & 42A, Jalan Damar, 11960
Batu Maung, Penang, Malaysia.

Tel: +604 255 3536
Email: ambestgroup@ambest-tech.com

www.ambestgroup.com

AMBEST GROUP BERHAD

PROSPECTUS

PROSPECTUS

THIS PROSPECTUS IS DATED 21 JANUARY 2026

AMBEST GROUP BERHAD

(Registration No.: (202301005265 (1499184-T))
(Incorporated in Malaysia under the Companies Act, 2016)

INITIAL PUBLIC OFFERING ("**IPO**") OF ORDINARY SHARES IN AMBEST GROUP BERHAD ("**AMBEST**" OR "**COMPANY**") ("**SHARES**") IN CONJUNCTION WITH THE LISTING OF THE COMPANY ON THE ACE MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") COMPRISING:

(I) PUBLIC ISSUE OF 110,000,000 NEW SHARES ("**ISSUE SHARES**") IN THE FOLLOWING MANNER:

(A) 25,500,000 ISSUE SHARES AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;

(B) 12,750,000 ISSUE SHARES AVAILABLE FOR APPLICATION BY THE ELIGIBLE DIRECTORS, ELIGIBLE EMPLOYEES AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF AMBEST AND ITS SUBSIDIARY;

(C) 63,750,000 ISSUE SHARES AVAILABLE BY WAY OF PRIVATE PLACEMENT TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INVESTMENT, TRADE AND INDUSTRY OF MALAYSIA ("**MITI**");

(D) 8,000,000 ISSUE SHARES AVAILABLE BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS, AND

(II) OFFER FOR SALE OF 40,953,000 EXISTING SHARES BY WAY OF PRIVATE PLACEMENT TO SELECTED INVESTORS,

AT AN IPO PRICE OF RM0.25 PER SHARE PAYABLE IN FULL UPON APPLICATION.

PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT

M+Global

MALACCA SECURITIES SDN BHD
(Registration No. 197301002760 (16121-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

CORPORATE FINANCE ADVISER

WYNCORP
CORPORATE FINANCE ADVISOR

WYNCORP ADVISORY SDN BHD
(Registration No. 200301029902 (632322-H))

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

BURSA SECURITIES HAS APPROVED THE ADMISSION OF OUR COMPANY 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. THIS PROSPECTUS HAS BEEN REGISTERED BY BURSA SECURITIES. THE APPROVAL FOR THE ADMISSION OF OUR COMPANY TO THE OFFICIAL LIST OF BURSA SECURITIES AND THE LISTING OF AND QUOTATION FOR OUR ENTIRE ENLARGED SHARE CAPITAL ON THE ACE MARKET OF BURSA SECURITIES, AND THE 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 THE SECURITIES 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 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.

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, PLEASE SEE "RISK FACTORS" COMMENCING ON PAGE 159.

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

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

All defined terms used in this Prospectus are defined under "Definitions" commencing on page v, "Glossary of Technical Terms" commencing on page xiv and "Presentation of Information" commencing on page xv.

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and Offerors 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 that there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Malacca Securities Sdn Bhd, being the Principal Adviser, Sponsor, Underwriter and Placement Agent for 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 of 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 is not liable for any non-disclosure on the part of our Company and takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

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

OTHER STATEMENTS

You should take note that you may seek recourse under Sections 248, 249 and 357 of the CMSA for breaches of securities laws including any statement in this 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.

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

Our Shares are classified as Shariah compliant by the Shariah Advisory Council of the SC (as defined herein).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.

This Prospectus is published solely in connection with our IPO. Our Shares are offered solely based on the information contained and representations made in this Prospectus. Our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent 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, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent, or any of their respective directors, or any other persons involved in our IPO.

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

Our Company, Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent have not authorised and take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. 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 of our Shares 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 offering of our Shares in certain other jurisdictions may be restricted by law. Prospective investors who may be in possession of this Prospectus are required to inform themselves of 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 be deemed to accept any liability in relation thereto, whether or not any enquiry or investigation is made in connection therewith.

It is your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO as stated in this Prospectus 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.

It shall be your sole responsibility to consult your legal and/or other professional advisers on the laws to which our IPO or you are or might be subjected to. Neither we nor our Directors, Promoters, Offerors, Principal Adviser, Sponsor, Underwriter and Placement Agent in relation to our IPO shall accept any responsibility or liability in the event that any other application made by you shall become illegal, unenforceable, voidable or void in any such country or jurisdiction.

ELECTRONIC PROSPECTUS

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

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

If you are in doubt of the validity or integrity of the Electronic Prospectus, you should immediately request a paper/printed copy of this Prospectus from us, our Principal Adviser or Issuing House. If there is any discrepancy between the contents of the Electronic Prospectus and the paper/printed copy of this Prospectus, the contents of the paper/printed copy of this Prospectus, which are identical to the copy of the Prospectus registered with Bursa Securities, shall prevail.

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

(i) we and our Principal Adviser do not endorse and are not affiliated in any way to the Third Party Internet Sites. Accordingly, we are not responsible for the availability of, or the content or any data, information, files or other materials 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 any 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 on any data, information, files or other material provided by such parties; and

(iii) any data, information, files or other materials 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, files, information or other materials.

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

(i) the Internet Participating Financial Institutions or Participating Securities Firms are only liable in respect of the integrity of the contents of the Electronic Prospectus, i.e. to the extent that the content of the Electronic Prospectus on the web server of the Internet Participating Financial Institutions or Participating Securities Firms may be viewed via web browser or other relevant software. The Internet Participating Financial Institutions or Participating Securities Firms are not responsible for the integrity of the contents of the Electronic Prospectus which has been obtained from the web server of the Internet Participating Financial Institutions or Participating Securities Firms and subsequently 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 because the internet is not a fully secured medium; and

(iii) the Internet Participating Financial Institutions or Participating Securities Firms are not 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 with web browsers or other relevant software, any fault on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions or Participating Securities Firms, and/or problems occurring during data transmission which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

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INDICATIVE TIMETABLE

The indicative timetable of events leading to the listing of and quotation for our entire enlarged issued share capital on the ACE Market of Bursa Securities is set out below:

Events	Indicative dates
Issuance of this Prospectus / Opening date of Applications	21 January 2026
Closing date of the Applications	27 January 2026
Date for the balloting of the Applications	29 January 2026
Date for allotment/transfer of our IPO Shares to successful applicants	4 February 2026
Listing date	6 February 2026

Our Directors together with our Sponsor and Underwriter may mutually decide, at our absolute discretion, to extend the closing date for the Application to any later date if necessary to facilitate the completion of the IPO. In such an event, the tentative dates for balloting, allotment/transfer of the IPO Shares and our Listing will also be extended accordingly.

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

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DEFINITIONS

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

COMPANIES WITHIN OUR GROUP:

Ambest or Company	:	Ambest Group Berhad (Registration No.: 202301005265 (1499184-T))
Ambest Group or Group	:	Collectively, Ambest and its Subsidiary
Ambest Technology or Subsidiary	:	Ambest Technology Sdn Bhd (Registration No.: 201101016032 (944166-A))

GENERAL:

ACE Market	:	ACE Market of Bursa Securities
Acquisition or Pre-Listing Exercise	:	Acquisition by Ambest of the entire equity interest of Ambest Technology from Tan Beng Beng and Lim Eng Guan for a purchase consideration of RM29.60 million, which was wholly satisfied via the issuance of 400,000,000 Ambest Shares at the issue price of RM0.074 per Share, which was completed on 1 December 2025
Act	:	Companies Act 2016, including amendments from time to time and any re-enactment thereof
ADA	:	Authorised Depository Agent
AGM	:	Annual General Meeting
Ambest Share(s) or Share(s)	:	Ordinary shares in Ambest
Amco Technology	:	Amco Technology Sdn Bhd (Registration No.: 201501045505 (1170828-K))
Amex Marketing	:	Amex Marketing Sdn Bhd (Registration No.: 200901024620 (867720-D))
Application(s)	:	Application(s) for our IPO Shares by the Malaysian Public by way of Application Form, the Electronic Share Application or the Internet Share Application
Application Form(s)	:	Printed application form(s) for the application of our IPO Shares accompanying this Prospectus
ATM	:	Automated Teller Machine
Authorised Financial Institution	:	Authorised financial institution participating in the Internet Share Application with respect to payments for our IPO Shares
Board	:	Board of Directors of Ambest
Bungalow No. 32A	:	Double storey bungalow located at No. 32A, Jalan Damar 2, Kampung Permatang Damar Laut Tengah, 11960 Bayan Lepas, Pulau Pinang, which is owned by Ambest Technology and is currently not occupied

Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
CAGR	:	Compounded annual growth rate
CCC	:	Certificate of Completion and Compliance
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account(s)	:	An account established by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CF	:	Certificate of fitness for occupation
CMSA	:	Capital Markets and Services Act 2007, including amendments from time to time and any re-enactment thereof
Constitution	:	Constitution of our Company
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company, and shall have the meaning given in Section 2 of the CMSA
DOSH	:	Department of Occupational Safety and Health
EBITDA	:	Earnings before interest, taxation, depreciation and amortisation
Electronic Prospectus	:	An electronic copy of this Prospectus that has been registered with Bursa Securities, which is being issued, circulated, distributed, stored or hosted on digital platforms or electronic storage mediums. This includes, but is not limited to, website, mobile application, email, compact disc, thumb drive and cloud-based storage
Electronic Share Application(s)	:	Application(s) for our IPO Shares under the Public Issue through a Participating Financial Institution's ATM
Eligible Persons	:	Collectively, the eligible Directors, eligible employees and persons who have contributed to the success of our Group
EPS	:	Earnings per Share
Facility 42A	:	One storey factory, office and warehouse located at No. 42A, Jalan Damar, 11960 Bayan Lepas, Penang which is owned by Ambest Technology
Facility No. 9	:	Double storey semi-detached light industrial office, factory and warehouse located at No. 9, Jalan Damar, 11960 Batu Maung, Pulau Pinang which is owned by Ambest Technology

Financial Periods Under Review	:	FYE 2022, FYE 2023, FYE 2024 and FPE 2025, collectively
FPE	:	Financial period ended 30 September
FYE	:	Financial year ended/ending 31 December, as the case may be
Government	:	Government of Malaysia
GP	:	Gross profit
Grant Thornton or Reporting Accountants	:	Grant Thornton Malaysia PLT (Registration No.: 201906003682 (LLP0022494-LCA) & AF 0737)
Hostel No. 1	:	Double storey terrace shophouse located at No. 1 Lorong Damar 1, Mk. 12, 11960 Bayan Lepas, Penang which is owned by Ambest Technology for purpose of workers' accommodation
IMR or Protégé	:	Protégé Associates Sdn Bhd (Registration No.: 200401037256 (675767-H))
IMR Report	:	Independent market research report on engineering supporting industry in Malaysia prepared by Protégé as set out in Section 8 of this Prospectus
Internet Participating Financial Institution(s) or Participating Securities Firms	:	Participating Financial Institution(s) or Participating Securities Firm(s) for the Internet Share Applications
Internet Share Application(s)	:	Application(s) for our Public Issue through an Internet Participating Financial Institution(s) or Participating Securities Firm(s)
IPO	:	Initial public offering comprising the Public Issue and Offer for Sale, collectively
IPO Price	:	RM0.25 per IPO Share, being the price payable by investors under the Public Issue and Offer for Sale
IPO Share(s)	:	Collectively, the Issue Shares and Offer Shares
Issue Share(s)	:	New Share(s) to be issued under the Public Issue
Issuing House	:	Malaysian Issuing House Sdn Bhd (Registration No.: 199301003608 (258345-X))
JTKSM	:	Department of Labour Peninsular Malaysia (*Jabatan Tenaga Kerja Semenanjung Malaysia*)
Key Senior Management	:	Key senior management team of our Group, comprising our Managing Director, Tan Beng Beng, our Executive Director, Lim Eng Guan, our Chief Financial Officer, Chong Chun Chieh, our Quality Assurance Manager, Khoo Tiang Seng, our Assistant General Manager, Lim Jit Yit, and our Production Manager, Kwek Boon Ping
Listing	:	Admission to the Official List and the listing of and quotation for our entire enlarged issued share capital on the ACE Market

Listing Requirements	:	ACE Market Listing Requirements of Bursa Securities
Listing Scheme	:	Comprising the Public Issue, Offer for Sale and the Listing, collectively
LMW	:	Licenced Manufacturing Warehouse
LPD	:	22 December 2025, being the latest practicable date prior to the registration of this Prospectus with Bursa Securities
Malacca Securities or Principal Adviser or Sponsor or Underwriter or Placement Agent	:	Malacca Securities Sdn Bhd (Registration No.: 197301002760 (16121-H))
Malaysian Public	:	Citizens of Malaysia and companies, societies and institutions incorporated or organised under the laws of Malaysia, excluding our Directors, substantial shareholders and associates of our Directors or substantial shareholders, as defined in Rule 1.01 of the Listing Requirements
Market Day	:	A day on which Bursa Securities is open for trading in securities
MBPP	:	Penang Island City Council (*Majlis Bandaraya Pulau Pinang*)
MCCG	:	Malaysian Code on Corporate Governance, 2021
MFRS	:	Malaysian Financial Reporting Standards, as issued by the Malaysian Accounting Standards Board
MIDA	:	Malaysian Investment Development Authority
MITI	:	Ministry of Investment Trade and Industry of Malaysia
MyIPO	:	Intellectual Property Corporation of Malaysia
N/A	:	Not applicable
NA	:	Net assets
Offer for Sale	:	Offer for sale of existing Shares representing approximately 8.03% of the enlarged issued Shares by the Selling Shareholders by way of private placement to the selected investors at the IPO price
Offer Share(s)	:	40,953,000 Shares, which are the subject of the Offer for Sale
Office and Factory No. 11	:	Double storey semi-detached light industrial office and factory located at No. 11, Jalan Damar, 11960 Batu Maung, Pulau Pinang which is owned by Amco Technology
Official List	:	A list specifying all securities which have been admitted for listing which have not been removed from the ACE Market
Participating Financial Institutions(s)	:	Participating Financial Institution(s) for the Electronic Share Application

Participating Securities Firm(s)	:	Participating securities firm(s) for the Internet Share Application
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pink Form Allocation	:	The allocation of 12,750,000 Issue Shares to the Eligible Persons for application pursuant to the Public Issue
Pink Form Shares	:	The 12,750,000 Issue Shares to be allocated to the Eligible Persons pursuant to the Pink Form Allocation
PPE	:	Property, plant and equipment
Previous Premises No. 5	:	One and a half storey light industrial factory at No. 5 Jalan Kedidi 2, Sungai Ara, 11900 Bayan Lepas, Penang, with a built-up area of 344.21 sq. m. which was rented by Ambest from Tan Beng Beng and Lim Eng Guan
Previous Premises No. 10	:	One and a half storey light industrial factory at No. 10 Jalan Kedidi 2, Sungai Ara, 11900 Bayan Lepas, Penang, with a built-up area of 342.81 sq. m. which was rented by Amco Technology from Yeong Traders
Promoters, Specified Shareholders, Selling Shareholders or Offerors	:	Collectively, Tan Beng Beng and Lim Eng Guan
Prospectus	:	This prospectus dated 21 January 2026
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
Public Issue	:	Public issue of 110,000,000 Issue Shares at the IPO Price
QA	:	Quality assurance
Record of Depositors	:	A record of securities holders established by Bursa Depository in accordance with the Rules of Bursa Depository
RMCD	:	Royal Malaysian Customs Department
RPGT	:	Real property gains tax
RPT(s)	:	Related party transaction(s)
RRPT(s)	:	Recurrent related party transaction(s)
Rules of Bursa Depository	:	Rules of Bursa Depository as issued pursuant to the SICDA
SC	:	Securities Commission Malaysia

Share Registrar	:	Boardroom Share Registrars Sdn Bhd (Registration No.: 199601006647 (378993-D))
Share(s) or Ambest Share(s)	:	Ordinary share(s) in our Company
SICDA	:	Securities Industry (Central Depositories) Act, 1991
SPA	:	Sale and purchase agreement
sq. m.	:	Square metres
SSA	:	Share sale agreement
Underwriting Agreement	:	The underwriting agreement dated 11 December 2025 entered into between our Company and the Underwriter pursuant to the IPO
USA	:	United States of America
WYNCORP Advisory or Corporate Finance Adviser	:	WYNCORP Advisory Sdn Bhd (Registration No.: 200301029902 (632322-H))
Yomax	:	Yomax Sdn Bhd (Registration No.: 200701007389 (765391-X))
ZICO or solicitors	:	Zaid Ibrahim & Co

<u>MAJOR CUSTOMERS</u>

Unless stated otherwise, none of the following major customers of our Group or their holding companies (if applicable) is listed on any stock exchange.

The identities of the following major customers of our Group have not been disclosed in this Prospectus due to confidentiality reasons. In addition, these customers have also declined consent for their names to be disclosed in this Prospectus.

Customer A	:	A company operating in Malaysia and is principally involved in design, development, manufacturing and re-manufacturing, assembly and test of custom complex printed circuit boards and memory intensive products. Its parent company specialises in serving customers in the aerospace, defence, healthcare, life sciences and industrial market sectors; currently listed on the Nasdaq Stock Market. Customer A has been in operations since 1996, and generated revenue of approximately RM8,161.23 million based on its latest publicly-available annual audited financial statements for the financial year ended 30 September 2024. Customer A, together with its parent company and other related companies within the group, have over 20,000 headcounts primarily serving the Americas, Asia-Pacific, Europe, Middle East and Africa markets.

Customer B	:	A company operating in Malaysia and is principally involved in manufacturing and sale of vacuum valves. Its parent company specialises in the development of high vacuum solutions; currently listed on the SIX Swiss Exchange. Customer B has been in operations since 2011 and generated revenue of approximately RM745.93 million based on its latest publicly available annual audited financial statements for the financial year ended 31 December 2023. Customer B, together with its parent company and other related companies within the group, have around 3,000 headcounts primarily serving USA, Europe and Asia markets.
Customer C	:	A company operating in Malaysia and is principally involved in design, development and manufacturing of computer and peripheral boards utilising advanced interconnect or substrate technologies. Its parent company provides the manufacturing services and solutions worldwide; currently listed on the New York Stock Exchange.
Customer D	:	A company operating in Malaysia and is principally involved in manufacture and sale of precision mechanical and assembly of components, automation system for computer peripherals and semiconductor industries.
Customer E	:	A company operating in Malaysia and is principally involved in design, development or manufacturing of assembly of various electronic equipment/modules/devices/accessories, printed circuit boards, precision multi-axis machining and grinding of various complex parts/components, and advanced metal joining using electron beam, laser and gas tungsten arc welding (GTAW) welding and brazing. Its parent company provides design engineering and advanced manufacturing services that include both electronic manufacturing services and precision technology services, currently listed on the New York Stock Exchange.
Customer F	:	A company operating in Malaysia and is principally involved in manufacture of other special-purpose machinery not elsewhere classified, manufacture of medical and dental instrument and supplies, and the operation of generation facilities that produce electric energy.
Customer G	:	A company operating in Malaysia and is principally involved in fabrication of precision tools and machinery parts as well as manufacture of aircraft and other equipment parts, spares, components and precision engineering parts. Its parent company is involved in investment holding and the provision of corporate management services, currently listed on the Main Market of Bursa Securities.

The following major customer of our Group have given its consent to disclose its name in this Prospectus.

RT Supplies	:	RT Supplies Pte Ltd (Registration No.: 201408538G), a company operating in Singapore and is principally involved in wholesale trade of a variety of goods without a dominant product.

MAJOR SUPPLIERS

Unless stated otherwise, none of the following major suppliers of our Group or their holding companies (if applicable) is listed on any stock exchange.

The identities of the following major suppliers of our Group have not been disclosed in this Prospectus due to confidentiality reasons. In addition, these suppliers have also declined consent for their names to be disclosed in this Prospectus.

Supplier A	:	A company operating in Malaysia and is principally involved in general trading, construction and contractors, and investment holding.
Supplier B	:	A company operating in Malaysia and is principally involved in exporters, importers, distributors and otherwise deal in all kinds of hardware products, equipment, machineries, tools and all other industrial and consumer goods.
Supplier C	:	A company operating in Malaysia and is principally involved in fabrication of machine parts, engineering parts and precision tooling, maintenance of machinery and equipment which supply to local and oversea markets.
Supplier D	:	A sole proprietorship operating in Malaysia and is principally involved in manufacturer, fabricator, assembler, installer, repairer, designer, jig and fixture, industrial engineering part and all kinds of industrial supply.
Supplier E	:	A company operating in Malaysia and is principally involved in manufacturing and fabricating of metal products.
Supplier F	:	A company operating in Malaysia and is principally involved in manufacturing and processing of semi-finished aluminium. Its parent company is an investment holding company that is pursuing a listing on the ACE Market of Bursa Securities.
Supplier G	:	A company operating in Malaysia and is principally involved in the trading and repair of CNC machine and accessories, automation machine design and assembly, jig and fixture, CNC turning fabrication and investment holdings.

The following major suppliers of our Group have given their consents to disclose their names in this Prospectus.

Altra Precision	:	Altra Precision Sdn Bhd (Registration No.: 201701034395 (1248566-H)), a company operating in Malaysia and is principally involved in business as designers, assemblers and dealers in all type of precision tools, machinery, machine parts and etc. Apart from being a major supplier of our Group (a sub-contractor to whom we outsource our sheet metal fabrication and machining processes), it is also a customer of our Group and has emerged as our major customer in FYE 2024.
IPC Industries	:	IPC Industries Sdn Bhd (Registration No: 200601014308 (734059-W)), a company operating in Malaysia and is principally involved in trading in all kinds of engineering materials.

SL Metals	:	SL Metals (M) Sdn Bhd (Registration No.: 200001028926 (531533-V)), a company operating in Malaysia and is principally involved in supplying of aluminium products. Its parent company is a leading aluminium alloy distribution company in Asia; currently listed on the Catalist of Singapore Exchange.

CURRENCIES

RM and sen	:	Ringgit Malaysia and sen respectively
RMB	:	Renminbi
SGD	:	Singapore Dollar
USD	:	United States Dollar

GLOSSARY OF TECHNICAL TERMS

Technical terms used throughout this Prospectus shall have the same meaning as set out below unless the term is defined otherwise or the context requires otherwise:

CAD	:	Computer-aided design which is used to create computer models of the intermediate metal products to be produced.
CNC	:	Computer numerical control. CNC is a technology whereby a computer converts designs produced through CAD into numbers. The numbers act as coordinates that control the movement of the CNC machinery. This allows the CNC machinery to control the cuts made into the metal blocks or rods.
Fabricated sheet metal	:	Sheet metals that have undergone sheet metal fabrication such as bending, stamping, and welding.
Precision-machined parts and components	:	Metal blocks that have undergone precision machining processes such as milling and turning.
Roughing process	:	Roughing process is a machining operation to remove excess material from workpieces quickly. It imparts the primary shape and dimensions needed to make other subsequent machining operations faster and more efficient.
Sub-modular assembly	:	Partial assembly of intermediate metal products into sub assembled products.
Surface finishing treatment	:	Processes that modify the surface of a product to enhance its properties such as improving corrosion resistance, durability, or changing its appearance.

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PRESENTATION OF INFORMATION

Words importing the singular include the plural and vice versa. Words importing a gender include any gender. References to persons include a corporation. Any reference to words such as “we”, “us”, “our” and “ourselves” in this Prospectus shall be a reference to our Company, our Group or any member company of our Group as the context requires, unless otherwise stated. All references to “Ambest” and “our Company” in this Prospectus are to Ambest Group Berhad, references to the “Ambest Group” or “our Group” are to our Company and our Subsidiary taken as a whole. Unless the context otherwise requires, references to “Management” are to our Directors and Key Senior Management as at the date of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

All references to “you” are to our prospective investors.

Any reference in this Prospectus, the Application Form, Electronic Share Application or Internet Share Application to any legislation, statute or statutory provision shall be a reference to the statute or legislation of Malaysia and includes any statutory modification, amendment or re-enactment thereof, unless otherwise indicated.

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 2 decimal places, where applicable and hence may not be exact. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

All reference to dates and times are references to dates and times in Malaysia unless otherwise stated. All references to the “LPD” in this Prospectus are to 22 December 2025, which is the latest practicable date prior to the registration of this Prospectus with Bursa Securities.

This Prospectus includes statistical data provided by us and various third parties. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where there is no source stated, it can be assumed that the information originates from us or is extracted from the Independent Market Research Report prepared by Protégé (as defined in this Prospectus) which is included in Section 8 of this Prospectus. In compiling its data for the review, Protégé had relied on its research methodology, industry sources, published materials, its own private databases and direct contacts within the industry.

If there are any discrepancies or inconsistencies between the English and Malay versions of this document, the English version shall prevail. The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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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, future plans and prospects, and objectives of our Group 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 Group'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 the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could" or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

(i) demand for our services and general industry environment;

(ii) our future financial performance, earnings, cash flow and liquidity;

(iii) our business strategies and future growth opportunities;

(iv) our future plans and objectives;

(v) our ability to pay dividends; and

(vi) the regulatory environment and the effects of future regulation.

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

(i) the general economic, business, social, political and investment environment globally;

(ii) government policy, legislation and regulation;

(iii) other factors which may or may not be within our control;

(iv) relationship with our customers and the orders which we will receive from them;

(v) shortage of skilled and semi-skilled employees;

(vi) competitive environment in the industry which we operate; and

(vii) delays or problems encountered in implementing our business strategies.

Additional factors that could cause 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 12.2 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 made only as at the date of this Prospectus.

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

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1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name (Designation)	Address	Nationality	Gender
Tan Sri Dato' Samshuri Bin Arshad *(Independent Non-Executive Chairman)*	No 22, Lorong 14/37B, Seksyen 14, 47600 Petaling Jaya, Selangor	Malaysian	Male
Tan Beng Beng *(Managing Director)*	No. 19, Jalan Sungai Ara 6, 11900 Bayan Lepas, Pulau Pinang	Malaysian	Male
Lim Eng Guan *(Executive Director)*	6-14-07, Lintang Relau 1, Desamas Melur, 11900 Bayan Lepas, Pulau Pinang	Malaysian	Male
Wong Thai Sun *(Independent Non-Executive Director)*	1B-26-3, Mira Residence, Lintang Lembah Permai 17, 11200 Tanjong Bungah, Pulau Pinang	Malaysian	Male
Lok Man Shung *(Independent Non-Executive Director)*	97, Lorong Perdana 2/6, Bandar Perdana, 08000 Sungai Petani, Kedah	Malaysian	Female
Goh Liuh Yih *(Independent Non-Executive Director)*	No 14, Lintang Delima 10, 11700 Gelugor, Pulau Pinang	Malaysian	Female

AUDIT AND RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Wong Thai Sun	Chairman	Independent Non-Executive Director
Goh Liuh Yih	Member	Independent Non-Executive Director
Lok Man Shung	Member	Independent Non-Executive Director

NOMINATION COMMITTEE

Name	Designation	Directorship
Goh Liuh Yih	Chairman	Independent Non-Executive Director
Lok Man Shung	Member	Independent Non-Executive Director
Wong Thai Sun	Member	Independent Non-Executive Director

REMUNERATION COMMITTEE

Name	Designation	Directorship
Lok Man Shung	Chairman	Independent Non-Executive Director
Goh Liuh Yih	Member	Independent Non-Executive Director
Wong Thai Sun	Member	Independent Non-Executive Director

1. CORPORATE DIRECTORY *(CONT'D)*

COMPANY SECRETARY	:	Hing Poe Pyng Malaysian Institute of Chartered Secretaries and Administrators No.: 7053526 SSM Practising Certificate No.: 202008001322 Chartered Secretary 51-8-A Menara BHL Jalan Sultan Ahmad Shah 10050 George Town Pulau Pinang, Malaysia Telephone No. : (604) 373 6616
REGISTERED OFFICE	:	51-8-A Menara BHL Jalan Sultan Ahmad Shah 10050 George Town Pulau Pinang, Malaysia Telephone No. : (604) 373 6616
HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS	:	No. 9, 11 & 42A Jalan Damar 11960 Batu Maung Pulau Pinang, Malaysia Telephone No. : (604) 255 3536 Email : ambestgroup@ambest-tech.com Website : www.ambestgroup.com.my
PRINCIPAL ADVISER, SPONSOR, UNDERWRITER AND PLACEMENT AGENT	:	**Malacca Securities Sdn Bhd** (Registration No. 197301002760 (16121-H)) BO1-A-13A, Level 13A, Menara 2 3, Jalan Bangsar KL Eco City 59200 Kuala Lumpur, Malaysia Telephone No. : (603) 2201 2100
CORPORATE FINANCE ADVISER	:	**WYNCORP Advisory Sdn Bhd** (Registration No. 200301029902 (632322-H)) Suite 50-6-8, Level 6, Wisma UOA Damansara 50, Jalan Dungun, Damansara Heights 50490 Kuala Lumpur, Malaysia Telephone No. : (603) 2096 2286 / 2289 Person-in-charge : Moh Jiun Haur Designation : Director Professional qualification/ license : Chartered Accountant, Malaysian Institute of Accountants ("**MIA**") (Membership No.:33355)

1. CORPORATE DIRECTORY *(CONT'D)*

		Fellow member of the Association of Chartered Certified Accountants (Membership No.: 1200346) Capital Markets Services Representative (CMSRL/B3116/2012)
AUDITORS AND REPORTING ACCOUNTANTS	:	**Grant Thornton Malaysia PLT** Level 5, Menara BHL 51, Jalan Sultan Ahmad Shah 10050 George Town Pulau Pinang, Malaysia Telephone No. : (604) 228 7828 Facsimile No. : (604) 227 9828 Partner-in-charge : Yeap Bee Har Approval No. : 03715/02/2027 J Professional qualification : Chartered Accountant, Malaysian Institute of Accountants (MIA membership no. 33884) and Fellow Member of the Association of Chartered Certified Accountants ("**FCCA**") (FCCA Membership No: 1790992)
DUE DILIGENCE SOLICITORS	:	**Zaid Ibrahim & Co** 51-22-B&C, Menara BHL Jalan Sultan Ahmad Shah 10050 Pulau Pinang Malaysia Telephone No. : (604) 375 3100 Facsimile No. : (604) 228 6755
INDEPENDENT MARKET RESEARCHER	:	**Protégé Associates Sdn Bhd** (Registration No.: 200401037256 (675767-H)) Suite C-11-12 Plaza Mont' Kiara 2 Jalan Kiara, Mont' Kiara 50480 Kuala Lumpur, Malaysia Telephone No. : (603) 6201 9301 Facsimile No. : (603) 6201 7302 Person-in-charge : Seow Cheow Seng Designation Executive Director Qualification : Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business specializing in Marketing from RMIT University, Australia.

1. CORPORATE DIRECTORY *(CONT'D)*

INTERNAL CONTROL REVIEW CONSULTANT	:	**Sterling Business Alignment Consulting Sdn Bhd** (Registration No.: 200401015607 (654110-P)) Unit C3A02, Level 3A, Lobby 1 Block C, Damansara Intan No. 1, Jalan SS20/27 47400 Petaling Jaya Selangor, Malaysia Telephone No. : (603) 7662 8010 Facsimile No. : (603) 7612 8610
ISSUING HOUSE	:	**Malaysian Issuing House Sdn Bhd** (Registration No.: 199301003608 (258345-X)) 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor, Malaysia Telephone No.: (603) 7890 4700
SHARE REGISTRAR	:	**Boardroom Share Registrars Sdn Bhd** (Registration No.: 199601006647 (378993-D)) 11th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor, Malaysia Telephone No.: (603) 7890 4700
LISTING SOUGHT	:	ACE Market
SHARIAH STATUS	:	Approved by the Shariah Advisory Council of the SC

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2. APPROVALS AND CONDITIONS

2.1 APPROVALS AND CONDITIONS

2.1.1 Approval from Bursa Securities

Bursa Securities had, vide its letter dated 29 October 2025, approved the admission of our Company to the Official List of the ACE Market and the listing of and quotation for the entire enlarged issued share capital of Ambest comprising 510,000,002 Shares on the ACE Market.

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

No.	Details of conditions imposed	Status of compliance
1.	Submission of the following information with respect to the moratorium on the shareholdings of the specified shareholders to Bursa Depository: (a) Name of shareholders; (b) Number of shares; and (c) Date of expiry of the moratorium for each block of shares.	Complied
2.	Approvals from other relevant authorities have been obtained for implementation of the listing proposal;	Complied
3.	The Bumiputera equity requirements for public listed companies as approved/exempted by the SC including any conditions imposed thereon;	Complied
4.	Make the relevant announcements pursuant to paragraphs 8.1 and 8.2 of Guidance Notes 15 of the Listing Requirements;	To be complied
5.	Furnish to Bursa Securities a copy of the schedule of distribution showing compliance with the public shareholding spread requirements based on the entire enlarged issued share capital of the Company at least one (1) market day prior to the listing date;	To be complied
6.	Furnish to Bursa Securities a confirmation of compliance with Paragraph 2.2(b)(ii)(aa) of Guidance Note 10 of the Listing Requirements by all the directors at least 2 market days prior to the listing date, together with copy of the Mandatory Accreditation Programme certificates;	To be complied
7.	In relation to the public offering to be undertaken by the Company, please announce at least 2 market days prior to the listing date, the result of the offering including the following: (a) Level of subscription of public balloting and placement; (b) Basis of allotment/allocation; (c) A table showing the distribution for placement tranche as per the format prescribed by Bursa Securities; and (d) Disclosure of placees who become substantial shareholders of the Company arising from the public offering, if any. Malacca Securities must ensure that the overall distribution of the Company's securities is properly carried out to mitigate any disorderly trading in the secondary market.	To be complied

2. APPROVALS AND CONDITIONS (*CONT'D*)

No.	Details of conditions imposed	Status of compliance
8.	Ambest/Malacca Securities to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval upon the admission of the Company to the Official List of the ACE Market.	To be complied

2.1.2 Approval from 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 5 November 2025, approved our application which had been made under the Bumiputera equity requirements for public listed companies pursuant to our Listing.

The conditions imposed by SC and the status of compliance with these conditions are as follows:

No.	Details of conditions imposed	Status of compliance
1.	Ambest allocating shares equivalent to 12.5% of its enlarged number of issued Shares upon listing to Bumiputera investors to be approved by MITI.	To be complied
2.	In addition, Ambest is to make available at least 50% of the Shares offered to the Malaysian public investors via balloting to Bumiputera public investors.	To be complied

2.1.3 Approval from MITI

The MITI had, vide its letter dated 25 August 2025, stated that it has agreed to our Listing, involving 510,000,002 Shares and that our Company has complied with the Bumiputera equity condition for the purpose of our Listing with the allocation of 63,750,000 Shares representing 12.50% of our enlarged issued share capital to Bumiputera investors which are recognised by the MITI.

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2.2 MORATORIUM ON OUR SHARES HELD BY OUR SPECIFIED SHAREHOLDERS

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

(i) The moratorium applies to the entire shareholdings of the Specified Shareholders for a period of six (6) months from the date of our Listing ("**First 6-Month Moratorium**");

(ii) Upon the expiry of the First 6-Month Moratorium, the Specified Shareholders' aggregate shareholdings amounting to at least 45.00% of our total number of issued Shares shall remain under moratorium for another period of 6 months ("**Second 6-Month Moratorium**"); and

(iii) Upon the expiry of the Second 6-Month Moratorium, the Specified Shareholders may sell, transfer or assign up to a maximum of one-third (1/3) per annum (on a straight-line basis) of their Shares held under moratorium,

(Collectively, referred to as "**Moratorium Period**").

The details of our Specified Shareholders and their shareholdings held under moratorium during the Moratorium Period are as follows:

	Year 1			
	Shares held under the First 6-Month Moratorium		**Shares held under the Second 6-Month Moratorium**	
Specified Shareholders	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Tan Beng Beng	179,523,501	35.20	114,750,001	22.50
Lim Eng Guan	179,523,501	35.20	114,750,001	22.50
Total	**359,047,002**	**70.40**	**229,500,002**	**45.00**

	Year 2		**Year 3**	
	Shares held in year 2 after Listing		**Shares held in year 3 after Listing**	
Specified Shareholders	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Tan Beng Beng	76,500,001	15.00	38,250,001	7.50
Lim Eng Guan	76,500,001	15.00	38,250,001	7.50
Total	**153,000,002**	**30.00**	**76,500,002**	**15.00**

Note:

(1) Based on our enlarged issued share capital comprising 510,000,002 Shares after our IPO.

The moratorium restrictions, which has been fully accepted by our Specified Shareholders, are specifically endorsed on the share certificates representing the Shares held by them which are under moratorium to ensure that our Share Registrar does not register any transfer that contravenes with such moratorium restrictions.

Our Specified Shareholders have provided written undertakings that they will not sell, transfer or assign their shareholdings under moratorium during the Moratorium Period.

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

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

	Public Issue		Offer for Sale		Total	
	No. of Shares	**%(1)**	**No. of Shares**	**%(1)**	**No. of Shares**	**%(1)**
Retail offering						
- Malaysian Public (via balloting)(2)	25,500,000	5.00	-	-	25,500,000	5.00
- Eligible Persons	12,750,000	2.50	-	-	12,750,000	2.50
Private placement						
- Selected Bumiputera investors approved by MITI	63,750,000	12.50	-	-	63,750,000	12.50
- Selected investors	8,000,000	1.57	40,953,000	8.03	48,953,000	9.60
Total	**110,000,000**	**21.57**	**40,953,000**	**8.03**	**150,953,000**	**29.60**

Notes:

(1) Based on our enlarged issued share capital of 510,000,002 Shares after our IPO.

(2) 12,750,000 Shares, representing 50% of the allocation, are made available for application to Bumiputera public investors.

Please refer to Section 4 of this Prospectus for the details of our IPO.

Our Specified Shareholders' entire shareholdings after our IPO will be held under moratorium for 6 months from the date of our admission to the ACE Market. Thereafter, their shareholdings amounting to 45.00% of our share capital will remain under moratorium for another 6 months. Our Specified Shareholders may sell, transfer or assign up to a maximum of one-third per annum (on a straight-line basis) of their shares held under moratorium upon expiry of the second 6 months period.

Please refer to Section 2.2 of this Prospectus for the moratorium on our Shares held by our Specified Shareholders.

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3.1.1 The principal statistics of our IPO

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

Details	No. of Shares	Share Capital (RM)
Issued share capital as at the date of this Prospectus	400,000,002	29,600,002
Issue Shares to be issued pursuant to the Public Issue	110,000,000	27,500,000
Estimated listing expenses directly attributable to the Public Issue	-	(1,365,667)
Enlarged issued share capital upon Listing	**510,000,002**	**55,734,335**
IPO Price	-	0.25
Pro forma consolidated NA per Share as at 30 September 2025 (based on the enlarged issued share capital upon Listing and after intended utilisation of proceeds raised from our Public Issue)		0.11
Market capitalisation upon Listing[(1)]	-	127,500,001

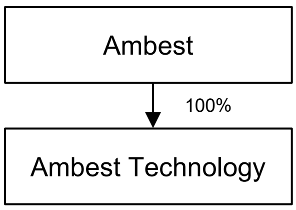
Note:

(1) Calculated based on the IPO Price per Share multiplied by our enlarged issued share capital of 510,000,002 Shares upon listing.

3.2 BUSINESS OVERVIEW

Our Company, Ambest Group Berhad was incorporated in Malaysia under the Act on 16 February 2023 as a private limited company under the name Ambest Group Sdn Bhd. On 12 June 2025, we converted into a public limited company and assumed our present name.

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



Please refer to Section 6.3 of this Prospectus for further details of our Group structure.

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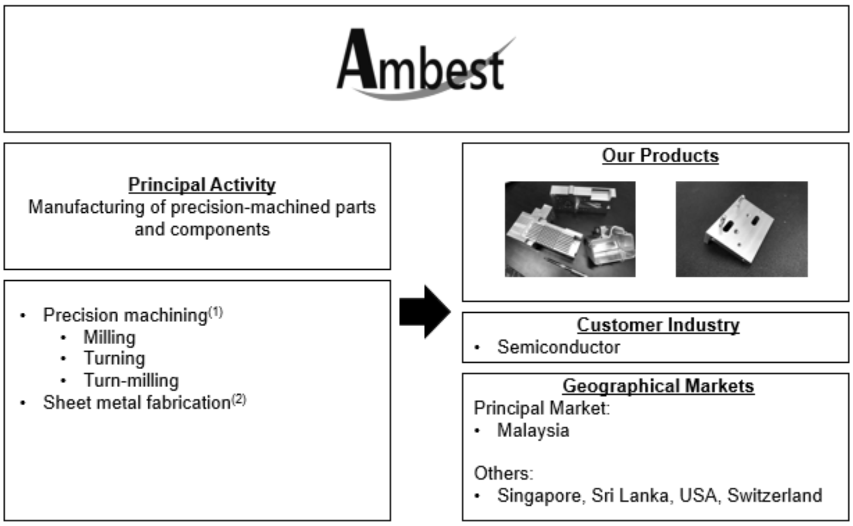
3.2.1 Principal activities and principal markets

Our Company is primarily an investment holding company and through our subsidiary, Ambest Technology, we are an engineering supporting services provider, providing precision machining services as well as sub-modular assembly.

Our principal activity can be summarised in the diagram below:



Notes:

(1) *Includes provision of sub-modular assembly and surface finishing treatment that can be offered to customers when requested. The provision of surface finishing treatment is subcontracted by the Group.*

(2) *Denotes process that is subcontracted by the Group.*

3.2.2 Revenue by business segment

The breakdown of our revenue by business segment for the Financial Periods Under Review is as follows:

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
Business segment	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Precision machining(1)	49,095	82.68	33,959	74.21	38,165	80.76	31,912	80.21
Sheet metal fabrication	10,281	17.32	11,801	25.79	9,095	19.24	7,873	19.79
Total	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**39,785**	**100.00**

Note:

(1) *Includes revenue from sub-modular assembly and surface finishing treatment.*

3.2.3 Revenue by geographical location

The breakdown of our revenue by geographical location for the Financial Periods Under Review is as follows:

Geographical location	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Domestic	59,349	99.95	37,813	82.63	39,643	83.88	39,535	99.37
Malaysia	59,349	99.95	37,813	82.63	39,643	83.88	39,535	99.37
International	27	0.05	7,947	17.37	7,617	16.12	250	0.63
Singapore	20	0.04	7,905	17.28	7,533	15.94	144	0.36
Sri Lanka	1	*	42	0.09	53	0.11	66	0.17
Japan	6	0.01	-	-	-	-	-	-
Others	-	-	-	-	31(1)	0.07	40(2)	0.10
Our total revenue	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**39,785**	**100.00**

Notes:

* *Negligible*

(1) *Comprises USA, Thailand, and Switzerland.*

(2) *Comprises USA and Switzerland.*

Please refer to Sections 7.2 and 7.4 of this Prospectus for further details on our principal activities and principal markets respectively.

3.3 COMPETITIVE STRENGTHS

Our Board believes that our historical successes and future prospects are underpinned by the following competitive strengths: -

3.3.1 Long track record and long-standing relationships with our customers

We have a track record of more than 10 years as an engineering supporting services provider, beginning with the fabrication of industrial engineering parts and products to provision of CNC machining services and expanding to sub-modular assembly services. We have implemented a quality management system to ensure that we provide our customers with quality products and services on a consistent basis. Currently, our quality management system is accredited with ISO 9001:2015 under the scope of "Manufacture of High Precision Machines Components, Jigs, and Fixtures".

3.3.2 Experienced and knowledgeable Key Senior Management team

The success of our Group, to a certain extent, can be attributed to the experience and knowledge of our Key Senior Management team. Our Managing Director, Tan Beng Beng, and our Executive Director, Lim Eng Guan, have 25 years and 29 years of experience in the engineering support industry respectively. They are supported by other members of the Key Senior Management team who each have over 20 years of experience in their respective fields. The combined knowledge and experience of our Key Senior Management team have contributed to our ability to provide products and services that meets our customers' needs and will help to continue the growth of our Group's business in the future.

3.3.3 Continuous investment in machinery and equipment

We continuously invest in machinery and equipment in line with the growing requirements of our customers. Aside from meeting existing customers' growing requirements, continuous investment in machinery and equipment allows us to keep up with the more advanced requirements of the markets and potentially allows us to secure additional customers with higher requirements.

Please refer to Section 7.5 of this Prospectus for further details on our competitive strengths.

3.4 FUTURE PLANS

3.4.1 Renovation of Facility 42A

Since June 2024 and as at the LPD, we are utilising the Facility 42A to store raw materials, packing materials, finished goods, as well as five (5) CNC milling machines (pending maintenance and installation) and one (1) 5-axis CNC milling machine. We intend to add an additional storey to a part of the building to increase the built-up area of the building from approximately 2,010 sq. m. to 2,910 sq. m. This will enable us to expand our manufacturing area and accommodate additional machinery and equipment to expand our production capacity and capabilities. We also intend to construct a new cleanroom in the Facility 42A. Our Group currently has a cleanroom divided into two sections, Class 10,000 and Class 100,000 in Facility No. 9 and Office and Factory No. 11.

3.4.2 Purchase of machinery and equipment

We intend to invest and purchase new machinery and equipment, which will be placed in the Facility 42A. We intend to allocate approximately RM3.90 million of the IPO Proceeds to purchase 2 new machineries.

Please refer to Section 7.17 of this Prospectus for further details on our future plans.

3.5 RISK FACTORS

YOU SHOULD EVALUATE AND CONSIDER CAREFULLY, ALONG WITH OTHER MATTERS IN THIS PROSPECTUS, THE FOLLOWING RISK FACTORS WHICH MAY IN THE FUTURE HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS OPERATIONS, FINANCIAL POSITION AND PERFORMANCE, IN ADDITION TO OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

The key risks relating to our Group's business operations are summarised as follows:

3.5.1 We are dependent on our major customers

We are dependent on 2 of our major customers, namely Customer A and Customer B. They have cumulatively contributed approximately 82.28%, 72.55%, 69.31% and 82.84% of our total revenue for Financial Periods Under Review respectively.

If there are any adverse changes to working relationship with our major customers and we are unable to retain our major customers, while also being unable to secure new customers with the same scale of orders in a timely manner, our business and financial performance may be negatively affected.

3.5.2 We may be exposed to disruptions in our manufacturing operations

Our business is reliant on the efficient and smooth running of our manufacturing operations, which are supported by our workforce and a range of machinery and equipment such as CNC milling, CNC turning and CNC turn-milling machines. While we undertake regular scheduled maintenance of our machinery and equipment to ensure that they work optimally, we may experience unexpected failures that may lead to unanticipated downtime which would lead to an interruption in our manufacturing operations. Any unanticipated disruptions may affect our production schedule and may lead to a delay in the delivery of products to our customers. For the Financial Periods Under Review and up to the LPD, we have not experienced any disruptions to our manufacturing operations that affected our production schedule and delivery of products to our customers. However, there can be no assurance that disruptions to our manufacturing operations in the future will not affect our business and financial performance.

3.5.3 We are subject to regulatory requirements for our business operations

The licences and approvals obtained by our Group are subject to conditions and requirements that have been imposed by the various issuing bodies. Should there be instances of non-compliance by our Group, the licences and approvals obtained by our Group may be terminated, revoked, or may not be renewed upon expiry. Additionally, our Group and/ or our Directors may be subject to penalties, fines, or potential prosecutions in the event of any non-compliance with the relevant laws and regulations. While we have internal processes to monitor our compliance with the relevant laws and regulations and track the validity of our licences and approvals, there can be no assurance that we will be able to renew our licences and approvals in a timely manner or comply with conditions imposed. Failure to successfully renew our licences and approvals may adversely affect our business operations and our future financial performance.

3.5.4 We are dependent on our Executive Directors and Key Senior Management team for continued success and growth of our business

The success and achievements of our Group thus far can be attributed to our Directors and Key Senior Management who have been involved in developing business strategies and charting the growth of our Group. Our Managing Director, Tan Beng Beng, and our Executive Director, Lim Eng Guan, have over 25 years and 29 years of experience in the engineering support industry respectively. In addition, they are supported by our management team who each who have over 20 years of experience in their respective fields. The resignation or loss of our Key Senior Management simultaneously or without suitable or timely replacements may affect our business operations and our ability to compete with our competitors. As such, the financial performance of our Group may be adversely affected.

3.5.5 We are dependent on our major suppliers

We are dependent on 3 of our major suppliers, namely Altra Precision (a sub-contractor to whom we outsource our sheet metal fabrication and machining processes) and SL Metals and Supplier F (both of whom are approved vendors of our Group's major customer, Customer B which requires Ambest Technology to obtain raw materials from SL Metals and Supplier F for certain products) who have cumulatively contributed approximately 20.78%, 30.83%, 34.63% and 34.71% of the total net purchases for the Financial Periods Under Review respectively.

While we have maintained good working relationships with Altra Precision and SL Metals, as well as Supplier F, and have not experienced any material disputes in the past and up to the LPD, there can be no assurance that they will be able to continue supporting us in the future at the same level they have been doing so. If they cease or reduce their services to us, we may not be able to replace them with other suppliers in a timely manner, thereby affecting our business operations.

3.5.6 We are exposed to fluctuations in raw material prices

The price of aluminium is affected by factors including but not limited to demand and supply conditions. Any adverse changes in demand and supply conditions may cause the price of the raw materials to increase, thus causing an increase in manufacturing cost. While we have generally been able to pass on the increase in cost to our customers, there can be no assurance that we will be able to pass on the increase in cost (in full or partially) to our customers in the future. We would then have to bear the increase in cost which may adversely affect our financial performance.

3.5.7 We are exposed to fluctuations in foreign exchange transaction risks which may impact the profitability of our Group

We are exposed to foreign exchange gains or losses in the conversion of foreign currencies into RM, mainly arising from the timing difference between our billings and actual receipt of payments from our customers and/or conversion for transactions which are conducted in currencies other than RM. As such, any unfavourable fluctuations in the foreign exchange rates may have an adverse impact on our financial performance and profitability.

3.5.8 We may experience delays in realising our future plans

We plan to renovate our Facility 42A and add an additional storey to the building to expand our manufacturing area and accommodate additional machinery and equipment as well as construct a new cleanroom. Such activities may be subject to various uncertainties such as the ability to obtain the necessary licenses and approvals from relevant authorities, or delays in installing the cleanroom, as well as delays in procuring new machinery. If we experience any setbacks in realising our future plans, our business growth may be subsequently affected as we may not be able to keep up with our customers' demands. Additionally, delays in construction and renovation may lead to higher-than-expected costs.

3.5.9 We may be exposed to inadequate insurance coverage to cover all losses or liabilities that may arise in the course of our business operations

Our business is subject to incidents such as fire, flood, power outages, and burglary which are outside of our control. These unexpected events may cause interruptions in or prolonged suspension of our manufacturing operations. We have purchased various insurance policies to insure against, amongst others, all risk, fire, and personal accidents and we continuously review our insurance coverage to ensure that they are valid and adequate for our current operations.

3.5.10 We are exposed to interest rate risk

For FPE 2025, our Group's total outstanding interest-bearing borrowings (excluding lease liability) stood at RM37.61 million, comprising term loans, hire purchases, revolving credit and bankers' acceptance with interest rates ranging from 2.90% to 6.69% per annum; out of which approximately RM29.21 million or 77.67% are floating rate borrowings. In view that a significant portion of our Group's outstanding borrowings consist of floating rate borrowings, any significant increase in interest rates would increase our finance costs and in turn may have an adverse impact on our financial performance and cash flows.

3.5.11 We may not be able to effectively manage our capacity expansion

Our expansion plans may be subject to uncertainties regarding demand from existing and new customers, and there can be no assurance that the demand for our services will increase in line with our increased production capacity. We will be required to incur capital expenditure costs for the purchase and installation of additional machinery and equipment. If we are unable to recover the cost incurred for said expansion, our business and financial performance may be adversely affected.

Please refer to Section 9 of this Prospectus for further details of the risk factors associated with our business, the industry in which we operate, investment in our Shares and other risks.

3.5.12 We are exposed to delays in collection

Slower collections from our customers could negatively impact our cash flow, potentially affecting our ability to pay suppliers and subcontractors on time. Although our Group has managed to generate positive operating cash flows during the reviewed periods, there can be no guarantee that we will not experience any future collection delays or payment defaults, which may have a material adverse impact on our cash flow and financial stability.

3.6 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors and Key Senior Management are as follows:

Name	Designation
Directors	
Tan Sri Dato' Samshuri Bin Arshad	Independent Non-Executive Chairman
Tan Beng Beng	Managing Director
Lim Eng Guan	Executive Director
Wong Thai Sun	Independent Non-Executive Director
Lok Man Shung	Independent Non-Executive Director
Goh Liuh Yih	Independent Non-Executive Director
Key Senior Management	
Chong Chun Chieh	Chief Financial Officer
Khoo Tiang Seng	Quality Assurance Manager
Kwek Boon Ping	Production Manager
Lim Jit Yit	Assistant General Manager

Please refer to Section 5 of this Prospectus for further details of our Directors and Key Senior Management.

3.7 UTILISATION OF PROCEEDS

We expect to use the gross proceeds from the Public Issue amounting to RM27.50 million in the following manner:

	(RM'000)	(%)	Estimated timeframe for utilisation from the date of our Listing
Repayment of borrowings	12,000	43.64	Within 3 months
Purchase of new machineries	3,900	14.18	Within 24 months
General working capital	6,800	24.73	Within 18 months
Estimated listing expenses	4,800	17.45	Within 1 month
Total Public Issue proceeds	**27,500**	**100.00**	

The gross proceeds of RM10.24 million from the Offer for Sale will accrue entirely to the Selling Shareholders. Therefore, we will not receive any proceeds from the Offer for Sale.

Please refer to Section 4.8 of this Prospectus for further details on the utilisation of proceeds.

3.8 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are set out as follows:

		Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%(1)	No. of Shares	%	No. of Shares	%(2)	No. of Shares	%
Tan Beng Beng	Malaysian	200,000,001	50.00	-	-	179,523,501	35.20	-	-
Lim Eng Guan	Malaysian	200,000,001	50.00	-	-	179,523,501	35.20	-	-

Notes:

(1) Based on our issued share capital comprising 400,000,002 Shares before our IPO.

(2) Based on our enlarged issued share capital comprising 510,000,002 Shares upon our IPO.

Please refer to Section 5.1 of this Prospectus for further details of our Promoters and substantial shareholders.

3.9 FINANCIAL AND OPERATIONAL HIGHLIGHTS

3.9.1 Historical Financial Information

The following table sets out the highlights of our historical financial information for the Financial Periods Under Review:

	Audited			
	FYE 2022 (RM'000)	FYE 2023 (RM'000)	FYE 2024 (RM'000)	FPE 2025 (RM'000)
Revenue	59,376	45,760	47,260	39,785
GP	12,910	13,118	14,262	11,418
PBT	9,464	9,044	8,167	5,856
PAT	7,185	6,809	7,058	5,220
GP margin(1) (%)	21.74	28.67	30.18	28.70
PBT margin(2) (%)	15.94	19.76	17.28	14.72
PAT margin(3) (%)	12.10	14.88	14.93	13.12
Net assets	13,722	21,531	29,589	34,809
Non-current assets	14,771	19,584	51,881	52,315
Current assets	20,556	22,430	30,278	25,880
Non-current liabilities	7,874	10,728	32,234	32,813
Current liabilities	13,731	9,755	20,336	10,573
Current ratio(4) (times)	1.50	2.30	1.49	2.45
Gearing ratio(5) (times)	0.69	0.55	1.32	1.08

Notes:

(1) GP margin is computed based on GP divided by revenue.

(2) PBT margin is computed based on PBT divided by revenue.

(3) PAT margin is computed based on PAT divided by revenue.

(4) Computed based on current assets over current liabilities.

(5) Computed based on total borrowings over total equity.

3.9.2 Operational highlights

Our Group recorded total revenue of approximately RM59.38 million, RM45.76 million, RM47.26 million and RM39.79 million for the Financial Periods Under Review respectively. Throughout the Financial Periods Under Review, the precision machining segment represent the main revenue contributor to our Group, contributing 82.68%, 74.21%, 80.76% and 80.21% of our Group's total revenue respectively. Our top five (5) major customers contributed approximately 96.48%, 95.22%, 94.22% and 97.42% of our Group's total revenue for the Financial Periods Under Review respectively.

Please refer to Section 12.2 of this Prospectus for the management's discussion and analysis of financial condition and results of operations for the Financial Periods Under Review.

3.10 DIVIDEND POLICY

There were no dividends declared and paid by our Group during the Financial Periods Under Review and up to the LPD. Furthermore, our Group does not intend to declare or pay any dividends prior to, and until, the completion of our Listing.

It is our Company's intention to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, our Company does not have any formal dividend policy. Our ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as actual profits registered for the year and the availability of funds in excess of working capital requirements for our businesses.

Please refer to Section 12.5 of this Prospectus for further details on our dividend policy.

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4. DETAILS OF OUR IPO

4.1 OPENING AND CLOSING OF APPLICATION

The Applications for our IPO Shares will open at 10.00 a.m. on 21 January 2026 and will remain open until 5.00 p.m. on 27 January 2026.

Late applications will not be accepted.

4.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Indicative dates
Issuance of this Prospectus / Opening date of Applications	21 January 2026
Closing date of the Applications	27 January 2026
Date for the balloting of the Applications	29 January 2026
Date for allotment / transfer of our IPO Shares to successful applicants	4 February 2026
Listing date	6 February 2026

Our Directors together with our Sponsor and Underwriter may mutually decide, at our absolute discretion, to extend the closing date for the Application to any later date if necessary to facilitate the completion of the IPO. In such an event, the tentative dates for balloting, allotment/transfer of the IPO Shares and our Listing will also be extended accordingly.

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

4.3 DETAILS OF OUR IPO

Our IPO consists of the Public Issue and Offer for Sale, totalling 150,953,000 IPO Shares at the IPO Price, payable in full on application upon such terms and conditions as set out in this Prospectus and will be allocated in the following manner:

	Issue Shares		Offer Shares		Total	
	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(1)
Retail offering						
Malaysian Public (via balloting)(2)	25,500,000	5.00	-	-	25,500,000	5.00
Eligible Persons	12,750,000	2.50	-	-	12,750,000	2.50
			-	-		
Private placement						
Selected Bumiputera investors approved by MITI	63,750,000	12.50	-	-	63,750,000	12.50
Selected investors	8,000,000	1.57	40,953,000	8.03	48,953,000	9.60
Total	**110,000,000**	**21.57**	**40,953,000**	**8.03**	**150,953,000**	**29.60**

Notes:

(1) Based on our enlarged issued share capital of 510,000,002 Shares upon our IPO.

(2) 12,750,000 Shares, representing 50% of the allocation, are made available for application by Bumiputera public investors.

4.3.1 Public Issue

The Public Issue of 110,000,000 new Shares, representing approximately 21.57% of our enlarged issued share capital will be made available for Application at the IPO Price in the following manner:

(i) Malaysian Public (via balloting)

25,500,000 Issue Shares, representing 5.00% of our enlarged issued share capital, will be made available for Application by the Malaysian Public and allocated through a balloting process, comprising:

(i) 12,750,000 Issue Shares, representing 2.50% of our enlarged issued share capital, will be made available to Malaysian public investors; and

(ii) 12,750,000 Issue Shares, representing 2.50% of our enlarged issued share capital, will be made available to Bumiputera public investors.

(ii) Eligible Persons

12,750,000 Issue Shares, representing 2.50% of our enlarged issued share capital will be made available for Application by the Eligible Persons comprising the following:

	Number of persons	Pink Form Allocation
Eligible Directors(1)	4	1,000,000
Eligible employees of our Group(2)	79	9,950,000
Business associates of our Group including any other persons who have contributed to the success of our Group(3)	18	1,800,000
Total		**12,750,000**

Notes:

(1) We have allocated Pink Form Shares for application by our Independent Non-Executive Directors as follows:

Eligible Directors	*Designation*	*No. of Pink Form Shares allocated*
Tan Sri Dato' Samshuri Bin Arshad	*Independent Non-Executive Chairman*	*250,000*
Goh Liuh Yih	*Independent Non-Executive Director*	*250,000*
Lok Man Shung	*Independent Non-Executive Director*	*250,000*
Wong Thai Sun	*Independent Non-Executive Director*	*250,000*

(2) The criteria of allocation of the Pink Form Shares to our eligible employees of our Group (as approved by our Board) are based on, amongst others, the following factors:

(a) our employee must be at least 18 years of age;

(b) our employee must have his/her employment confirmed in writing;

(c) past performance and respective contribution made to our Group;

(d) the employees' seniority, position and length of service; and

(e) other factors deemed relevant by our Board.

The Issue Shares under the Pink Form Allocation to be allocated are inclusive of the allocation to our Key Senior Management. The number of Issue Shares allocated to our eligible Key Senior Management under the Pink Form Allocation are as follows:

Eligible Key Senior Management	***Designation***	***No. of Pink Form Shares allocated***
Chong Chun Chieh	*Chief Financial Officer*	*1,000,000*
Khoo Tiang Seng	*Quality Assurance Manager*	*330,000*
Lim Jit Yit	*Assistant General Manager*	*1,000,000*
Kwek Boon Ping	*Production Manager*	*1,000,000*
Total		***3,330,000***

(3) *A total of 1,800,000 Issue Shares have been allocated to persons who have contributed to the success of our Group which includes our suppliers and other business associates. The number of Pink Form Shares allotted to them are based on, amongst others, the nature, terms and length of their business relationship with us as well as the level of contribution and support to our Group.*

(iii) Private placement to selected Bumiputera investors approved by the MITI and selected investors

71,750,000 Issue Shares, representing 14.07% of our enlarged issued share capital will be made available by way of private placement in the following manner:

(a) 63,750,000 Issue Shares, representing 12.50% of our enlarged issued Shares to selected Bumiputera investors approved by the MITI by our Placement Agent; and

(b) 8,000,000 Issue Shares, representing 1.57% of our enlarged issued Shares to selected investors.

4.3.2 Offer for Sale

The 40,953,000 Offer Shares, representing approximately 8.03% of our enlarged issued share capital are offered by our Selling Shareholders to selected investors by way of private placement at the IPO Price. The Offer for Sale is subject to the terms and conditions of this Prospectus.

The selected investors will be identified and selected in such manner as may be determined by our Placement Agent, in consultation with our Board. Our Placement Agent, in consultation with our Board, has the absolute discretion to decide whether to accept or reject any placement of the Offer Shares to the selected investors.

As at the LPD, we are not aware of:

(a) any substantial shareholder, Directors or Key Senior Management who intend to subscribe for our IPO Shares, save for the Directors and Key Senior Management who are eligible to participate in the Pink Form Allocation as disclosed in Section 4.3.1(ii) of this Prospectus; and

(b) any person who intends to subscribe for more than 5.00% of our IPO Shares.

4. DETAILS OF OUR IPO *(CONT'D)*

The details of the Selling Shareholders are as follows:

Selling Shareholders	Address	Nature of relationship with our Group	As at LPD		Shares offered pursuant to the Offer for Sale			After our IPO	
			No. of Shares	%(1)	No. of Shares	%(1)	%(2)	No. of Shares	%(2)
Tan Beng Beng	No. 19, Jalan Sungai Ara 6, 11900 Bayan Lepas, Pulau Pinang	Promoter, Managing Director, substantial shareholder of our Company	200,000,001	50.00	20,476,500	5.12	4.015	179,523,501	35.20
Lim Eng Guan	6-14-07, Lintang Relau 1, Desamas Melur, 11900 Bayan Lepas, Pulau Pinang	Promoter, Executive Director, substantial shareholder of our Company	200,000,001	50.00	20,476,500	5.12	4.015	179,523,501	35.20
Total			**400,000,002**	**100.00**	**40,953,000**	**10.24**	**8.03**	**359,047,002**	**70.40**

Notes:

(1) Based on our issued share capital comprising 400,000,002 Shares before our IPO.

(2) Based on our enlarged issued share capital comprising 510,000,002 Shares after our IPO.

Based on the IPO Price, the entire proceeds of approximately RM10.24 million arising from the Offer for Sale will accrue entirely to the Selling Shareholders and not to our Company. All expenses relating to the Offer for Sale will be fully borne by the Selling Shareholders. Please refer to Section 4.9.3 of this Prospectus for further details on the placement fee in relation to the Offer for Sale.

The Selling Shareholders are also Specified Shareholders, whereby a moratorium will be imposed on the sale, transfer or assignment of Shares held by them as set out in Section 2.2 of this Prospectus.

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4.3.3 Underwriting, Minimum Subscription Level, Clawback and Re-allocation

Our IPO Shares shall be subject to the following underwriting, clawback and re-allocation provisions:

(i) Malaysian Public via balloting

The 25,500,000 Issue Shares made available for Application by the Malaysian Public have been fully underwritten by our Underwriter. In the event of over-subscription, the acceptance of the Applications received from the Malaysian Public shall be subject to ballot to be conducted in a fair and equitable manner as approved by our Board.

If our Issue Shares allocated to the Bumiputera Malaysian Public are under-subscribed, such under-subscribed Issue Shares will be re-allocated to the other Malaysian Public, by way of ballot, if applicable.

In the event that there are Issue Shares which are not fully subscribed by the Malaysian Public, the remaining unsubscribed portion will be clawed back and re-allocated to the selected investors by way of private placement by our Placement Agent.

Any further Issue Shares which are not subscribed after being re-allocated to the selected investors shall be subscribed by our Underwriter in accordance with the salient terms of the Underwriting Agreement.

(ii) Eligible Persons

The 12,750,000 Issue Shares made available for Application by the Eligible Persons under the Pink Form Allocation have been fully underwritten by our Underwriter.

Any Issue Shares under Pink Form Allocation which are not subscribed by any of the Eligible Persons shall be re-offered to the other Eligible Persons before being re-allocated to the Malaysian Public by way of ballot and/or to the selected investors by way of private placement by our Placement Agent.

Thereafter, any remaining Issue Shares under the Pink Form Allocation which are not subscribed for shall be subscribed by our Underwriter in accordance with the terms of the Underwriting Agreement.

(iii) Private placement to selected investors

The 8,000,000 Issue Shares and 40,953,000 Offer Shares made available by way of private placement to selected investors by our Placement Agent have not been underwritten.

In the event of under-subscription of the Offer Shares by the selected investors, the remaining unsubscribed portion will be clawed back and re-allocated to the Malaysian Public by way of ballot to be conducted in a fair and equitable manner as approved by our Board.

(iv) Private placement to selected Bumiputera investors approved by the MITI

The 63,750,000 Issue Shares made available by way of private placement to Bumiputera investors approved by the MITI ("**MITI Tranche**") have not been underwritten.

In the event of under-subscription of the IPO Shares under the MITI Tranche, the unsubscribed IPO Shares shall firstly be clawed back and re-allocated to the Bumiputera Malaysian Public via balloting. Any unsubscribed portion after the re-allocation shall be allocated firstly to Malaysian institutional investors under the private placement and thereafter to other selected investors identified by our Placement Agent. Any remaining unsubscribed portion thereafter shall be allocated to non-Bumiputera Malaysian Public by way of ballot.

The above clawback and re-allocation provisions will not apply in the event that there is an oversubscription in all of the allocations of our IPO Shares at the closing date of our IPO. The allocation of our IPO Shares shall be in a fair and equitable manner and shall take into account the desirability of distributing our IPO Shares to a reasonable number of applicants with a view of broadening our Company's shareholder base to meet the public shareholding spread requirements of Bursa Securities and to establish a liquid market for our Shares.

There is no minimum subscription amount to be raised from our IPO. The number of IPO Shares offered will not be increased via any over-allotment of "greenshoe" option. In order to comply with the public spread requirements of Bursa Securities, we are required to have at least 25% of our enlarged issued share capital held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our Listing. Prior to our Listing, we will ensure that this requirement is met through the balloting process and the private placement exercise to ensure that a minimum 200 public shareholders holding not less than 100 Shares each are in place and at least 25.00% of our enlarged issued share capital are held by public shareholders.

If the public spread requirement is not met, we may not be permitted to proceed with our Listing. In such event, monies paid in respect of all Applications will be returned in full, without interest or any share of revenue or benefits arising therefrom. If such monies are not returned in full within 14 days after we become liable to do so, the provision of Section 243(2) of the CMSA shall apply accordingly.

4.4 SHARE CAPITAL, CLASSES OF SHARES AND RANKING

As at the date of this Prospectus, the issued share capital for our Company was RM29.60 million comprising 400,000,002 Shares. Upon completion of our IPO, the enlarged issued share capital of our Company will be RM55.73 million comprising 510,000,002 Shares as follows:

Details	No. of Shares	Share Capital RM
Issued share capital as at the date of this Prospectus	400,000,002	29,600,002
Issue Shares to be issued pursuant to the Public Issue	110,000,000	27,500,000
Less: Estimated listing expenses directly attributable to the Public Issue	-	(1,365,667)
Enlarged issued share capital upon Listing	**510,000,002**	**55,734,335**
IPO Price	-	0.25
Market capitalisation upon Listing[(1)]	-	127,500,001

Note:

(1) Calculated based on the IPO Price per Share multiplied by our enlarged issued share capital of 510,000,002 Shares upon listing.

As at the date of this Prospectus, we have only 1 class of shares, being ordinary shares, all of which rank equally with one another. Our IPO Shares will, upon allotment and issue, rank equally in all respects with our existing Shares in issue, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment of our IPO Shares.

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

Each of our shareholders shall be entitled to vote at any of our general meetings in person, or by proxy or by attorney or by other duly authorised representative. Every shareholder present in person or by proxy or by attorney or by other duly authorised representative shall have 1 vote for each Share held.

4.5 BASIS OF ARRIVING AT OUR IPO PRICE

Our IPO Price of RM0.25 per IPO Share was determined and agreed upon by our Directors, the Selling Shareholders together with Malacca Securities, being our Principal Adviser, Sponsor, Underwriter and Placement Agent, and WYNCORP Advisory, being our Corporate Finance Adviser, after taking into consideration the following factors:

(a) Financial and operating history

The net PE Multiple of approximately 18.12 times based on our EPS of approximately 1.38 sen for the FYE 2024 (calculated based on the combined PAT attributable to owners of our Company for the FYE 2024 of approximately RM7.06 million and our enlarged total number of 510,000,002 Shares upon Listing).

The net PE Multiple of approximately 18.38 times based on our EPS of approximately 1.36 sen for the FPE 2025 (calculated based on the annualised combined PAT attributable to owners of our Company for the FPE 2025 of approximately RM5.22 million and our enlarged total number of 510,000,002 Shares upon Listing).

Our detailed business overview and financial information of our Group are set out in Section 7 and Section 12 of this Prospectus, respectively.

(b) Pro forma consolidated NA

Our pro forma consolidated NA per Share of 11.00 sen as at 30 September 2025 based on our enlarged issued share capital comprising 510,000,002 Shares, after our IPO and subsequent to the utilisation of proceeds from our Public Issue as set out in Section 14 of this Prospectus.

(c) Future plans and business strategies

Our future plans and business strategies, which are set out in Section 7.17 of this Prospectus.

(d) Competitive strengths, industry overview and prospects

Our competitive strengths, industry overview and prospects, which are set out in Sections 7.5 and 8 of this Prospectus respectively.

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

4.6 OBJECTIVES OF OUR IPO

The objectives of our IPO are as follows:

(a) to provide an opportunity for the Malaysian Public, Eligible Persons and other potential investors to participate in our equity and growth of our Group;

(b) to enable our Group to raise funds for the purposes specified in Section 4.8 of this Prospectus;

(c) to enable our Group to tap into the equity capital market for future fund raising and to provide our Group the financial flexibility to pursue future growth opportunities as and when they arise; and

(d) to gain recognition through our listing status which will enhance our Group's reputation in the marketing of our products and to retain and attract new talents in the industry.

4.7 DILUTION

Dilution is the amount by which the IPO Price to be paid by the applicants for our IPO Shares will be diluted upon our Listing as compared to the pro forma consolidated NA per Share immediately after our IPO. The following table illustrates such dilution on a per Share basis as well as the accretion in value to the existing shareholders of our Company after the IPO:

	Details	RM
IPO Price	A	0.25
Pro forma consolidated NA per Share as at 30 September 2025, based on our issued share capital of 400,000,002 Shares before our IPO	B	0.09
Pro forma consolidated NA per Share as at 30 September 2025, based on our enlarged issued share capital of 510,000,002 Shares after our IPO and the intended utilisation of proceeds raised from our Public Issue	C	0.11
Accretion in value per Share to our existing shareholders	C – B	0.02
Dilution to the new investors	A – C	0.14
Dilution to the new investors as a percentage of our IPO Price (%)	(A – C)/A	56.00

Further details of our Group's pro forma NA per Share as at 30 September 2025 are set out in Section 14 of this Prospectus.

Save for the Shares which have been subscribed by our shareholders pursuant to the Pre-Listing Exercise (as disclosed in Section 6.2 of this Prospectus) and the Pink Form Allocation, there has been no other acquisition nor subscription of any of our Shares by our Promoters, Directors, substantial shareholders, Key Senior Management or persons connected with them, or any transaction entered into by them, which grants them the right to acquire any of our Shares from the date of our incorporation up to the date of this Prospectus.

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Save as disclosed below, there has been no acquisition or allotment of any of our Shares by/to our Directors, Promotors, substantial shareholders, Key Senior Management or persons connected with them, or any transaction entered into by them which grants them the right to acquire any of our Shares in the past 3 years prior to the date of this Prospectus:

Name	**No. of Shares allotted**	**Total consideration (RM)**	**Average effective cost for each Share (RM)**
Promoters, substantial shareholders and Directors[(1)]			
Lim Eng Guan	1	1	1.000
Tan Beng Beng	1	1	1.000
Promoters, substantial shareholders and Directors[(2)]			
Lim Eng Guan	200,000,000	14,800,000	0.074
Tan Beng Beng	200,000,000	14,800,000	0.074
Directors			
Tan Sri Dato' Samshuri Bin Arshad	250,000	62,500	0.25
Wong Thai Sun	250,000	62,500	0.25
Goh Liuh Yih	250,000	62,500	0.25
Lok Man Shung	250,000	62,500	0.25
Key Senior Management			
Chong Chun Chieh	1,000,000	250,000	0.25
Khoo Tiang Seng	330,000	82,500	0.25
Lim Jit Yit	1,000,000	250,000	0.25
Kwek Boon Ping	1,000,000	250,000	0.25

Notes:

(1) Subscriber's Shares pursuant to the incorporation of our Company.

(2) Allotted pursuant to the Acquisition.

4.8 UTILISATION OF PROCEEDS

Based on the IPO Price of RM0.25 per IPO Share, the total gross proceeds of RM27.50 million from the Public Issue will be utilised by our Group in the following manner:

Description of utilisation	**Amount of proceeds (RM'000)**	**(%)**	**Estimated timeframe for utilisation from the date of our Listing**
Repayment of borrowings	12,000	43.64	Within 3 months
Purchase of new machineries	3,900	14.18	Within 24 months
General working capital	6,800	24.73	Within 18 months
Estimated listing expenses	4,800	17.45	Within 1 month
Total Public Issue proceeds	**27,500**	**100.00**	

The current allocated utilisation is based on the respective estimated costs as at the LPD. Hence, if the allocated proceeds are insufficient to fund the final amount, we will fund the shortfall from our internally generated fund. Similarly, any surplus from the allocated proceeds will be used for general working capital purposes. Pending the utilisation of the proceeds raised from our Public Issue, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

4.8.1 Repayment of borrowings

Our Group intends to allocate RM12.00 million of the proceeds raised from the Public Issue for the partial repayment of our Group's borrowing as follows:

Banking facility	Purpose of facility	Interest rate/ Maturity date	Outstanding amount as at the LPD (RM'000)	Proposed repayment (RM'000)
Maybank Islamic Berhad (Term loan)	To part finance our purchase of Facility 42A(1)	Base Financing Rate 6.40%(2), minus 2.60% / 31 March 2049	21,102	12,000

Notes:

(1) Our Group acquired Facility 42A, a one storey factory, office and warehouse located at No. 42A, Jalan Damar, 11960 Bayan Lepas, Penang, with a built-up area of 2,010 sq. m., in 2024 for a total cash consideration of RM24.50 million, which was funded partially by a term loan of RM22.05 million from Maybank Islamic Berhad, with the remaining RM2.45 million funded through internally generated funds.

(2) As at the LPD, the Base Financing Rate from the bank is at 6.40% per annum.

For information purpose, any early prepayment under the banking facility must be given a one (1) month's prior written notice to the bank and make the prepayments in the inverse order of maturity.

This loan has been selected for partial repayment as it carries the highest effective interest rate among our borrowings. Prioritising its repayment is expected to yield greater interest savings for our Group.

As at the LPD, our Group's total borrowings amounting to RM35.89 million. Based on the above, upon reducing our Group's total borrowing of RM37.61 million as at 30 September 2025 by the proposed repayment as set out above, our Group will reduce the gearing ratio from 1.08 times to 0.74 times based on the pro forma consolidated statements of financial position as at 30 September 2025 and is expected to achieve an annual interest savings of approximately RM0.46 million. However, the actual interest savings amount may vary depending on the applicable interest rate at that point in time.

4.8.2 Purchase of new machineries

Our Group intends to allocate RM3.90 million of the proceeds raised from the Public Issue to purchase and/or to pay off any facilities obtained for the purchase of the following machineries:

Type of machinery	Function of the machinery	No. of unit	Estimated cost (RM'000)(1)
5-axis CNC machine	A machine that is used to perform simultaneous cutting in all five axis to create complex shapes on a workpiece.	1	2,200
CNC horizontal machine	A machine used for high-precision machining of large or complex parts.	1	1,700
Total		**2**	**3,900**

Note:

(1) Based on quotations obtained from suppliers and inclusive of installation and set-up cost. The actual cost of the CNC machines may differ from the estimated cost if the quotations obtained are being revised by the suppliers, or if other suppliers can offer the machines with the similar specifications at a lower price before the purchase is made.

In the event that any of the above machineries is purchased with credit financing prior to the receipt of the proceeds from the Public Issue, the proceeds raised shall be utilised to repay such financing for early settlement.

All of the above CNC machines will be allocated to the Facility 42A. The additional new 5-axis CNC machine and CNC horizontal machine are expected to increase our Group's operating annual capacity by approximately 3.85%[(1)] collectively. The increase in our Group's overall production capacity is in line with our Group's plan to accommodate more orders from our Group's existing customers and to expand our customer base to serve customers from other industries.

The rationale for the purchase of the above CNC machines is due to the highly competitive nature of the machining industry, whereby our Group must demonstrate strong manufacturing capabilities to manage higher order volumes without compromising quality by highlighting to customers the number of high-end machines our Group owns and operate in order to secure orders from them.

In the event that the allocated proceeds are insufficient for the purchase of the new CNC machines, any shortfall will be funded via internally generated funds. Conversely, if the actual cost is lower than the amount allocated above, the excess will be allocated for our Group's working capital purposes.

Note:

(1) The increase in our Group's operating annual capacity is calculated based on the following assumptions:

The expected increase in annual capacity is calculated by subtracting the estimated maximum annual capacity of 55 units of CNC machines owned by our Group as at the LPD from the estimated maximum annual capacity of 53 units, which includes the new 5-axis CNC machine and the CNC horizontal machine.

Types of Machines	**No. of units (inclusive of the new 5-axis CNC machine and the CNC horizontal machine)**	**Estimated Maximum Annual Capacity[(i)] (hour)**	**No. of units as at LPD**	**Estimated Maximum Annual Capacity[(i)] (hour)**
CNC milling machines	46	194,183	44	185,740
CNC turning machines	2	8,443	2	8,443
CNC turn-milling machines	7	29,550	7	29,550
Total	**55**	**232,176**	**53**	**223,733**

Note:

(i) We use a variety of machinery to produce the products required by our customers. Depending on the complexity and specifications of the products required by our customers, the production time as well as the type of machinery used would vary for each order. As such, our Group's operating annual capacity is measured by the production running time of the CNC machines owned by our Group.

The estimated maximum annual capacity is calculated based on the number of machines x 5 working days per week x 52 weeks per year x 17.16 working hours per day, minus non-operating hours (calculated based on number of machines x 14 non-operating days x 17.16 working hours per day), based on the following:

- *The 17.16 working hours per day is based on 2 shifts per day, 8.58 working hours (namely, 8 hours and 35 minutes and excluding breaktime of 1 hour) per shift.*
- *Non-operating days refer to certain public holidays granted by our Group to its employees.*

In addition to the above new machineries to be financed by proceeds from our Public Issue, we will continue to invest in new machineries and equipment to complement our existing machineries as well as to optimise our production capacities as we grow our business. Such new machineries shall be financed by bank borrowings and/or internally generated funds of our Group.

4.8.3 General working capital

A total of RM6.80 million of the proceeds to be raised from the Public Issue has been earmarked for working capital of our Group.

In tandem with the expected growth in the business, our Group intends to allocate RM6.80 million of the proceeds to be raised from the Public Issue for working capital of our Group to purchase raw materials, such as semi-finished machining parts, fabricated sheet metal parts and aluminium.

While the breakdown of such use cannot be determined at this juncture as it depends on working capital for the operations of our Group at the relevant point of time, on a best estimate basis, the allocation of proceeds for such use are as follows:

Purchase of raw materials	**Estimated amount (RM'000)**
Aluminium	4,000
Semi-finished machining parts	1,800
Fabricated sheet metal parts	1,000
Total	**6,800**

4.8.4 Estimated listing expenses

The estimated fees and expenses incidental to the Proposed Listing amounting to approximately RM4.80 million are as follows:

Description of fees and expenses	**Estimated amount (RM'000)**
Professional fees which include advisory fees for, amongst others, the Sponsor and Principal Adviser, Corporate Finance Adviser, Solicitors, Reporting Accountants, IMR, Internal Control Review Consultant, Company Secretary, Share Registrar, Issuing House and tax consultant.	3,600
Fees and charges payable to the relevant authorities	100
Underwriting commission, placement and brokerage fees	700
Printing, advertising fees and other incidental or related expenses in connection with the Proposed Listing	400
Total	**4,800**

4.9 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEES

4.9.1 Underwriting commission

Our Underwriter has agreed to underwrite the 25,500,000 Issue Shares made available for application by the Malaysian Public and 12,750,000 Issue Shares made available for application by the Eligible Persons under the Pink Form Allocation.

Our Company will pay our Underwriter an underwriting commission of up to 2.00% of the total value of the underwritten Shares at our IPO Price.

4.9.2 Brokerage fee

Our Company will pay brokerage fees at the rate of 1.00% of the value of the Issue Shares under Public Issue, in respect of all successful applications which bear the stamp of either Malacca Securities, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association in Malaysia or the Issuing House.

4.9.3 Placement fee

Our Placement Agent has agreed to place out the following IPO Shares:

(i) 63,750,000 Issue Shares made available by way of private placement to Bumiputera investors approved by the MITI; and

(ii) 8,000,000 Issue Shares and 40,953,000 Offer Shares made available by way of private placement to selected investors, identified by our Placement Agent, in consultation with the Board.

Our Company will pay our Placement Agent a placement fee of up to 2.25% of the value of the 71,750,000 Issue Shares at the IPO Price placed out by our Placement Agent to Bumiputera investors approved by the MITI and selected investors.

The Selling Shareholders will pay a placement fee of up to 2.25% of the value of the 40,953,000 Offer Shares at the IPO Price placed out by our Placement Agent to the selected investors, the aggregate of which is estimated to be approximately RM230,360.63.

4.10 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

Pursuant to the Underwriting Agreement entered on 11 December 2025, Malacca Securities has agreed to underwrite a total of 38,250,000 Issue Shares ("**Underwritten Shares**") on the terms and conditions as set out in the Underwriting Agreement.

The following terms are reproduced from the Underwriting Agreement. The capitalised terms and numbering references used in this Section 4.10 shall have the respective meanings and numbering references as ascribed to it in the Underwriting Agreement:-

Clause 4. CONDITIONS PRECEDENT FOR UNDERWRITING

4.1 The several obligations of the Underwriter under the Underwriting Agreement shall further be conditional upon the fulfilment and/or satisfaction of the following within the CP Period as defined in Clause 4.2 below: -

(a) **Bursa Securities:** the approval of Bursa Securities in respect of the Listing remaining in full force and effect and all conditions (except for any which can only be complied with after the IPO has been completed) have been complied with, the registration of the Prospectus and submission to Bursa Securities of accompanying documents on or prior to the issuance, circulation or distribution of the Prospectus to the public;

(b) **CCM:** the lodgement of registrable Prospectus with the CCM in accordance with the requirements of Section 234 of the CMSA;

(c) **Approvals:** all necessary approvals and consents required in relation to the 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 the IPO has been completed) have been complied with;

(d) **Material Adverse Effect:** there having been, as at any time hereafter up to and including the date of registration of the Prospectus, no changes or development that may have a Material Adverse Effect;

(e) **No Prohibition:** from the date hereof up to and including the date of registration of the Prospectus, the IPO, offering and subscription of the IPO Shares in accordance with the provisions hereof and the Prospectus are not being prohibited or impeded by any statute, order, rule, regulation, directive or guideline (whether or not having the force of law) promulgated or issued by any legislative, executive or regulatory body or authority of Malaysia (including Bursa Securities) or any jurisdiction within which the IPO Shares are offered;

(f) **Resolutions:** the delivery to the Underwriter prior to the date of registration of the Prospectus of a copy certified as a true copy of all the resolutions of the Directors of the Company approving the IPO, the Underwriting Agreement, the Prospectus and authorising the execution of the Underwriting Agreement and the issuance of the Prospectus;

(g) **Report & Confirmation:** the delivery to the Underwriter on prospectus registration date of such reports and confirmations dated the prospectus registration date from the Board of Directors of the Company as the Underwriter may reasonably require to ascertain that since the date of the Underwriting Agreement, there has been no change or development that may have a Material Adverse Effect.

4.2 In the event any of the conditions set forth in Clause 4.1 above are not satisfied on or prior to the prospectus registration date which in any case shall be fulfilled within 3 months from the date of the Underwriting Agreement or such later date as consented to in writing by the Underwriter ("**CP Period**"), any party, subject as mentioned below, shall thereupon be entitled to terminate the Underwriting Agreement by notice in writing to another party.

Clause 14. TERMINATION, LAPSE OF AGREEMENT OR FORCE MAJEURE

14.1 Notwithstanding anything herein contained, the Underwriter may by notice in writing to the Company given at any time on or before the allotment and issuance of the IPO Shares, terminate and cancel and withdraw its commitment to underwrite the Underwritten Shares if: -

(a) **Breaches in Representations, Warranties or Undertakings:** there is any material breach by the Company of any of the representations, warranties or undertakings, which is not capable of remedy or, if capable of remedy, is not remedied within five (5) Market Days after notice of such breach shall be given to the Company, or by the Closing Date, whichever is earlier, or withholding of information of a material nature from the Underwriter, which is required to be disclosed pursuant to the Underwriting Agreement which would have a material adverse effect on the business or operations of the Group, the success of the IPO, or the distribution of the IPO Shares; or

(b) **Information Withheld:** there is withholding of information of a material nature from the Underwriter, which, if capable of remedy, is not remedied within five (5) Market Days after notice of such breach shall be given to the Company, which would have a material adverse effect on the success of the IPO or the distribution of the IPO Shares; or

(c) **Material Adverse Effect:** there shall have occurred, happened or come into effect any changes or development that may have Material Adverse Effect, which if capable of remedy, is not remedied within five (5) Market Days after notice of such breach shall be given to the Company; or

(d) **Force Majeure:** there shall have occurred, happened or come into effect any of the following circumstances which would or reasonably be expected to materially affect the success of the IPO or the distribution of the IPO Shares or make any material part of the Underwriting Agreement incapable of performance in accordance with its terms: -

(i) any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or

(ii) any change in law, regulation, directive, policy or ruling in any jurisdiction or any event or series of events beyond the reasonable control of the Company and/or the Underwriter (including without limitation, pandemic, epidemic, stoppages/outrages, governmental restrictions, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents); or

(iii) the FTSE Bursa Malaysia KLCI Index ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day: -

(1) on or after the date of the Underwriting Agreement; and

(2) prior to the allotment of the IPO Shares,

lower than ninety percent (90%) of the level of the Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to such date and remains at or below that level for three (3) consecutive Market Days; or

(iv) in the event of national disorder, outbreak of war or the declaration of a state of national emergency:

(e) **Failure to Perform Obligations:** there is failure on the part of the Company to perform any of their respective obligations herein contained which, if capable of remedy, is not remedied within five (5) Market Days after notice of such breach shall be given to the Company; or

(f) **Material omission:** any matter which, if capable of remedy, is not remedied within five (5) Market Days after notice of such breach shall be given to the Company, arose immediately before the date of the Prospectus would have constituted a material and adverse omission in the context of the IPO.

14.2 Upon such notice(s) being given under Clause 14.1 and such breach which is capable of remedy and is not remedied in accordance with the Clause 14.1, the Underwriter shall be released and discharged of its obligations without prejudice to its rights whereby the Underwriting Agreement shall be of no further force or effect and no party shall be under any liability to any other in respect of the Underwriting Agreement, except that the Company shall remain liable in respect of its obligations and liabilities for the payment of the underwriting commission and costs and expenses already incurred prior to or in connection with such termination, for the payment of any taxes, duties or levies or such outstanding fees, and for any antecedent breach, and its undertaking to indemnify the Underwriter.

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5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters and substantial shareholders' shareholdings

The shareholdings of our Promoters and substantial shareholders in our Company before and after our IPO are as follows:

		Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Name	Nationality	No. of Shares	%(1)	No. of Shares	%	No. of Shares	%(2)	No. of Shares	%
Tan Beng Beng	Malaysian	200,000,001	50.0	-	-	179,523,501	35.20%	-	-
Lim Eng Guan	Malaysian	200,000,001	50.0	-	-	179,523,501	35.20%	-	-

Notes:

(1) Based on the issued share capital comprising 400,000,002 Shares before our IPO.

(2) Based on the enlarged issued share capital comprising 510,000,002 Shares after our IPO.

The voting rights of our Promoters and substantial shareholders are the same as the voting rights of the other shareholders of our Company and there is no arrangement involving our Company, the Promoters, substantial shareholders and Directors, which may result in the change in control of our Company at a date subsequent to our Listing.

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5.1.2 Profiles of Promoters and substantial shareholders

The profiles of our Promoters and substantial shareholders are as follows:

(i) Tan Beng Beng
Promoter, substantial shareholder and Managing Director

Tan Beng Beng, a Malaysian, male, aged 49, is our Promoter, substantial shareholder and Managing Director. He was appointed to the Board on 16 February 2023. He is mainly responsible for formulating and implementing the overall business strategy and corporate development of our Group, as well as overseeing the sales and marketing strategy and setting our Group's direction for growth.

In 1994, Tan Beng Beng completed his Sijil Pelajaran Malaysia at Sekolah Menengah Jenis Kebangsaan Chung Hwa Confusion. In 1995, he obtained Certificate of Attendance in the Advanced CNC Machining at Penang Skills Development Centre. Thereafter, he worked as a machinist for several companies in the metal fabrication industry for 5 years before establishing his first sole proprietorship, Yomax Engineering in 2000, which was primarily engaged in engineering work, hardware and service. He subsequently incorporated a private company, namely Yomax in 2007 to be involved in similar operations and Yomax Engineering was eventually terminated in 2015.

Tan Beng Beng recognised the vast potential that CNC machining could bring, along with the rising demand for it. In response, he partnered with Lim Eng Guan to establish CNC machining businesses, where he co-founded Adtech Precision Engineering (a business partnership) in 2006 (which was terminated in December 2014) and Amco Technology Sdn Bhd in 2015 (to resume the operations of the business partnership of Adtech Precision Engineering which was terminated in December 2014). He subsequently took over 50% equity interest of Ambest Technology (our Subsidiary) in 2020 from his sister-in-law (namely, Tan Khai Li) and has since been fully involved in Ambest Technology, in which he played a pivotal role in securing sales for the company.

He has over 25 years of experience in the CNC machining industry. He has played a pivotal role in propelling our Group's business growth. His expertise encompasses identifying business opportunities, expanding into new markets, and negotiating business deals.

Under the leadership of Tan Beng Beng, our Group has evolved from its origins as a small-scale partnership business serving local clients to an established private limited company serving multinational corporations in Malaysia.

Tan Beng Beng does not have any family relationship with any of the Directors, substantial shareholders and Key Senior Management of our Group.

The details of his directorship and shareholding outside our Group as at LPD are disclosed in Section 5.2.3 (ii) of this Prospectus.

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(ii) Lim Eng Guan
Promoter, substantial shareholder and Executive Director

Lim Eng Guan, a Malaysian, male, aged 48, is our Promoter, substantial shareholder and Executive Director. He was appointed to the Board on 16 February 2023. He is responsible for overseeing and managing the overall operations of our Group.

In 1994, Lim Eng Guan completed his Sijil Pelajaran Malaysia at Sekolah Menengah Kebangsaan Sungai Ara. In 1995, he obtained a Certificate of Attendance in Advanced CNC Machining at Penang Skills Development Centre.

Lim Eng Guan began his career in 1995 at Ever Technologies Sdn Bhd (now known as AEM Microtronics (M) Sdn Bhd) ("**EverTech**") as a Machinist. His responsibilities included operating machinery for manufacturing precision metal parts, overseeing machining processes and inspecting finished parts for flaws and defects to ensure adherence to quality standards. He left in 1997 to join Paradigm Precision Components Sdn Bhd as a Machinist, where he continued to operate CNC machines and ensure precise shaping and quality of finished products.

In 1998, he left Paradigm Precision Components Sdn Bhd to rejoin EverTech as the section head of the CNC machining department. In this role, he was responsible for overseeing all CNC activities within the manufacturing facility, supervised CNC machine operators and technicians, managed day-to-day operations of the CNC machining section, monitored quality control processes, and implemented corrective actions as necessary. He left EverTech in 2000.

In 2001, he joined Prodelcon Sdn Bhd as a Senior Production Engineer, where he was responsible for managing the overall production activities of CNC machining, including project management, process optimisation, and strategic decision-making related to production and manufacturing operations. In 2006, he established a partnership business under the name of Adtech Precision Engineering together with Tan Beng Beng. He was unable to dedicate his time to Adtech Precision Engineering due to his employment contract with Prodelcon Sdn Bhd at that time and as such, he withdrew from Adtech Precision Engineering in 2007 and was replaced by his spouse, Tang Swee Mei, as the new partner in Adtech Precision Engineering. In 2010, he left Prodelcon Sdn Bhd.

In 2011, he rejoined Adtech Precision Engineering, as a full-time employee holding the position of Production Lead, where he was responsible for managing the overall production activities. In the same year, he assumed a part-time Production Lead role at Ambest Technology, providing technical knowledge and advice needed to operate the business. Ambest Technology was established by his spouse, Tang Swee Mei and Tan Khai Li (the sister-in-law of Tan Beng Beng), with a focus on expanding into CNC machining of metal parts and components serving the multinational companies whereby it participated in trade shows to gain access to multinational companies, and to enjoy the benefits of a private limited company structure.

In 2015, Lim Eng Guan and Tan Beng Beng co-founded Amco Technology, where they both serve as directors. Amco Technology specialises in fabricating industrial engineering parts and products, focusing mainly on the local market. The company was incorporated to resume the operations of the business partnership of Adtech Precision Engineering which was terminated in December 2014. In 2022, Amco Technology sold all its CNC machinery to Ambest Technology and subsequently ceased its business operations in fabrication of industrial engineering parts and products in December 2024.

In March 2020, Tang Swee Mei and Tan Khai Li resigned as directors of Ambest Technology while Tan Beng Beng and Lim Eng Guan were appointed as directors of the company. Tang Swee Mei and Tan Khai Li transferred their shares in Ambest Technology to Lim Eng Guan and Tan Beng Beng respectively, with Lim Eng Guan and Tan Beng Beng each holding 50% equity interest in the company. Since then, Lim Eng Guan has been fully involved in the operations of Ambest Technology.

Lim Eng Guan does not have any family relationship with any of the Directors, substantial shareholders and Key Senior Management of our Group.

The details of his directorship and shareholding outside our Group as at LPD are disclosed in Section 5.2.3 (iii) of this Prospectus.

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5.1.3 Changes in our Promoters' and substantial shareholders' shareholdings

The changes in our Promoters and substantial shareholders' shareholdings since our incorporation on 16 February 2023 are as follows:

Promoters and substantial shareholders	As at 16 February 2023 (Date of incorporation)				After the Acquisition				After our IPO			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%(1)	No. of Shares	%	No. of Shares	%(2)	No. of Shares	%
Tan Beng Beng	1	50.00	-	-	200,000,001	50.00	-	-	179,523,501	35.20	-	-
Lim Eng Guan	1	50.00	-	-	200,000,001	50.00	-	-	179,523,501	35.20	-	-

Notes:

(1) Based on the issued share capital of 400,000,002 Shares before our Listing.

(2) Based on the enlarged issued share capital of 510,000,002 Shares after our Listing.

5.1.4 Promoters and substantial shareholders remuneration and benefits-in-kind

The remuneration and benefits paid and proposed to be paid for services rendered by our Promoters and substantial shareholders in all capacities to our Group for the last FYE 2024 and current FYE 2025 are disclosed in Section 5.2.4 of this Prospectus.

5.1.5 Persons exercising control over our Company

Save for our Promoters and substantial shareholders as set out in Section 5.1.1 of this Prospectus, there is no other person who is able to, directly or indirectly, jointly or severally, exercise control over our Company.

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5.2 DIRECTORS

5.2.1 Shareholdings of Directors

The shareholdings of our Directors before and after the IPO are as follows:

		As at LPD / Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Name	Designation	No. of Shares	%[(1)]	No. of Shares	%	No. of Shares	%[(2)]	No. of Shares	%
Tan Sri Dato' Samshuri Bin Arshad	Independent Non-Executive Chairman	-	-	-	-	250,000[(3)]	0.05	-	-
Tan Beng Beng	Managing Director	200,000,001	50.00	-	-	179,523,501	35.20	-	-
Lim Eng Guan	Executive Director	200,000,001	50.00	-	-	179,523,501	35.20	-	-
Wong Thai Sun	Independent Non-Executive Director	-	-	-	-	250,000[(3)]	0.05	-	-
Goh Liuh Yih	Independent Non-Executive Director	-	-	-	-	250,000[(3)]	0.05	-	-
Lok Man Shung	Independent Non-Executive Director	-	-	-	-	250,000[(3)]	0.05	-	-

Notes:

(1) Based on the share capital of 400,000,002 Shares before our Listing.

(2) Based on the enlarged share capital of 510,000,002 Shares after our Listing.

(3) Assuming full subscription of the Pink Form Shares reserved for application by our eligible Directors.

5.2.2 Profiles of our Directors

The profiles of Tan Beng Beng and Lim Eng Guan, who are also our Promoters and substantial shareholders, are disclosed in Section 5.1.2 of this Prospectus. The profiles of our other Directors are set out below.

(i) Tan Sri Dato' Samshuri Bin Arshad
Independent Non-Executive Chairman

Tan Sri Dato' Samshuri Bin Arshad, a Malaysian, male aged 83, is our Independent Non-Executive Chairman. He was appointed to the Board on 16 June 2025.

He was awarded the First Division Certificate by the University of Cambridge in collaboration with the Federation of Malaya Ministry of Education in 1960. He was also awarded the Higher School Certificate by University of Cambridge Local Examinations Syndicate in collaboration with the University of Singapore and the University of Malaya in 1967. In 1996, he successfully completed the 151st Session of The Advanced Management Program (AMP) and The International Senior Managers' Program at Harvard University. He completed his police training at the Malaysian Police Training Centre in 1962 and immediately served in the Royal Malaysia Police ("**RMP**") force upon the completion of his training, where he began his career as a Probationary Inspector.

He retired in May 1997 upon reaching the compulsory retirement age of 55, having served the RMP force for 34 years. His final rank with the RMP was Deputy Inspector General of Police, a role he held for over three years. His notable positions held during his service with the RMP force included Head of the Criminal Investigation Department, Deputy Director of RMP Training, Deputy Director of the Criminal Investigation Department, Chief of Police for Selangor, Perak and Sabah, Director of RMP Management and Deputy Inspector General of Police. Throughout his career in the RMP force, he gained extensive experience in police operations, management, command and control, and criminal investigations. He benefitted from wide regional and international exposures, having served as the head of missions for Interpol, the Association of Asean Police Forces, and the United Nations Crime Prevention Commission (Vienna), and also underwent international police training in Japan, Australia, and the United Kingdom.

Following his retirement, Tan Sri Dato' Samshuri transitioned to the corporate sector, serving as an Independent Non-Executive Chairman for Aokam Perdana Berhad (currently known as Java Berhad) from 20 October 1997 to 31 December 2004 and Avenue Capital Resources Berhad from 20 October 1999 to 22 March 2006. He also served as an Independent Non-Executive Director for Arus Murni Corporation Berhad (currently known as Pegasus Heights Berhad) from 8 July 1997 to 10 February 1999. He was the Executive Director for George Town Holdings Bhd (which was delisted from the Official List of Bursa Securities on 29 May 2007) from 1 December 1997 to 8 March 2002. He served as an Independent Non-Executive Director for Unisem (M) Berhad from 2 April 1998 to 29 June 2010.

He is currently serving as a Non-Independent Non-Executive Chairman for Binastra Corporation Berhad. With effect from 28 February 2025, he is redesignated from Independent Non-Executive Chairman to Non-Independent Non-Executive Chairman for Binastra Corporation Berhad, after serving the board for a cumulative term of 12 years as Independent Director of Binastra Corporation Berhad since 28 June 2004.

As an Independent Non-Executive Chairman, he led the Board of Directors with a strong emphasis on effective governance, fostering collaboration between the board and management, and facilitating effective communications and strategic discussions. In his capacity as an Independent Non-Executive Director, he provided valuable oversight and independent judgment, ensuring compliance with the regulatory requirements and safeguarding the interests of minority shareholders while leveraging his previous experience as a law enforcer.

He has no family relationships with the Promoters, substantial shareholders, Directors and Key Senior Management of our Group.

Please refer to Section 5.2.3 (i) of this Prospectus for the involvement of Tan Sri Dato' Samshuri in other companies outside our Group.

(ii) Wong Thai Sun
Independent Non-Executive Director

Wong Thai Sun, a Malaysian, male aged 70, is our Independent Non-Executive Director. He was appointed to the Board on 16 June 2025. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination Committee and the Remuneration Committee.

He graduated from The Australian National University, Australia, in April 1978 with a Bachelor of Economics. He was admitted to the Malaysian Institute of Accountants as a Chartered Accountant, Malaysia, and The Australian Society of Certified Practising Accountants as a Certified Practising Accountant, Australia in December 1983 and January 1985 respectively.

He began his career with Wong Loh Hun & Associates as an Audit Associate in 1978, where he was responsible for assisting with audit engagements for Small and Medium-Sized Enterprises across various industries. He was promoted to Audit Senior in 1981, where he led several statutory audit engagements, performing necessary audit procedures to obtain sufficient audit evidence and ensuring reasonable assurance could be obtained for the audit opinion. In 1983, he was further promoted to Audit Manager, where his responsibilities included managing and reviewing multiple audit engagements, supervising audit teams, scheduling timelines, and liaising with clients to ensure timely completion. He left Wong Loh Hun & Associates in 1984.

In 1985, he founded his own audit firm, Wong Thai Sun & Associates, and became the firm's Audit Partner, a position he continues to hold. His responsibilities include overseeing and directing all activities of the audit engagements, planning and supervising audit teams, reviewing audit working papers, and other relevant documents to ensure the quality and accuracy of audit work performed complies with the International Standards on Auditing.

In December 2001, he served as an Independent Non-Executive Director for Suiwah Corporation Berhad (which was delisted from the Official List of Bursa Securities on 23 July 2019). He was an Independent Non-Executive Director for D'nonce Technology Berhad from November 2006 to December 2018. He also served as an Independent Non-Executive Director for Emico Holdings Berhad from December 2008 to April 2023. He was appointed as the Independent Non-Executive Chairman of P.I.E Industrial Berhad in February 2020 and was later redesignated as Independent Non-Executive Director in April 2022, a position he currently holds. In August 2024, he was appointed as an Independent Non-Executive Director for Iconic Worldwide Berhad, a position he currently holds.

He has no family relationships with the Promoters, substantial shareholders, Directors and Key Senior Management of our Group.

Please refer to Section 5.2.3 (iv) of this Prospectus for the involvement of Wong Thai Sun in other companies outside our Group.

(iii) Goh Liuh Yih
Independent Non-Executive Director

Goh Liuh Yih, a Malaysian, female aged 39, is our Independent Non-Executive Director. She was appointed to the Board on 16 June 2025. She is the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee.

She graduated from the University of Manchester, United Kingdom, in June 2009 with a Bachelor of Laws degree in the Faculty of Humanities. She was admitted as a Barrister by Lincoln's Inn and called to the Bar of England and Wales in July 2010. She was subsequently admitted as an Advocate & Solicitor of the High Court of Malaya and called to the Malaysian Bar in July 2012. She ceased her membership with The Honourable Society of Lincoln's Inn in 2011, as it was no longer relevant for her legal practice in Malaysia. She also ended her membership with the Bar Council of Malaysia in 2017 after ceasing legal practice as a lawyer.

She began her career at Khaw Seng Chuan & Jeffrey Peh, a law firm in Penang, as a Legal Assistant in June 2012. Her main areas of practice included conveyancing, property financing, and general litigation matters. She left Khaw Seng Chuan & Jeffrey Peh in May 2017.

In June 2017, she joined Paramount Property (Utara) Sdn Bhd (a subsidiary of Paramount Corporation Berhad), a company principally involved in the property development as a Legal Officer. She was involved in managing and advising on legal matters and agreements related to conveyancing, construction, and operational matters. In June 2018, she was transferred to Paramount Corporation Berhad (the holding company of Paramount Property (Utara) Sdn Bhd) and was re-designated to the position of Senior Executive of the legal department. In this role, she was involved in mergers and acquisitions, real estate transactions, fundraising activities, policy implementation, and providing advice on general corporate and commercial matters.

In October 2021, she left Paramount Corporation Berhad and joined Clarivate (Malaysia) Sdn Bhd, a company principally involved in the provision of solutions in advanced analytics in the area of life sciences and intellectual properties as a Legal Counsel. In this role, her responsibilities include advising on a wide range of commercial agreements, handling legal inquiries, and managing cross-border transactions.

In August 2025, she joined Paramount Property Development Sdn Bhd (a subsidiary of Paramount Corporation Berhad) as the Senior Manager of Legal Affairs, a position she currently holds, following her resignation from Clarivate (Malaysia) Sdn Bhd. In this role, she is responsible for contract management, regulatory compliance, legal advisory and litigation support, as well as stakeholder coordination.

She has no family relationships with the Promoters, substantial shareholders, Directors and Key Senior Management of our Group.

Please refer to Section 5.2.3 (v) of this Prospectus for the involvement of Goh Liuh Yih in other companies outside our Group.

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(iv) *Lok Man Shung*
Independent Non-Executive Director

Lok Man Shung, a Malaysian, female, aged 39, is our Independent Non-Executive Director. She was appointed to the Board on 16 June 2025. She currently serves as the Chairman of the Remuneration Committee and is a member of the Audit and Risk Management Committee and the Nomination Committee.

She graduated from Multimedia University in July 2009 with a Bachelor of Laws (Honours) and was admitted to the Malaysian Bar in June 2010.

She began her legal career in September 2009 at Khoo Chye Beng & Associates in Penang, where she worked as a Pupil-in-Chambers. She completed her 9-month pupillage and was admitted to the bar in June 2010 where she began her journey as Legal Associate in the same firm, with responsibilities that included handling civil litigation cases such as debt recovery, divorce matters, and estate disputes.

In April 2012, she joined May Chan Eiza & Co as a Lawyer, where she expanded her practice to include banking (both conventional and Islamic), housing development projects, sub-sales, tenancy matters, uncontested family matters, estate administration, and corporate agreements. In January 2017, she was promoted to Partner at the same firm, continuing to focus on these areas of expertise.

In April 2019, she resigned from May Chan Eiza & Co and joined Y.C. Wong, where she currently serves as a Partner at Y.C. Wong, managing the corporate and conveyancing departments, provides legal advisory services, and oversees matters related to banking, real estate, tenancy, family law, and business agreements, a role she continues to hold at the firm.

She has no family relationships with the Promoters, substantial shareholders, Directors and Key Senior Management of our Group.

Lok Man Shung has no involvement in other companies outside our Group.

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5.2.3 Involvement of our Directors in other business/corporation outside our Group

Save as disclosed below, our Directors do not have any other principal directorships or principal business activities performed by them in other corporations outside our Group within the past five (5) years up to the LPD:

(i) Tan Sri Dato' Samshuri Bin Arshad

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Present Involvement						
Comintel Sdn Bhd	Turnkey engineering design and integration, programme management, installation and commissioning, and investment holdings	Director	2 January 2024	-	-	-
Orbit Asia Risk Consultancy Sdn Bhd	Trading in industrial safety equipment and safety consultants; security advisers and consultants, private investigators and loss prevention consultants	Director	20 July 2010	-	-	-
Binastra Corporation Berhad (a public company listed on Main Market of Bursa Securities)	Investment holding, where its subsidiaries are involved in general contractor, property developer, building and civil engineering works in turnkey projects, design and build, engineering, procurement and construction and commissioning works, transportation and logistic	Non-Independent Non-Executive Chairman / shareholder	28 June 2004	-	0.10	-

Name of company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Past Involvement						
Gallant Guard Services Sdn Bhd	Security guard safeguarding services, security operations centers, security system solutions	Director	22 August 1997	3 November 2022	-	-
Comintel Sdn Bhd	Turnkey engineering design and integration, programme management, installation and commissioning, and investment holding	Director	30 July 1997	8 December 2021	-	-

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(ii) Tan Beng Beng

Name of company / Status	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Present Involvement						
Skygate Solutions Berhad (a public company listed on Main Market of Bursa Securities)	Investment holding activities. The company's segments include property development, manufacturing, investment holding, property management and letting.	Shareholder	-	-	0.49	-
Visio World Sdn Bhd	Retail sale of articles for lighting, installation of lighting conductors in buildings or other construction projects, wholesale of lighting equipment	Director / shareholder	7 September 2022	-	50.00	-
Allied Ace Sdn Bhd	Manufacture of metal-forming machinery and machine tools. Primarily involved in manufacture of cutting tools(i)	Director / shareholder	4 March 2022	-	47.50	-
BB & KC Holdings Sdn Bhd	Activities of real estate agents and brokers for buying, selling and renting of real estate, activities of holding companies, real estate activities with own or leased property not elsewhere classified	Director / shareholder	9 September 2020	-	50.00	50.00(ii)
Selat Adabi Sdn Bhd	Investment advisory services	Director / shareholder	15 May 2019	-	36.00	-

Name of company / Status	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Arnotec Sdn Bhd	Traders in all kinds tools and hardwares	Director / shareholder	18 March 2016	-	30.00	-
Amco Technology	Property holding company	Director / shareholder	31 December 2015	-	50.00	-
Amex Marketing Sdn Bhd	Trading in all kinds of industrial machineries, general hardware and mechanical parts and products. Primarily involved in trading of measurement tools and equipment[(i)]	Director / shareholder	10 August 2009	-	50.00	-
Yomax	Trading all kinds of industrial machineries and industrial engineering parts and products. Primarily involved in trading of cutting tools[(i)]	Director / shareholder	13 March 2007	-	97.50	2.50[(ii)]
<u>Past Involvement</u>						
Allied Altra Sdn Bhd (formerly known as Ambest Altra Sdn Bhd)	Engineering services	Director	11 October 2019	8 September 2025	-	-

Notes:

(i) *These entities are not involved in similar trade or business nature with that of our Group, in terms of products offered, suppliers and customers. As such, there is no conflict of interest due to his involvement in these entities.*

(ii) *Deemed interested by virtue of his spouse's interest in the company pursuant to Section 8 of the Act.*

(iii) Lim Eng Guan

Name of company / Status	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Present Involvement						
Amco Technology	Property holding company	Director / shareholder	31 December 2015	-	50.00	-
Past Involvement						
Allied Altra Sdn Bhd (formerly known as Ambest Altra Sdn Bhd)	Engineering services	Director	11 October 2019	8 September 2025	-	-

(iv) Wong Thai Sun

Name of company / Status	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Present Involvement						
Enrich Meadow Sdn Bhd	Export and import of a variety of goods without any particular specialization, activities of holding companies, buying, selling, renting and operating of self-owned or leased real estate – residential buildings	Director / Shareholder	15 May 2025	-	100.00	-
Sungei Bongkoh Estate Sdn Bhd	Cultivation of oil palm and sales of fresh fruit bunches	Director	7 April 2025 / 1 October 2024	31 March 2025	-	-

Name of company / Status	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
				(subsequently re-appointed on 7 April 2025)		
Iconic Worldwide Berhad (a public company listed on Main Market of Bursa Securities)	Investment holding, where its subsidiaries are involved in property development, provision of management services for hotels and residences, manufacturer, distributor and dealer of protective equipment products, related appliances, personal hygiene and cosmetics related products, property investment, and hotelier	Director	30 August 2024	-	-	-
Ecovis Malaysia PLT	Profession of licensed auditors – accounting, bookkeeping and auditing activities, tax consultancy	Partner	6 December 2022[(i)] (date when he joined the entity as partner)	-	-	-
P.I.E. Industries Berhad (a public company listed on Main Market of Bursa Securities)	Investment holding and provision of management services, where its subsidiaries are involved in electronic manufacturing services and the production of wires and cables for various industries.	Independent Non-Executive Director	14 February 2020	-	-	-
Sumber Lenang Sdn Bhd	Investment holding company. Currently dormant.	Director / shareholder	28 October 2016	-	1.00	-
Suiwah Corporation Berhad (delisted from the Official List of	Investment holding, provision of management services and letting of property	Independent Non-Executive Director	26 December 2001	-	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

Name of company / Status	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Bursa Securities on 23 July 2019)						
Reliance Commercial Consultants Sdn Bhd	Engaged as commercial consultants	Director / shareholder	11 February 1992	-	0.002	-
Jeenhuat Foodstuffs Industries Sdn Berhad	The company is principally engaged in the manufacturing of canned food products, processed seafood and other food products, as well as general trading and investment holding	Shareholder	-	-	15.00	-
Arena Frontier Sdn Bhd	The company is principally engaged as an investment holding company (in shares)	Shareholder	-	-	51.00	-
<u>Past Involvement</u>						
Emico Holdings Berhad (a public company listed on Main Market of Bursa Securities)	Investment holding, with its subsidiaries mainly involved in manufacturing and trading of consumable products, property development and investment holding	Independent and Non-Executive Director	26 December 2008	1 April 2023	-	-
Sungei Bongkoh Estate Sdn Bhd	Cultivation of oil palm and sales of fresh fruit bunches	Director	1 October 2024	31 March 2025	-	-

Note:

(i) The date when Wong Thai Sun joined the entity as Partner.

(v) Goh Liuh Yih

Name of company/ Status	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation/ cessation	Equity interest held as at the LPD	
					Direct (%)	Indirect (%)
Present Involvement						
Goh Beng Guan Realty Sdn Bhd	Investment holding (in properties and shares)	Director	11 May 2022	-	-	25.00[(i)]

Note:

(i) Deemed interested by virtue of her father's interest in the company pursuant to Section 8 of the Act.

As at the LPD, none of our Directors has any interest, direct or indirect, or directorship in other businesses or corporations which may give rise to a situation of conflict of interest with our Group as none of the business or corporations are involved in similar trade as our Group and none of them are either customers or suppliers of our Group.

The above involvement of Tan Beng Beng and Lim Eng Guan in other businesses and corporations outside our Group is not expected to require a significant amount of their time or attention as they are not actively involved in the management and day-to-day operations of those businesses and corporations, other than attending meetings of shareholders and the board of directors on which they serve. As such, their involvement in those business activities outside our Group will not affect their ability to perform their roles and responsibilities as well as their contributions to our Group.

The involvement of our non-executive Directors in other business and corporations outside our Group will not affect their contributions to our Group as their involvement in our Company are to the extent of attending meetings and discharging their responsibilities as non-executive Directors.

5.2.4 Directors' remuneration and benefits-in-kind

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

FYE 2024 (actual)

Name	Salaries (RM'000)	Director's fees and allowances (RM'000)	Bonuses (RM'000)	Statutory Contributions[(i)] (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Tan Sri Dato' Samshuri Bin Arshad	-	-	-	-	-	-
Tan Beng Beng	540	-	45	71	-	656
Lim Eng Guan	540	-	45	71	-	656
Wong Thai Sun	-	-	-	-	-	-
Goh Liuh Yih	-	-	-	-	-	-
Lok Man Shung	-	-	-	-	-	-

FYE 2025 (Proposed)

Name	Salaries (RM'000)	Director's fees and allowances (RM'000)	Bonuses (RM'000)	Statutory Contributions[(i)] (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Tan Sri Dato' Samshuri Bin Arshad[(ii)]	-	27	-	-	-	27
Tan Beng Beng	630	-	45	83	-	758
Lim Eng Guan	630	-	45	83	-	758
Wong Thai Sun[(ii)]	-	21	-	-	-	21
Goh Liuh Yih[(ii)]	-	21	-	-	-	21
Lok Man Shung[(ii)]	-	21	-	-	-	21

Notes:

(i) Comprise contributions to Employees Provident Fund (EPF), SOCSO Social Security Organisation (SOCSO) and Employment Insurance System (EIS).

(ii) The directors' fees are estimated for the period from the appointment date of 16 June 2025 to 31 December 2025.

The remuneration of our Directors, which includes salaries, Directors' fees and allowances, bonuses, as well as other benefits, shall be reviewed and recommended by our Remuneration Committee before being approved by our Board, subject to the provisions of our Constitution. Payment of fees and benefits to our Directors must be further approved and endorsed by our shareholders at a general meeting.

5.3 BOARD PRACTICE

5.3.1 Board

Our Board assumes, amongst others, leadership, due care and fiduciary duties under the Act, and applicable laws, and the following principal duties and responsibilities:

(i) reviewing and if thought fit, approving the Management's strategic action plans including setting performance objectives and policies which have long term value creation and include strategies, on economic, environmental and social consideration underpinning sustainability;

(ii) monitoring the implementation of the strategic action plans by the Management on a regular basis;

(iii) overseeing the conduct of the business of the Group and monitoring whether the businesses are being properly managed in line with the Group's policies and procedures as well as any relevant rules and regulations;

(iv) promoting good corporate governance culture within the Group which reinforces ethical, integrity, prudence and professional behaviour;

(v) overseeing and reviewing the risk management systems of the Group, including the management of principal risks affecting the Group's businesses, setting the appropriate risk appetite for the risk management framework as well as monitoring significant financial and non-financial risks affecting the Group, including sustainability considerations;

(vi) reviewing the adequacy and the integrity of the internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines and to ensure the implementation of appropriate internal controls and mitigation measures;

(vii) establishing a succession plan, including the appointment of senior management and to provide them with appropriate guidance as and when needed;

(viii) evaluating and fixing the remuneration of the Group Managing Director and Executive Directors of the Group;

(ix) monitoring and reviewing the Group's policy and procedures for effective communication with its stakeholders, including having an effective investor relations programme and shareholders communication;

(x) overseeing and monitoring the policies and processes relating to quality, safety & health, environmental and the compliance with relevant laws and regulations relating to work health and safety;

(xi) establishing appropriate ethical standards and behaviour and an appropriate code of conduct and integrity for adherence by the Directors, Management and employees at all times; and

(xii) overseeing and monitoring the sustainability practices of the Group, including setting sustainability strategies, priorities and targets risks and ensure that sustainability considerations are incorporated in the Group's businesses and strategies so as to create value for its businesses and stakeholders in the longer terms as well as to support business continuity and competitiveness over the longer term.

As at the LPD, the date of expiry of the current term of office for each of our Directors and the periods that each of them has served in that office are as follows:

Directors	Designation	Age	Date of appointment as Director	Date of expiry of the current term in office	Approximate no. of years and months in office up to the LPD
Tan Sri Dato' Samshuri Bin Arshad	Independent Non-Executive Chairman	83	16 June 2025	At the next AGM to be held in 2026	Less than 1 year
Tan Beng Beng	Managing Director	49	16 February 2023	At the next AGM to be held in 2026	2 years and 9 months
Lim Eng Guan	Executive Director	48	16 February 2023	At the next AGM to be held in 2026	2 years and 9 months
Wong Thai Sun	Independent Non-Executive Director	70	16 June 2025	At the next AGM to be held in 2026	Less than 1 year
Goh Liuh Yih	Independent Non-Executive Director	39	16 June 2025	At the next AGM to be held in 2026	Less than 1 year
Lok Man Shung	Independent Non-Executive Director	39	16 June 2025	At the next AGM to be held in 2026	Less than 1 year

In accordance with our Constitution, 1/3 of our Directors for the time being or if the number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office at each AGM of our Company, provided always that all Directors shall retire from office at least once in every 3 years, but shall be eligible for re-election. Any new or additional Director appointed by our Board during the year shall hold office until the next AGM and shall then be eligible for re-election as a Director. The election of each Director shall be voted separately.

As at the LPD, we have adopted the recommendations under the MCCG in terms of board composition where:

(i) our Board comprises a majority of independent directors;

(ii) the chairman of our Board should not be a member of our Board committees; and

(iii) our Board comprises at least 30% of women directors.

5.3.2 Audit and Risk Management Committee

The Audit and Risk Management Committee shall solely comprise non-executive directors with a majority of them being Independent Non-Executive Directors. The Audit and Risk Management Committee was constituted by our Board on 20 June 2025 with the function of assisting our Board in fulfilling its oversight responsibilities. The composition of our Audit and Risk Management Committee is set out below:

Name	Designation	Directorship
Wong Thai Sun	Chairman	Independent Non-Executive Director
Goh Liuh Yih	Member	Independent Non-Executive Director
Lok Man Shung	Member	Independent Non-Executive Director

The function, duties and responsibilities of our Audit and Risk Management Committee as stated in its terms of reference include, amongst others, the following:

(a) To review the quarterly results and year-end financial statements of the Group and the Company before recommending them to the Board of Directors for approval, focusing particularly on:-

  (i) any changes in or implementation of major accounting policies and practices;

  (ii) significant and unusual events or transactions, significant matters highlighted arising from the audit;

  (iii) the going concern assumption; and

  (iv) compliance with accounting standards and other legal and regulatory requirements;

(b) To recommend the nomination of a person or persons as the external auditors and to review the audit fee;

(c) To consider any letter of resignation from the external auditors and relevant questions pertaining to their resignation or dismissal as well as whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

(d) To review and discuss the audit plan with the external auditors, before the audit commences, the nature and scope of audit, and ensure co-ordination where more than one audit firm is involved;

(e) To review with the external auditors, their evaluation of the Group's system of internal controls;

(f) To review with the external auditors, their audit report to the committee and management's response;

(g) To review the assistance given by employees of the Group to the external auditors;

(h) To carry out annual assessment on the performance, suitability and independence of the external auditors based on, among others, the following considerations:

  (i) the competence, audit quality and resource capacity of the external auditors in relation to the audit;

  (ii) the nature and extent of non-audit services rendered and the appropriateness of the level of fees; and

(iii) obtaining written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements;

(i) To review the following in respect of the internal audit function:

(i) the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its works;

(ii) the internal audit programme, process, results of the internal audit programme and process and where necessary ensure that appropriate actions are taken on the recommendations of the internal audit function;

(iii) any appraisal or assessment of the performance of members of the internal audit function; and

(iv) the major findings of internal investigations and the management's response;

(j) To discuss the problems and reservations arising from any interim and final audit, and any matter the external and/or internal auditors may wish to discuss (in the absence of management where necessary);

(k) To review any related party transactions and conflict of interest and/ or potential conflict of interest situations that arose, persist or may arise within the Company or the 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;

(l) To review and verify at the end of each financial year, the options allocated and granted under the Employees Share Option Scheme, if any, are in compliance with the approved allocation criteria;

(m) To review the Statement on Risk Management and Internal Control, Sustainability Statement, as well as other disclosures concerning the activities of the Committee prior to inclusion in the Company's Annual Report and recommend the same for approvals of the Boards;

(n) To review and discuss with the Management;

(i) the guidelines and policies governing the Group's significant processes for risk assessment and risk management;

(ii) the validity of the identified risks and ensuring appropriate actions are taken to mitigate the risks;

(iii) the adequacy of infrastructure, resources and systems that are available for an effective and efficient risk management process; and

(iv) the periodic reports on risk exposure, risk portfolio, composition and risk management activities.

(o) To report to the Board on the Group's risk exposures, including the review on the risk assessment framework used to monitor the risk exposures and the level of risks faced by the Group and actions taken by the respective business units/division of the Group to address the risks;

(p) To review and recommend to the Board on the matters relating to risk management policies, risk strategies as well as risk appetite;

(q) To review the risk management policies of the Group which address key elements of the enterprise risk management framework, risk appetite, strategies, processes and methodology;

(r) To assess, oversee and monitor the adequacy and effectiveness of the risk management system put in place by the management are in tandem with the changing business circumstances to safeguard shareholders' interests and the Group's assets;

(s) To review the identified significant and material economic, environment and social ("**EES**") risks and opportunities against existing sustainable business practices and reporting framework and ensuring the effective management of such EES risks and opportunities impacting the principal businesses of the Group; and

(t) To carry out such other functions as may be delegated by the Board from time to time.

5.3.3 Nomination Committee

The Nomination Committee was constituted by our Board on 20 June 2025. The composition of our Nomination Committee is set out below:

Name	Designation	Directorship
Goh Liuh Yih	Chairman	Independent Non-Executive Director
Lok Man Shung	Member	Independent Non-Executive Director
Wong Thai Sun	Member	Independent Non-Executive Director

The functions, duties and responsibilities of our Nomination Committee as stated in its terms of reference include, amongst others, the following:

(a) To determine the criteria for Board membership, including qualities, experience, skills, expertise, education background and qualifications, competencies, integrity, contribution, level of commitment in terms of time and other qualities that will best qualify a candidate to serve on the Board;

(b) To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies which the Directors should bring to the Board and other qualities to function effectively and efficiently;

(c) To identify, consider, review, evaluate and recommend to the Board any new Board appointment, whether of executive or non-executive position, to fill board vacancies as and when arises. The Committee shall recommend to the Board with regard to the candidate for directorship, based on the following:

(i) skills, knowledge, expertise and experience;

(ii) education background, qualifications and professionalism;

(iii) competency;

(iv) integrity and objectivity;

(v) in the case of candidates for the position of independent non-executive directors, the candidates' ability to discharge such responsibilities/function as expected from an independent non-executive director;

(vi) diversity targets in the boardroom to include diversity in gender, ethnicity and age;

(vii) level of commitment, resources and time that the recommended candidate can contribute to the existing Board and Group; and

(viii) ability to work together with other members of the Board for the best interest of the Company;

(d) To recommend to the Board the duties and responsibilities of the Directors, including membership and Chairmanship of the Board Committees;

(e) To annually review the term of office and performance of the Audit and Risk Management Committee and each of its members annually to determine whether such Audit and Risk Management Committee and members have carried out their duties in accordance with their terms of reference;

(f) To annually evaluate the Board and Board Committees including but not limited to the following:

(i) The effectiveness of the Board Committees (including its size and composition);

(ii) The effectiveness of the Board as a whole;

(iii) Skills and contributions of each individual Director; and

(iv) The independence of the Independent Directors, particularly when there is any new interests or relationships surface; and

All assessments and evaluations carried out by the Committee in the discharge of all its functions shall be properly documented and conducted at least once a year either internally or via other independent sources;

(g) To review the results of the evaluation and recommend to the Board the initiatives/improvements moving forward, to enhance the effectiveness of the Board;

(h) To determine appropriate trainings for Directors, review the fulfillment of such training and disclose details in the annual report as appropriate, in accordance with Bursa Malaysia's requirements on continuing education;

(i) To consider and recommend to the Board:

(i) Candidates for re-election of retiring Directors by shareholders under the annual retirement and re-election provisions;

(ii) Whether the Independent Director(s) should remain independent or be re-designated, after the assessment of Independent Director(s) be conducted and concluded;

(iii) Matters relating to the continuation in office of any Director at any time, including the suspension or termination of service of the Executive Director as an employee of the company subject to the provisions of the law and his/her service contract; and

(iv) The re-appointment of any Non-Executive Director at the conclusion of his/her term of office having given due regard to his/her performance and the ability to continue to contribute to the Board in terms of knowledge, skills and experience required;

(j) To establish appropriate framework and plans for succession at Board level to ensure that the Board is comprised Directors with the skills and experience relevant to the Company's strategic direction and objectives;

(k) To establish appropriate framework and plans for succession at Senior Management level including Managing Director and Executive Directors to ensure that the Senior Management is comprised of individuals with the skills and experience relevant to the Company's strategic direction and objectives;

(l) To periodically review the Fit and Proper Policy and making any changes as and when the Committee deemed fit, and recommend any such changes to the Board for consideration and approval; and

(m) To carry out such other functions as may be delegated by the Board from time to time.

5.3.4 Remuneration Committee

The Remuneration Committee was constituted by our Board on 20 June 2025. The composition of our Remuneration Committee is set out below:

Name	Designation	Directorship
Lok Man Shung	Chairman	Independent Non-Executive Director
Goh Liuh Yih	Member	Independent Non-Executive Director
Wong Thai Sun	Member	Independent Non-Executive Director

The functions, duties and responsibilities of our Remuneration Committee as stated in its terms of reference include, amongst others, the following:

(a) Establish and recommend:

(i) the remuneration structure and policy for the Managing Director and Executive Director(s);

(ii) their terms of employment or contract of employment/service, any benefit, pension or incentive scheme entitlement; and

(iii) other bonuses, fees and expenses; any compensation payable on the termination of their service contract by the Company and to review for changes to the policy, as necessary,

The Managing Director and Executive Director(s) should play no part in decisions involving their own remuneration;

(b) Maintain a strong link between the level of remuneration and individual performance against agreed targets, the performance-related elements of remuneration forming a significant proportion of the total remuneration package of the Managing Director and the Executive Director(s);

(c) Review with the Managing Director and the Executive Director(s), their performance against these objectives as well as contribution to the corporate strategy;

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(d) Review and recommend the proposed remuneration framework and packages of Non-Executive Directors to the Board and for approval by the shareholders at Annual General Meeting as relevant;

(e) Annually review and recommend the bonus payment rate and salary increment range to all employees of the Group based on the Group's policy;

(f) Review and recommend to the Board regarding any proposed new employees' share option scheme to be given to the Directors and employees and/or amendments to the existing scheme;

(g) Assist the Board in discharging their responsibilities relating to, amongst others, compensation strategy, management development and other compensation arrangement;

(h) Ensure corporate accountability and governance in respect of the Board remuneration and compensation function;

(i) Review the remuneration policies, framework and procedures for Directors, Key Senior Management and employees every (2) two years;

(j) To recommend the remuneration packages of non-executive Directors, including non-executive chairman, to the Board, subject always to approval by the shareholders in general meetings. The individuals concerned should abstain from discussion of their own remuneration; and

(k) to carry out such other functions as may be delegated by the Board from time to time.

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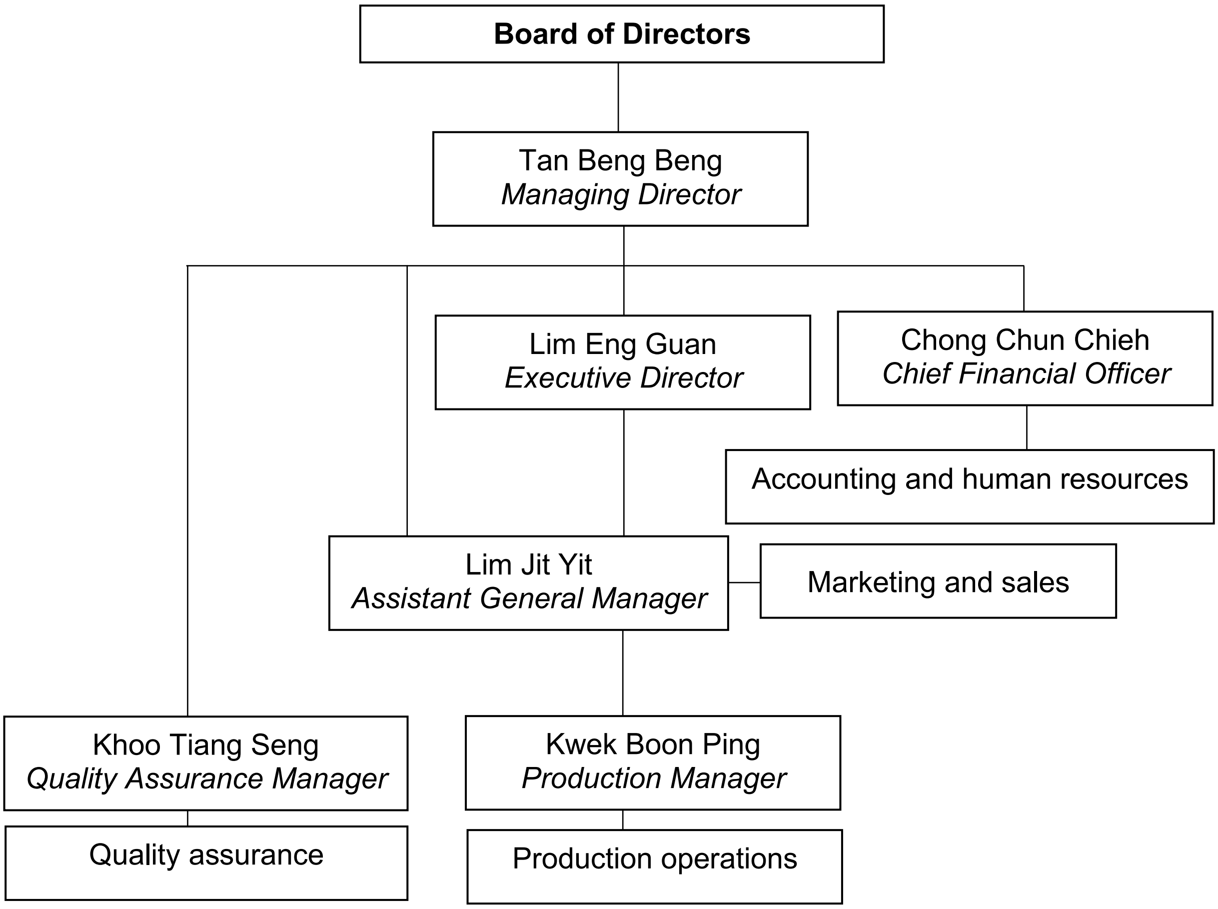
5.4 KEY SENIOR MANAGEMENT

5.4.1 Management structure

The management reporting structure of our Group is as follows:



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5.4.2 Key Senior Management's shareholdings

The shareholdings of our Key Senior Management in our Company before and after our IPO, save for the shareholdings of Tan Beng Beng and Lim Eng Guan which are set out in Section 5.1.1 of this Prospectus, assuming that they fully subscribe for their respective allocated Pink Form Shares under the Pink Form Allocation are set out below:

		As at the LPD / Before our IPO				After our IPO			
		Direct		Indirect		Direct		Indirect	
Name	**Designation**	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%(1)**	**No. of Shares**	**%**
Chong Chun Chieh	Chief Financial Officer	-	-	-	-	1,000,000	0.20	-	-
Khoo Tiang Seng	Quality Assurance Manager	-	-	-	-	330,000	0.06	-	-
Lim Jit Yit	Assistant General Manager	-	-	-	-	1,000,000	0.20	-	-
Kwek Boon Ping	Production Manager	-	-	-	-	1,000,000	0.20	-	-

Note:

(1) Based on our enlarged share capital comprising 510,000,002 Shares after our IPO and assuming that our Key Senior Management fully subscribe for their respective allocated Pink Form Shares under the Pink Form Allocation.

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5.4.3 Profiles of our Key Senior Management

Save for the profiles of Tan Beng Beng and Lim Eng Guan which are set out in Section 5.1.2 of this Prospectus, the profiles of our Key Senior Management are as follows:

(i) Chong Chun Chieh
Chief Financial Officer

Chong Chun Chieh, a Malaysian, male aged 57, is our Chief Financial Officer. He is primarily responsible for overseeing the overall accounting and finance related functions of our Group.

He completed his Bachelor of Accountancy from Universiti Utara Malaysia in 1993. Subsequently, he obtained a Master of Business Administration from the same institution in 2001. He has been a member of the Malaysian Institute of Accountants since 1996.

In 1993, he began his career as an Account Executive at Singatronics (Malaysia) Sdn Bhd, where he was responsible for preparing financial statements, cost accounting, and shipping management. He left Singatronics (Malaysia) Sdn Bhd in 1994 to join Hiroshima Precision Sdn Bhd as an Account and Shipping Supervisor. He was later promoted to Finance Manager, where he handled overall accounting matters, business operations, and human resource functions before leaving Hiroshima Precision Sdn Bhd in 1997.

In 1997, he joined Chin Well Fasteners Co Sdn Bhd, a company involved in the manufacturing of screws, nuts, bolts, and other fastening products as Financial Controller, overseeing corporate finance functions such as financial planning and strategy, capital structure management, and regulatory compliance. He also supervised the accounting functions to ensure financial statements were prepared in accordance with Malaysian Financial Reporting Standards (MFRS). Chin Well Fasteners Co Sdn Bhd was subsequently acquired by Chin Well Holdings Berhad (a public company listed on Main Market of Bursa Securities) as part of the group restructuring, a public listed company listed on Main Market of Bursa Securities. He left Chin Well Holdings Berhad in 2002.

He then joined Texchem Corporation Sdn Bhd (a subsidiary of Texchem Resources Berhad, a public company listed on Main Market of Bursa Securities) as Senior Manager, responsible for business operations in the same year. In 2003, he was seconded to Texchem Food Sdn Bhd within the same group as Assistant General Manager, where he continued to manage business operations. In 2005, he was again seconded to Sea Master Trading Co. Sdn Bhd (currently known as Wilpack Food Services Sdn Bhd) as General Manager, where he oversaw and managed the operations of the company following its acquisition by Texchem Resources Berhad. He left Sea Master Trading Co. Sdn Bhd in 2008.

In the same year, he joined Boon Koon Group Berhad (now known as Chin Hin Group Property Berhad), a company listed on the Main Market of Bursa Securities, principally involved in property development, construction, and commercial vehicles as Group Chief Financial Officer, responsible for corporate finance and accounting functions. In 2012, he was appointed as Executive Director, where he was involved in strategic planning, corporate finance, and finance management. He relinquished his role as Executive Director in 2015 to pursue personal interests.

In 2015, he became shareholder and director of Merbok Eco Park Sdn Bhd, a company involved in the business of planters and providing inoculation services for agarwood trees; Global Starhill Sdn Bhd, which was involved in the plantation and trading of plantation products; and Sinar Akarjaya Sdn Bhd, which was involved in the agarwood plantation. All three companies were dissolved as at LPD.

He served as the Independent Non-Executive Director for Comintel Corporation Bhd from April 2018 to May 2021. He joined our Group as Chief Financial Officer in June 2022. He is responsible for the overall financial and accounting functions, including strategic planning, corporate finance, accounting, and finance management.

(ii) Khoo Tiang Seng
Quality Assurance Manager

Khoo Tiang Seng, a Malaysian, male aged 64, is our Quality Assurance Manager and acting as the Quality Management Representative (QMR) for the Group. He is primarily responsible for overseeing the operations of the Quality Assurance Department by implementing quality control strategies to ensure products meet design specifications and quality standards.

He completed his full-time studies at the Workers Institute of Technology, where he was awarded a Technician Diploma in Electrical (Class 2) in 1983 and an Engineering Diploma in Electrical/Mechanical (Class 1) in 1984.

He began his career in 1984 at Micro Machining Sdn Bhd as a Junior Designer, where he assisted in the design and creation of detailed technical drawings for custom tooling solutions, including jigs, fixtures, dies, and moulds to guide manufacturing and assembly processes. He left Micro Machining Sdn Bhd in 1989 to join Towam Sdn Bhd as a Senior Designer, where he was responsible for designing custom tools, fixtures, and dies required for machining processes, ensuring the tooling designs met the desired specifications.

In 1996, he left Towam Sdn Bhd and joined DMS Manufacturing Sdn Bhd as a Design Engineer, where he was responsible for designing and developing specialized tooling systems for CNC machining processes, ensuring the tools were optimised for efficiency, precision, and durability.

In 2000, he left DMS Manufacturing Sdn Bhd and joined Prodelcon Sdn Bhd as a Design Engineer, where he was responsible for designing tooling for more complex or high-tolerance manufacturing processes, including those requiring precision and intricate details.

In 2011, he left Prodelcon Sdn Bhd and joined Polytool Technologies Sdn Bhd as a Quality Assurance Engineer, where he was involved in developing, implementing, and managing quality assurance processes to ensure that products met strict quality standards before, during, and after production.

In 2015, he left Polytool Technologies Sdn Bhd and joined Amco Technology as a Quality Assurance Manager, where he was responsible for developing, implementing, and managing quality assurance processes to ensure that products met strict quality standards before, during, and after production. In 2020, he left Amco Technology to join our Group as Quality Assurance Manager, a position he currently holds.

He has no family relationships with the Promoters, substantial shareholders, Directors and Key Senior Management of our Group. As at the LPD, save for his involvement in a sole proprietorship as disclosed in Section 5.4.4(ii) of this Prospectus, he does not hold any directorship in any other company.

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(iii) Lim Jit Yit
Assistant General Manager

Lim Jit Yit, a Malaysian, male aged 45, is our Assistant General Manager. He is primarily responsible for overseeing our Group's overall production operations and implementing sales and marketing strategies, which include supervising production operations and processes, securing sales opportunities with clients, liaising closely with potential clients to understand their needs, and promoting our services both in Malaysia and internationally.

He completed his Advanced CNC Machining course at the Penang Skills Development Centre and was awarded the Certificate of Attendance in October 2000.

He began his career at Prodelcon Sdn Bhd as a Production Executive in 2000, where he was involved in process development, including developing and managing production schedules to meet deadlines and optimise machine utilisation, and coordinating with the procurement department to ensure the timely availability of raw materials and components. He left Prodelcon Sdn Bhd in 2011 to join Yomax as a Trading Manager, where he was responsible for planning and executing trading and marketing strategies for the company's high-performance cutting tools, machine tools, and general hardware.

In 2017, he resigned from Yomax and joined our Group, where he assumed the position of Sales Engineering Manager, and was responsible for the overall sales and marketing strategies of our Group. In 2025, he was promoted to Assistant General Manager, a position he currently holds, where his responsibilities expanded beyond sales and marketing to include overseeing the Group's overall production operation.

He has no family relationships with the Promoters, substantial shareholders, Directors and Key Senior Management of our Group. As at the LPD, he does not hold any directorship in any other company.

(iv) Kwek Boon Ping
Production Manager

Kwek Boon Ping, a Malaysian, male aged 41, is our Production Manager. He is primarily responsible for overseeing our Group's manufacturing and maintenance activities, and is also involved in new product development for projects with customers.

In 2001, he completed his high school education at Sekolah Menengah Jenis Kebangsaan Heng Ee, Pulau Pinang. Subsequently, he completed the Introduction to CNC Machining course and was awarded a Certificate of Attendance from the Penang Skills Development Centre in 2004.

He began his career at Prodelcon Sdn Bhd in 2002 as a Machinist, where he was involved in setting up CNC machines for the manufacturing of precision engineering components. In 2008, he left Prodelcon Sdn Bhd and joined Adtech Precision Engineering as a Machinist, where he handled similar tasks, including machine operations and programming for the manufacturing of precision engineering components. He joined Amco Technology in 2015 as a Production Manager, overseeing the company's manufacturing activities. In 2020, he left Amco Technology to join our Group as Production Manager, a position he currently holds.

He has no family relationships with the Promoters, substantial shareholders, Directors and Key Senior Management of our Group. As at the LPD, he does not hold any directorship in any other company.

5.4.4 Principal directorships of our Key Senior Management and principal business activities performed outside of our Group

The details of the principal directorships or principal business activities performed by Tan Beng Beng and Lim Eng Guan in other corporations outside our Group within the past five (5) years up to the LPD are set out in Section 5.2.3 of this Prospectus. Save as disclosed below, none of our other Key Senior Management has any principal directorships and/or principal business activities performed outside our Group in the past 5 years up to the LPD.

(i) Chong Chun Chieh

Company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation / cessation	Equity interest as at the LPD (%)	
					Direct	Indirect
Past Involvement						
Comintel Corporation Bhd (now known as Binastra Corporation Berhad) (a public company listed on Main Market of Bursa Securities)	Investment holding, where its subsidiaries are involved in general contractor, property developer, building and civil engineering works in turnkey projects, design and build, engineering, procurement and construction and commissioning works, transportation and logistic	Director	26 April 2018	3 May 2021	-	-
Sinar Akarjaya Sdn Bhd	To commence business operation in agarwood plantation	Director / Shareholder	15 October 2015	Company dissolved on 5 August 2022	45	-
MCM Global Fitness Venture PLT	Retail sale of sports goods and equipment; organization, promotions and/or management of event; business management consultancy services	Partner	22 July 2019	23 June 2025	-	-

5. INFORMATION ON OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT *(CONT'D)*

(ii) Khoo Tiang Seng

Company	Principal activities	Nature of interest or involvement	Date of appointment	Date of resignation / cessation	Equity interest as at the LPD (%)	
					Direct	Indirect
Present Involvement						
Hobbyxscape Trading(i)	Trading in plastic scale replicas, model kits and accessories	Sole proprietor	24 August 2016	-	-	-

Note:

(i) His present involvement in this sole proprietorship will not affect his contribution to our Group, as the business is operated on a small-scale basis and is currently in the process of clearing existing stock items before the cessation of business.

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5.4.5 Key Senior Management's remuneration and benefits-in-kind

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to Tan Beng Beng and Lim Eng Guan for FYE 2024 and FYE 2025 respectively 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 to our other Key Senior Management for FYE 2024 and FYE 2025 respectively (in the bands of RM50,000) are as follows:

	Remuneration Band	
Name	**Actual for FYE 2024 RM'000**	**Proposed for FYE 2025(1) RM'000**
Chong Chun Chieh	300 – 350	300 – 350
Khoo Tiang Seng	100 – 150	100 – 150
Lim Jit Yit	200 – 250	150 – 200
Kwek Boon Ping	250 – 300	150 – 200

Note:

(1) Excluding bonuses/incentives for the FYE 2025 which will be determined at a later date in 2025 based on their respective performance review, subject to the recommendation of our Remuneration Committee and approval of our Board.

The remuneration of our Key Senior Management, which includes salaries, bonuses, as well as other benefits, shall be reviewed and recommended by our Remuneration Committee before being approved by our Board, subject to the provisions of our Constitution.

5.5 FAMILY RELATIONSHIPS AND/OR ASSOCIATIONS

As at the LPD, there are no other family relationships and/or associations amongst our Promoters, substantial shareholders, Directors and Key Senior Management.

5.6 EXISTING OR PROPOSED SERVICE AGREEMENTS

As at the LPD, there are no existing or proposed service agreements, providing for benefits upon termination of employment, entered into or to be entered into by our Directors or any member of our Key Senior Management with our Group, save for the service agreements entered between our Managing Director and Executive Director ("**Executive**") with our Group ("**Agreement**").

The following provisions are extracted from the Agreement dated 3 March 2025 entered into between the Executive and Ambest Technology.

Benefits upon termination of employment

The validity period of the Agreement is two years expiring in 30 June 2027 with the option to extend the agreement for a further period of two (2) years thereafter on terms and conditions to be mutually agreed upon, provides that should the Agreement be terminated prematurely by either party, payment of a liquidated sum equivalent to the Executive's salary for the remaining period of the two (2) years contract shall be made as liquidated damages by the party responsible for such premature termination to the other party. As such, the Agreement provides for compensation upon termination of employment in the form of liquidated damages to the Executive, in the event the Agreement is terminated by our Group.

Other salient terms on termination of employment

Notwithstanding the abovementioned provision in the Agreement for compensation upon termination of employment in the form of liquidated damages to the Executive in the event the Agreement is terminated by our Group, the Agreement provides that our Group shall be entitled to terminate the Agreement without cause, indemnities, liquidated damages and compensation to the Executive in any one of the following events:

(i) if in the opinion of our Group, the Executive shall commit any act of gross dishonesty, misconduct or negligence in the performance of his duties; or

(ii) the Executive is in breach of any statutory requirements; or

(iii) the Executive is proven to be incompetent in the discharge of his duties; or

(iv) the Executive is in breach of any of the terms of the Agreement.

5.7 DECLARATION BY OUR PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

Each of our Promoters, Directors and Key Senior Management has confirmed that, as at the LPD, he/she is not and has been involved in any of the following events (whether in or outside Malaysia):

(i) in the last ten (10) years, a petition under any bankruptcy or insolvency laws was filed (and not struck out) against him/her or any partnership in which he/she was a partner or any corporation of which he/she was a director or member 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 ten (10) years, charged and/or convicted in a criminal proceeding or is a named subject of a pending criminal proceeding;

(iv) in the last ten (10) years, any judgement that was entered against him/her, 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 ten (10) years, he/she was 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, judgement 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 ten (10) years, he/she has been reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency; and

(viii) having any unsatisfied judgement against him/her.

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Ambest was incorporated in Malaysia under the Act on 16 February 2023 as a private limited company under the name of Ambest Group Sdn Bhd. On 12 June 2025, we converted into a public limited company and assumed our present name.

Our Company is an investment holding company to facilitate our Listing. Through our subsidiary, our Group is an engineering supporting services provider that primarily provides precision machining, to customers in the semiconductor industry.

Please refer to the Section 7.1 of this Prospectus for the details of our Group's history and background and Sections 7.2 and 7.3 of this Prospectus for the principal activities and business processes of our Group.

As at the LPD, we have a share capital of RM29.60 million comprising 400,000,002 Shares, all of which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of shares
16 February 2023	2	Cash	2.00	2
1 December 2025	400,000,000	Otherwise than cash[(1)]	29,600,002.00	400,000,002

Note:

(1) The allotment of shares was pursuant to the Acquisition which was completed on 1 December 2025. Further details of the Acquisition are set out below in Section 6.2 of this Prospectus.

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

Upon the completion of our IPO, our enlarged share capital will increase to RM55,734,335 comprising 510,000,002 Shares.

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6.2 PRE-IPO RESTRUCTURING

To facilitate our Listing, on 9 June 2025, we have entered into a SSA with Tan Beng Beng and Lim Eng Guan to acquire the entire equity interest in Ambest Technology comprising 2,500,000 ordinary shares for a total purchase consideration of RM29,600,000 which is to be fully satisfied by the issuance and allotment of 400,000,000 new Shares to the following vendors at an issue price of RM0.074 each:

Vendors	Shareholdings in Ambest Technology		Purchase consideration (RM'000)	No. of new Shares
	No. of shares	%		
Tan Beng Beng	1,250,000	50.00	14,800.00	200,000,000
Lim Eng Guan	1,250,000	50.00	14,800.00	200,000,000

The purchase consideration for the Acquisition of RM29.60 million was arrived at based on a "willing-buyer willing-seller" basis after taking into consideration the following:

(i) audited NA of Ambest Technology as at 31 December 2024 of RM29,610,168; and

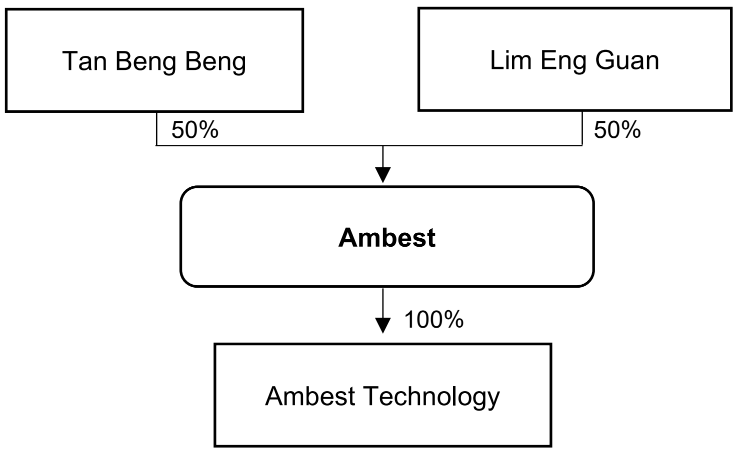
(ii) the adjustment of RM10,168 to round down the audited NA amount for the purpose of computing a whole number of 400,000,000 Shares as consideration for the Proposed Acquisition.

The Acquisition was completed on 1 December 2025. Thereafter, Ambest Technology became our wholly-owned subsidiary.

The new Shares issued under the Acquisition rank equally 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.

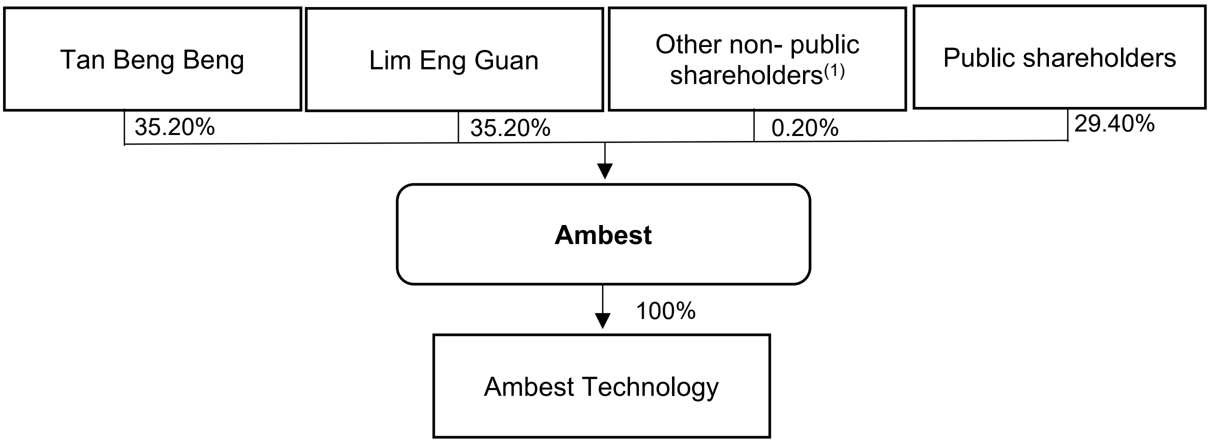
6.3 OUR GROUP STRUCTURE

Our Group structure before the IPO is as follows:



6. INFORMATION ON OUR GROUP *(CONT'D)*

Our Group structure upon our IPO is as follows:



Note:

(1) Other non-public shareholders include the Independent Non-Executive Directors, assuming they fully subscribe for a total of 1,000,000 Shares pursuant to the Pink Form Allocation.

6.4 OUR SUBSIDIARY

As at the LPD, we have only one subsidiary, namely Ambest Technology, and we do not have any associated companies.

The details of our Subsidiary are set out as follows:

(i) Background, history and principal activities

Ambest Technology (Registration No.: 201101016032 (944166-A)) was incorporated in Malaysia under the Companies Act 1965 as a private limited company under its present name and is deemed incorporated under the Act on 11 May 2011.

Ambest Technology's principal activity is the manufacturing of precision-machined parts and components.

(ii) Principal place of business

The principal place of business is at Facility No. 9, Office and Factory No. 11 and Facility 42A.

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(iii) Share capital

As at the LPD, the issued share capital of Ambest Technology is RM2.50 million comprising of 2,500,000 ordinary shares.

The changes in Ambest Technology's issued share capital since incorporation are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative no. of shares	Cumulative share capital (RM)
11 May 2011	2	Cash	2	2.00
14 January 2021	199,998	Otherwise than cash(1)	200,000	200,000.00
15 March 2022	300,000	Otherwise than cash(2)	500,000	500,000.00
21 December 2023	1,000,000	Cash	1,500,000	1,500,000.00
8 January 2024	1,000,000	Cash	2,500,000	2,500,000.00

Notes:

(1) The Shares were allotted by way of capitalising the amount owing by Ambest Technology to Tan Beng Beng and Lim Eng Guan of RM99,999.00 each.

(2) The Shares were allotted by way of capitalising the amount owing by Ambest Technology to Tan Beng Beng and Lim Eng Guan of RM150,000.00 each.

Ambest Technology does not have any outstanding warrants, options, convertible securities and uncalled capital as at the LPD. In addition, there were no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotments above.

(iv) Directors and shareholder

Ambest Technology is a wholly-owned subsidiary of our Company.

As at the LPD, the directors of Ambest Technology are Tan Beng Beng and Lim Eng Guan.

(v) Subsidiary, associated company and joint venture

As at the LPD, Ambest Technology does not have any subsidiary companies, associated companies and joint venture.

6.5 PUBLIC TAKE-OVERS

None of the following has occurred during the last financial year up to the LPD:

(i) Public take-over offers by third parties in respect of our Shares; and

(ii) Public take-over offers by our Company in respect of other company's shares.

7. BUSINESS OVERVIEW

7.1 HISTORY AND BACKGROUND

Our Company was incorporated in Malaysia under the Act on 16 February 2023 as a private limited company under the name of Ambest Group Sdn Bhd. On 12 June 2025, our Company was converted into a public limited company and adopted our present name, Ambest Group Berhad.

Our Company is primarily an investment holding company and through our Subsidiary, Ambest Technology, we are an engineering supporting services provider that primarily provides precision machining, to customers in the semiconductor industry. Kindly refer to Section 7.2 of this Prospectus for further details of our Group's principal activities.

In 2006, our Promoters, Tan Beng Beng and Lim Eng Guan established a partnership business under the name of Adtech Precision Engineering. Adtech Precision Engineering was principally involved in the provision of CNC machining of metal parts and components to electrical and electronics companies. Tan Beng Beng was involved in the day-to-day operations of the Adtech Precision Engineering, primarily focusing on securing sales; while also running his sole proprietorship, Yomax Engineering, which was primarily engaged in engineering work, hardware and service. Tan Beng Beng subsequently incorporated a private company, namely Yomax in 2007 to be involved in similar operations. In contrast, Lim Eng Guan was unable to dedicate his time to Adtech Precision Engineering due to his employment contract with Prodelcon Sdn Bhd, a company unrelated to our Group. As such, Lim Eng Guan withdrew from Adtech Precision Engineering in February 2007, and was replaced by his spouse, Tang Swee Mei, who emerged as the new partner in Adtech Precision Engineering. Tang Swee Mei's responsibilities include bookkeeping and financial management of the partnership business. In 2011, Lim Eng Guan re-joined Adtech Precision Engineering as a full-time employee holding the position of Production Lead, where he is responsible for managing the overall production activities.

On 11 May 2011, Ambest Technology was established by two (2) shareholders, Tang Swee Mei and Tan Khai Li (each holding 50% equity interest in the company), with a focus on expanding into CNC machining of metal parts and components serving multinational companies ("**MNCs**") whereby it participated in trade shows to gain access to multinational companies, and to enjoy the benefits of a private limited company structure. Tan Khai Li is the sister-in-law of Tan Beng Beng and was responsible for overseeing the administrative functions of the company, while Tang Swee Mei was responsible for the financial management of the company. The shares of Ambest Technology were initially held by Tang Swee Mei and Tan Khai Li, who were also the directors of the company at that point of time, in order to facilitate daily operations and routine administrative tasks such as processing of payments and signing of documents, as Tan Beng Beng and Lim Eng Guan were involved in other businesses at that time. At the inception of Ambest Technology, Tan Beng Beng was responsible for sales and marketing function of the company on a part-time basis, while Lim Eng Guan was responsible for overseeing the technical function of the company on a part-time basis; as Tan Beng Beng was running his other businesses (namely, Yomax Engineering and Yomax) alongside Adtech Precision Engineering, while Lim Eng Guan primarily focused on Adtech Precision Engineering.

In 2012, Ambest Technology secured its first purchase order and in the same year attained ISO 9001:2008 for its quality management system ("**QMS**") from Moody International Certification Ltd under the scope of "Manufacture of High Precision Machines Components, Jigs and Fixtures".

In December 2014, Adtech Precision Engineering was terminated as Tan Beng Beng and Lim Eng Guan intended to set up a company to replace the partnership in order to enjoy the benefits of a private limited company structure. On 31 December 2015, Amco Technology was incorporated by Tan Beng Beng and Lim Eng Guan (each holding a 50% equity interest in the company), to resume the operations of the business partnership of Adtech Precision Engineering. Amco Technology operated from the same premises as Ambest Technology, namely the Previous Premises No. 5 and Previous Premises No. 10.

As Amco Technology was established to assume the operations of Adtech Precision Engineering, the principal activity of Amco Technology was fabrication of industrial engineering parts and products, similar to Adtech Precision Engineering. For clarity, after the termination of Adtech Precision Engineering in 2014, Tan Beng Beng continued to run his sole proprietorship business, while Lim Eng Guan continued to be involved in the operations of Ambest Technology on a part-time basis. After Amco Technology was established to replace the business of Adtech Precision Engineering in December 2015, Lim Eng Guan shifted his focus on Amco Technology.

In 2016, Ambest Technology secured its first purchase orders from Customer A and Customer B, both of which are Malaysian entities of multinational companies, marking its successful expansion into precision machining of parts and components for multinational companies.

In 2018, Ambest Technology's QMS certification was updated to ISO 9001:2015 by Intertek Certification Limited under the scope of "Manufacture of High Precision Machines Components, Jigs and Fixtures".

In March 2020, Tang Swee Mei and Tan Khai Li resigned as directors of Ambest Technology while Tan Beng Beng and Lim Eng Guan were appointed as directors of the company and they have since been involved in Ambest Technology on a full-time basis. At the same time, Tang Swee Mei and Tan Khai Li transferred their shares in Ambest Technology to Lim Eng Guan and Tan Beng Beng (each holding 50% equity interest in the company) respectively, marking the entry of Lim Eng Guan and Tan Beng Beng as the shareholders of Ambest Technology in line with their decision to focus on growing Ambest Technology. After disposing their shares in Ambest Technology, Tang Swee Mei is no longer involved in our Group, while Tan Khai Li is an employee of our Group, assuming the role of secretary to Tan Beng Beng. Additionally in 2020, Ambest Technology secured its first purchase order from Customer C.

In November 2021, Ambest Technology executed the SPA to purchase Facility No. 9 to cater for further expansion of its operations. Kindly refer to Section 7.22, Item (i) of this Prospectus for further details of the said SPA.

In 2022, as part of the efforts to streamline operations in order to better serve both local and multinational customers, Tan Beng Beng and Lim Eng Guan made the decision for Ambest Technology to purchase all of Amco Technology's CNC machinery and gradually ceased Amco Technology's business in fabrication of industrial engineering parts and products. The decision to acquire Amco Technology's CNC machinery, instead of the entire equity interests of Amco Technology, was made as our Promoters intend to gradually cease Amco Technology's business in fabrication of industrial engineering parts and products. After the acquisition of Amco Technology's CNC machinery by Ambest Technology, Amco Technology was primarily focused on lower end products (which is less complex in terms of manufacturing processes) to local customers where the company outsourced all its manufacturing processes up to December 2024. As such, there were no overlap in terms of customers served and resources utilised. In the same year, Ambest Technology implemented an enterprise resource planning ("**ERP**") system, thus integrating various processes such as planning, purchasing inventory, sales, marketing, accounting in its operations.

In May 2023, Ambest Technology entered into a tenancy agreement with Amco Technology for the lease of the Office and Factory No. 11. In June 2023, Ambest Technology relocated its manufacturing operations to Facility No. 9 and Office and Factory No. 11 from the rented premises (namely, Previous Premises No. 5 and Previous Premises No. 10). For clarity, Office and Factory No. 11 is a newly constructed premises completed in April 2023, and it was not in use before being leased to Ambest Technology.

In January 2024, Ambest Technology executed the SPA to purchase Facility 42A. Kindly refer to Section 7.22, Item (viii) of this Prospectus for further details of the said SPA. The purchase of Facility 42A was undertaken to cater for future expansion and to house new and additional CNC machinery, as there is limited factory space within Facility No. 9 and Office and Factory No. 11 for further expansion. This is in line with our Group's expansion strategy, in order to demonstrate to customers that our Group is capable of handling new and additional orders. Kindly refer to Section 7.17.1 of this Prospectus for further information on Facility 42A.

As at the LPD, Amco Technology has ceased its business operation in fabrication of industrial engineering parts and products and has changed its nature of business to that of a property holding company, earning rental income received mainly from Ambest Technology for the lease of Office and Factory No.11.

Our Group's key events are set out as below:

Year	Events
2011	• Incorporation of Ambest Technology on 11 May 2011. • Ambest Technology began operations at Previous Premises No. 5.
2012	• Ambest Technology attained ISO 9001:2008 for its QMS from Moody International Certification Ltd under the scope of "Manufacture of High Precision Machines Components, Jigs and Fixtures".
2016	• Began providing precision machining services to multinational companies. • Secured our first purchase order from Customers A and B.
2017	• Rented Previous Premise No. 10, which was in the vicinity of our Group's premises at Previous Premises No. 5 for expansion.
2018	• Ambest Technology's QMS certification was updated to ISO_9001:2015 by Intertek Certification Limited under the scope of "Manufacture of High Precision Machines Components, Jigs and Fixtures".
2020	• Secured our first purchase order from Customer C.
2021	• Purchased Facility No. 9, for expansion.
2022	• Ambest Technology purchased all of Amco Technology's CNC machineries. Amco Technology's business of fabrication of industrial engineering parts and products was ceased gradually and since December 2024, Amco Technology has ceased its business operation in fabrication of industrial engineering parts and products. In May 2025, Amco Technology had changed its nature of business to property holding, earning rental income received mainly from Ambest Technology for the lease of Office and Factory No.11. • Ambest Technology implemented an ERP system, thus integrating various processes such as planning, purchasing inventory, sales, marketing, accounting in its operations.
2023	• Ambest Technology rented Office and Factory No. 11 from Amco Technology for expansion. • Relocated our Group's operations from Previous Premises No. 5, and Previous Premises No. 10 to Facility No. 9 and the Office and Factory No. 11.
2024	• Purchased Facility 42A for further expansion.
2025	• Ambest Technology attained ISO 14001:2015 for its environmental management system from Intertek Certification Limited under the scope of "Manufacture of High Precision Machines Components, Jigs and Fixtures".

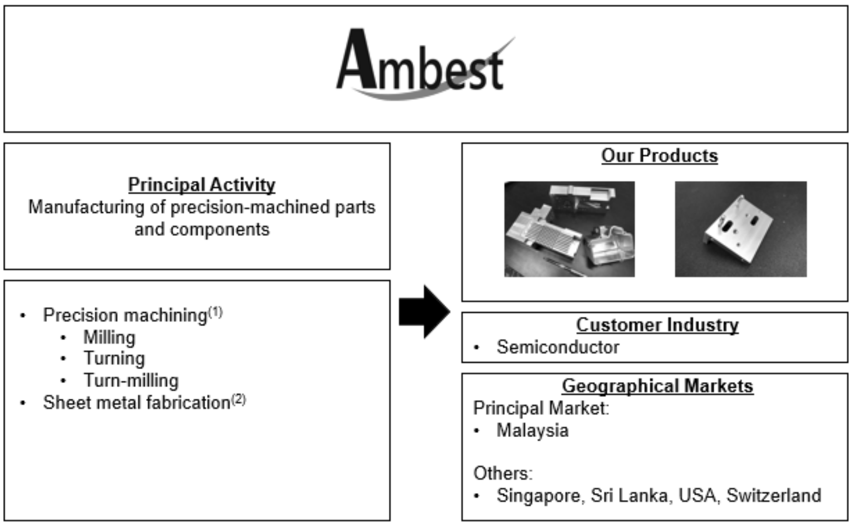
7.2 PRINCIPAL ACTIVITIES

Our Group is an engineering supporting services provider that primarily provides precision machining, to customers in the semiconductor industry. We also offer additional processes such as sub-modular assembly and surface finishing treatment as part of value-added services to our customers when required.

Our precision machining involves various processes of working with metal such as milling, turning, and turn-milling to produce precision-machined parts and components. Sub-modular assembly is a value-added service that we can provide when required by our customers. It involves the assembly of the precision-machined components together with other metal parts such as fabricated sheet metal parts to produce frames, structures, or enclosures. Surface finishing treatment is a value-added service that we can provide when required by our customers. It involves processes that modify the surface of a product to enhance its properties such as improving corrosion resistance, durability, or changing its appearance. For clarity, we outsource the surface finishing treatment to sub-contractors to focus on our core business of precision machining.

In addition to precision machining, we also provide sheet metal fabrication to our customers. Sheet metal fabrication involves processes such as stamping, bending, and welding to form the desired shapes. The fabricated sheet metal can then be used as enclosures and assembled with the precision-machined parts and components that are produced in-house. For clarity, we outsource the sheet metal fabrication to sub-contractors to focus on our core business of precision machining.

Our principal activities can be summarised in the following diagram:



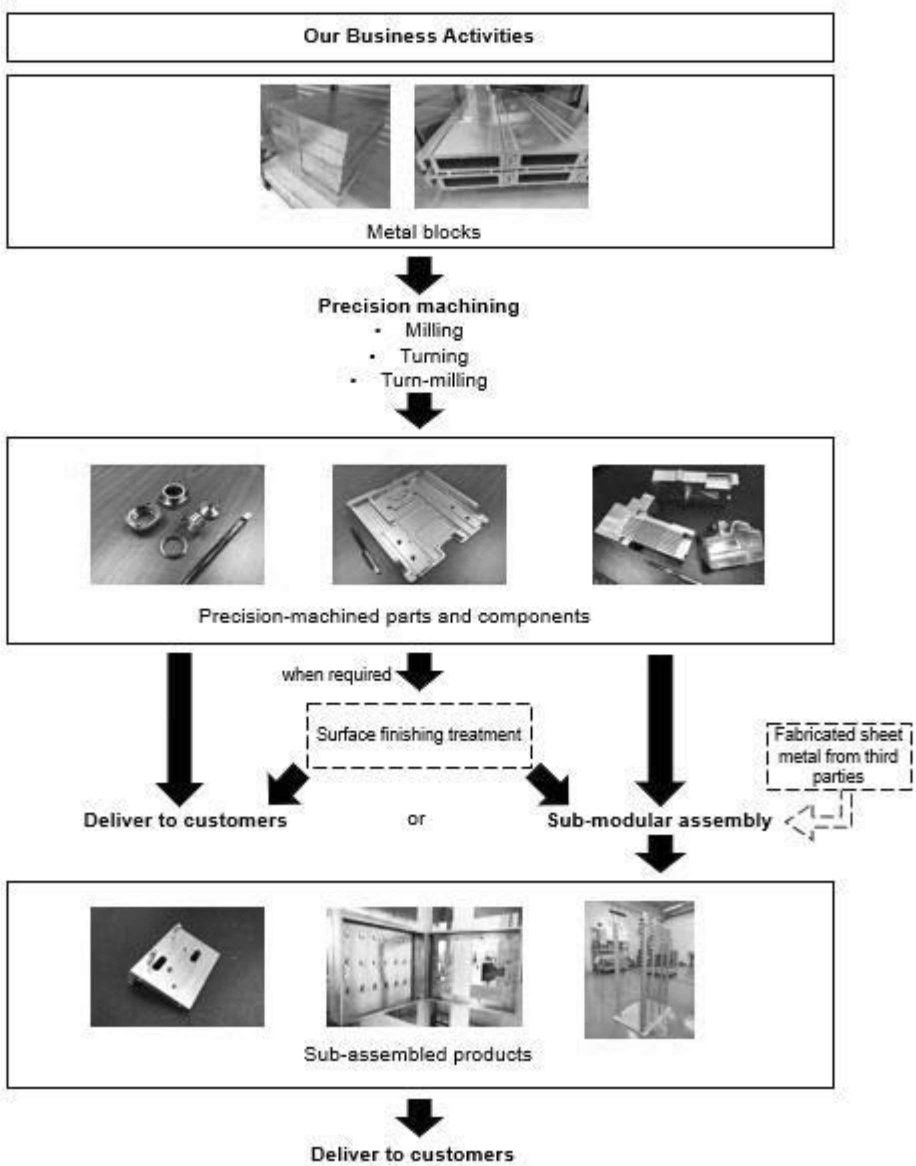
Notes:

(1) Includes provision of sub-modular assembly and surface finishing treatment that can be offered to customers when requested. The provision of surface finishing treatment is subcontracted by the Group.

(2) Denotes process that is subcontracted by the Group.

Please refer to Section 7.8 of this Prospectus for further details of our purchases from sub-contractors during the Financial Periods Under Review.

The following diagram illustrates our production process:



7.2.1 Precision machining

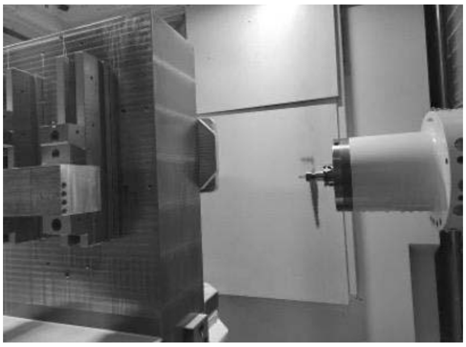
We provide precision machining that produces precision-machined parts and components according to our customers' design and specifications. We utilise CNC machining processes such as milling, turning, and turn-milling to produce the precision-machined parts and components. CNC machining enables us to produce precision-machined parts and components with close tolerance finishes precisely and consistently. If our customers require the precision-machined parts and components to undergo surface finishing treatment such as anodising or electroplating, we will outsource the surface finishing treatment to third-party sub-contractors.

For clarity, if our Group faces a sudden increase in orders that leads to constraints in resources, we may also outsource some precision machining processes (i.e., roughing process whereby sections of the metal blocks are removed, turning the metal block into a form closer to the required shape and dimensions of the precision-machined parts and components) to third-party sub-contractors, before the semi-finished machining parts are returned to us to proceed with further precision machining processes, to achieve the required standards of flatness, roughness, thickness and tolerances, before delivery to its customers. We produce precision-machined parts and components from metal blocks as well as from semi-finished machining parts.

We select our third-party sub-contractors based on their capability, quality of services, pricing and the ability to meet the delivery timeframe. As at the LPD, our Group has over 38 third-party sub-contractors under the precision machining business segment.

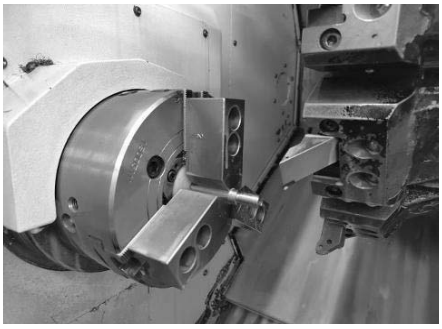
The precision machining processes we undertake are as follows:

(a) Milling



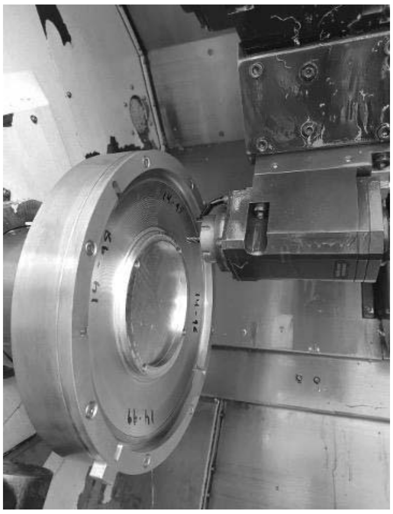
In the milling process, the metal block is held stationary while a rotating cutting tool is held against the block to remove excess material and shape the block according to the design and specifications of the part or component. This process is suitable for cutting flat surfaces or deep cavities into the metal blocks. We will utilise different cutting tools depending on the type of cuts that are required.

(b) Turning



In the turning process, the secured metal block is rotated and a stationary cutting tool is pressed against the rotating metal block to remove excess material and shape the block according to the design and specifications of the part or component. The turning process is suitable for producing cylindrical parts with different diameters in different sections.

(c) Turn-milling

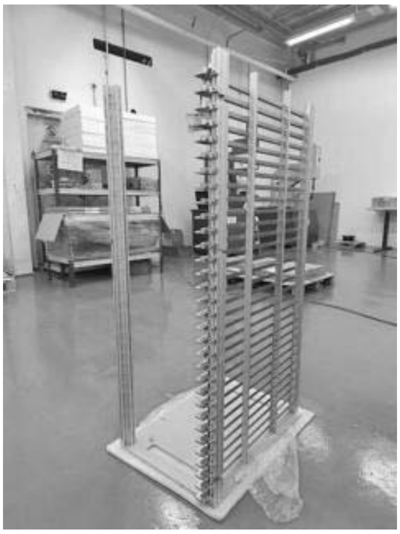


The turn-milling process combines the milling and turning processes. In the turn-milling process, the secured metal block is rotated, and a rotating cutting tool is pressed against the metal block to remove excess material and shape the block according to the design and specifications of the part or component. Turn-milling can be a more efficient process as it reduces the need for transferring the metal block from one machine to another, thereby reducing processing time.

<u>*Sub-modular assembly*</u>

When requested by our customers, we offer sub-modular assembly whereby we assemble precision-machined parts and components and fabricated sheet metal into sub-assembled products such as frames, structures, or enclosures. For clarity, we outsource the sheet metal fabrication process and will receive the fabricated sheet metal from the sub-contractor which will be used in our sub-modular assembly services. The sub-assembled products are then delivered to our customers where they may undergo further processing into finished products.

Examples of the sub-modular assembled products we have produced are as follows:



Surface finishing

When requested by our customers, we offer surface finishing treatment such as anodising or electroplating of the precision-machined parts and components. Anodising is an electrochemical process that produces a metal oxide coating on the surface of the precision-machined parts and components. The metal oxide coating serves to provide improved resistance to wear and corrosion and can also be used to provide a decorative layer on the precision-machined parts and components. Electroplating is a process whereby an electrical current is used to deposit thin layers of metal onto the precision-machined parts and components. For clarity, we will outsource the surface finishing treatment to third-party sub-contractors and will receive the anodised or electroplated precision-machined parts and components from the sub-contractor. Subsequently, the products are either delivered to our customers or undergo sub-modular assembly before delivery to our customers.

7.2.2 Sheet metal fabrication

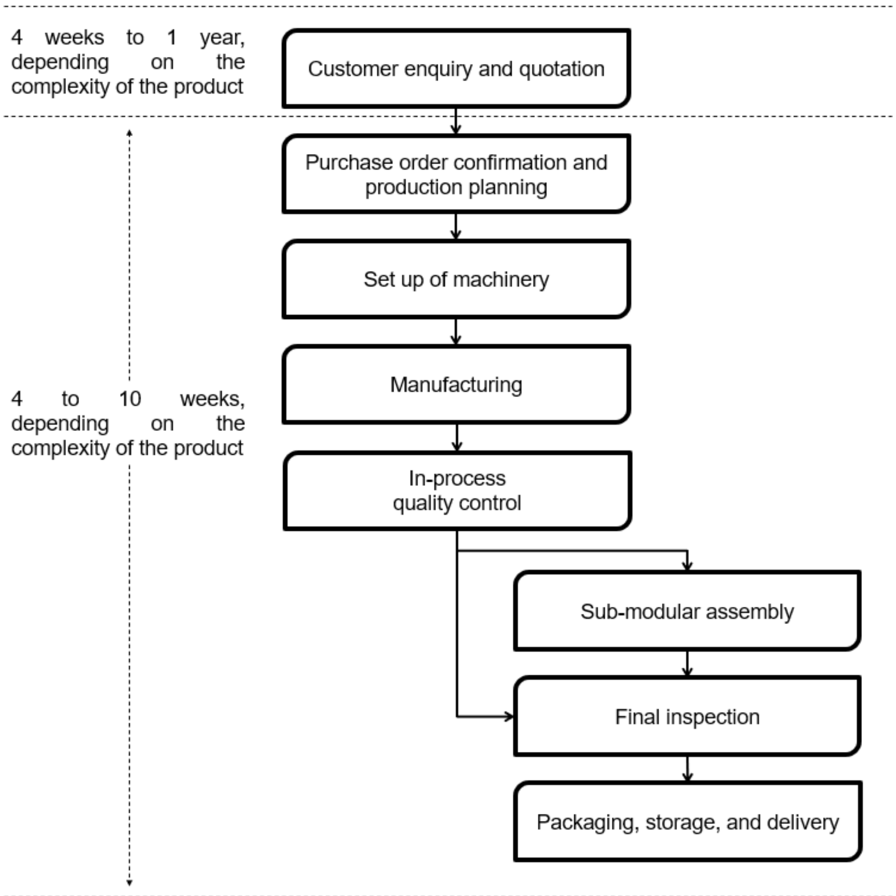
Sheet metal fabrication refers to the process of converting sheet metal into fabricated sheet metal through processes such as stamping, bending, and welding. These processes will allow us to shape the sheet metal into the desired shape. For clarity, we outsource sheet metal fabrication to third-party sub-contractors. We select our third-party sub-contractors based on their capability, quality of services, pricing and the ability to meet the delivery timeframe. As at the LPD, our Group has six (6) third-party sub-contractors that provides sheet metal fabrication.

The sheet metal fabrication processes that we commonly utilise are as follows:

Process	Description
Stamping	Stamping is a process that converts flat sheet metal into specific shapes. There are various stamping techniques such as punching, blanking, and embossing. The sheet metal is placed into a stamping press, and the sheet metal is pressed against a die or a tool to cut out shapes or shape the sheet metal accordingly.
Bending	The bending process involves applying force on the sheet metal, causing it to bend at a specific angle to form the desired shape. The sheet metal is inserted into a machine and placed between a die on the bottom and a punch on top. Thereafter, the machine is programmed to press the punch against the sheet metal into the die, thus bending the sheet accordingly.

Process	Description
Welding	Welding joins together 2 or more separate pieces of metal. Generally, the welding process involves melting the separate metal pieces to join them together. In some cases, a filler may be added to form a joint between the metal pieces.

7.3 BUSINESS PROCESS



(a) Customer enquiry and quotation

A customer will approach us and enquire about our services, and we will provide them with information on our production capabilities as well as a quotation for our services. We will also go through the customer's product request to ensure that we are able to fulfil the required specifications.

We will then provide our customers a quotation based on the product requested, and subsequently our customers will issue us with a purchase order for the first article to confirm the order.

<u>**First article testing**</u>

After setting up the machinery, we proceed to undertake first article testing by trialling and evaluating the required processes, tooling, and programming of machinery. The first article produced will be sent to our QA department for inspection and we may be required to undergo additional trial runs prior to submitting the first article to our customer. Our customer may then provide us with feedback on the first article. As such, we may be required to undertake multiple rounds of trial runs to produce the final first article that passes our quality inspections and meets the specifications of our customers. Upon finalisation of the final first article, our customers will issue us with a purchase order for mass manufacturing of the product.

The duration of the customer enquiry and quotation stage can range from 4 weeks to 1 year and the duration is dependent on the product's complexity and whether the customer is an existing customer or a new customer. For existing customers where our Group is an approved supplier, this stage is typically faster as we have been qualified as an approved supplier. For new customers, especially MNCs, our Group is required to undergo an audit before the customer deems us as an approved supplier. This process may take up to 1 year.

(b) Purchase order confirmation and production planning

After we receive approval from the customer on the final first article and the purchase order confirmation for mass manufacturing of the product, our customer will issue a purchase order to us. Our engineering department will utilise design software such as CAD and computer aided manufacturing ("**CAM**") software to generate detailed drawings of the part or component to be manufactured based on the drawings and specifications from our customer. Our engineering department may also be required to procure the necessary jig/fixture for manufacturing of the part or component. If required, we will also procure additional tools for the manufacturing process.

Meanwhile, our production department begins to plan for production by requesting for the required raw materials and appropriate tools needed from our production manager for the manufacturing process. If we do not have the required raw materials in store, we will source them from our suppliers. Thereafter, we will inspect the raw materials inwards from our suppliers, to ensure the quantity and quality of the raw materials are correct and satisfy the requirements. If the raw materials do not pass inspection, we will return them to our suppliers.

(c) Set up of machinery

We will then set up the required machinery for the manufacturing process. This may involve programming and setting parameters on the machinery as well as fastening the necessary tools on the machinery.

(d) Manufacturing

Once the customer has confirmed the first article, we will begin undertaking precision machining via the various processes such as milling, turning and turn-milling which are used to produce the metal parts and components according to the specifications of our customers. Further details on the processes involved are outlined in Section 7.2.1 of this Prospectus.

This stage also involves outsourced processes such as sheet metal fabrication and surface finishing treatment.

(e) In-process quality control

To ensure that the parts and components meet the design specifications and quality standards, we conduct in-process quality control after the precision machining process. This includes visual checking of the parts and components as well as conducting machine inspection to eliminate possible human error.

For avoidance of doubt, we also undertake in-process quality control on our sub-contractors for fabrication of sheet metal by sending a QA personnel to our sub-contractors' manufacturing facility to inspect the products. On the other hand, products that have undergone surface finishing treatment will be inspected at our facility after we receive them from our sub-contractors.

(f) Sub-modular assembly

When required, we can provide sub-modular assembly services for our customers. The necessary intermediate metal products will be sent to undergo sub-modular assembly based on the design and specifications of the customers.

Further details on the process of sub-modular assembly are outlined in Section 7.2.1 of this Prospectus.

(g) Final inspection

We will undertake final inspection and QA of the intermediate metal products and sub-modular assembled products.

Further details on our quality control procedures are outlined in Section 7.12 of this Prospectus.

(h) Packaging, storage, and delivery

After final inspection, the products are packed and stored accordingly. When it is time for delivery, our team will issue a delivery order and the required products are picked, packaged, and labelled according to our customers' requirements.

For deliveries in Malaysia, our Group will deliver the products to our customers using our delivery vehicles at our own cost. For deliveries outside of Malaysia, our Group or our customers will engage a third-party logistics service provider to deliver the products. Overseas deliveries are generally conducted on ex-factory terms, meaning that our customers are responsible for the logistics cost. The logistics cost of delivering the products outside of Malaysia is borne by our customers.

We do not provide warranty for our products, which is in line with the industry practices, as the products supplied to our customers are customised precision-machined parts and components that may undergo further processing into finished products after being delivered to our customers. Nevertheless, if our customers observe a defect in our products or are unsatisfied with the quality of our products when they inspect our products upon delivery, they may reject the delivery and request us to rework the products at no extra cost to them. Once the delivery of our products is accepted by our customers, we will not accept requests for rework.

7.4 PRINCIPAL MARKETS

7.4.1 Revenue by business segment

The breakdown of our revenue by business segment for the Financial Periods Under Review is as follows:

Business segment	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Precision machining[1]	49,095	82.68	33,959	74.21	38,165	80.76	31,912	80.21
Sheet metal fabrication	10,281	17.32	11,801	25.79	9,095	19.24	7,873	19.79
Total	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**39,785**	**100.00**

Note:

(1) Includes revenue from sub-modular assembly and surface finishing treatment.

7.4.2 Revenue by geographical location

The breakdown of our revenue by geographical location for the Financial Periods Under Review is as follows:

Geographical location	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Domestic	59,349	99.95	37,813	82.63	39,643	83.88	39,535	99.37
Malaysia	59,349	99.95	37,813	82.63	39,643	83.88	39,535	99.37
International	27	0.05	7,947	17.37	7,617	16.12	250	0.63
Singapore	20	0.04	7,905	17.28	7,533	15.94	144	0.36
Sri Lanka	1	*	42	0.09	53	0.11	66	0.17
Japan	6	0.01	-	-	-	-	-	-
Others	-	-	-	-	31(1)	0.07	40(2)	0.10
Our total revenue	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**39,785**	**100.00**

Notes:

* *Negligible*

(1) Comprises USA, Thailand, and Switzerland.

(2) Comprises USA and Switzerland.

7.4.3 Revenue by industries

The breakdown of our revenue by customers' industries for the Financial Periods Under Review is as follows:

Customers' industries	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Semiconductor	59,376	100.00	45,760	100.00	47,260	100.00	39,785	100.00
Our total revenue	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**39,785**	**100.00**

7.5 COMPETITIVE STRENGTHS

7.5.1 Long track record and long-standing relationships with our customers

We have a track record of more than 10 years as an engineering supporting services provider, beginning with the fabrication of industrial engineering parts and products to provision of CNC machining services and expanding to sub-modular assembly services. We have implemented a QMS to ensure that we provide our customers with quality products and services on a consistent basis. Currently, our QMS is accredited with ISO 9001:2015 under the scope of "Manufacture of High Precision Machines Components, Jigs, and Fixtures".

Our ability to provide our customers with quality products and services on a consistent basis has enabled us to secure repeat orders from our customers. As at the LPD, our Group has business relationships of more than 5 years with 3 of our major customers, namely Customer A, Customer B, and Customer E.

7.5.2 Experienced and knowledgeable Key Senior Management team

The success of our Group, to a certain extent, can be attributed to the experience and knowledge of our key management team. Our Managing Director, Tan Beng Beng, and our Executive Director, Lim Eng Guan, have 25 years and 29 years of experience in the engineering support industry respectively. They are supported by other members of the Key Senior Management team who each have over 20 years of experience in their respective fields. The combined knowledge and experience of our Key Senior Management team have contributed to our ability to provide products and services that meets our customers' needs and will help to continue the growth of our Group's business in the future.

Name	Designation	Years of experience in their respective fields
Directors		
Tan Beng Beng	Managing Director	25 years
Lim Eng Guan	Executive Director	29 years
Key Senior Management		
Chong Chun Chieh	Chief Financial Officer	31 years
Khoo Tiang Seng	Quality Assurance Manager	41 years
Lim Jit Yit	Assistant General Manager	24 years
Kwek Boon Ping	Production Manager	23 years

7.5.3 Continuous investment in machinery and equipment

In order to serve our customers better, we continuously invest in machinery and equipment in line with the growing requirements of our customers. Aside from meeting existing customers' growing requirements, continuous investment in machinery and equipment allows us to keep up with the more advanced requirements of the markets and potentially allows us to secure additional customers with higher requirements.

For the Financial Periods Under Review and up to the LPD, our Group has invested more in CNC milling machines, as milling is a common machining process that we need to perform on our products for precision machining business segment. Notwithstanding that turn-milling can be a more efficient process, not all our products require the integration of turning and milling processes. Hence, taking into consideration the needs of our production processes, our Group is in possession of more CNC milling machines as compared to CNC turning and turn-milling machines.

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Our Group's investment in machinery and equipment for the Financial Periods Under Review is as such:

Machinery and equipment purchased	FYE 2022[(1)]		FYE 2023		FYE 2024[(2)]	
	Units	RM'000	Units	RM'000	Units	RM'000
CNC milling machines	15	3,048	1	1,373	13	6,714
CNC turning machines	1	125	-	-	-	-
CNC turn-milling machines	5	1,454	-	-	-	-
Testing machines	2	420	3	829	-	-
Total	**23**	**5,047**	**4**	**2,202**	**13**	**6,714**

Machinery and equipment purchased	FPE 2025		1 October 2025 up to LPD	
	Units	RM'000	Units	RM'000
CNC milling machines	3	2,295	1	1,600
CNC turning machines	-	-	-	-
CNC turn-milling machines	-	-	-	-
Testing machines	3	441	-	-
Total	**6**	**2,736**	**1**	**1,600**

Notes:

(1) The machinery and equipment purchased in FYE 2022 include 9 units of CNC milling machines, 1 unit of CNC turning machines, 2 units of CNC turn-milling machines, and 2 units of testing machines acquired by Ambest Technology from Amco Technology, in line with our Promoters' decision to cease the business operations of Amco Technology in fabrication of industrial engineering parts and products.

(2) Given the highly competitive nature of the machining industry, our Group must demonstrate strong manufacturing capabilities to manage higher order volumes without compromising quality by highlighting to customers the number of high-end machines the Group owns and operate in order to secure orders from them. As such, our Group made higher investment in machinery and equipment during FYE 2024, in line with the gradual recovery of the semiconductor industry in 2024.

We believe that continuous investment in machinery and equipment will enable us to attract additional customers as more advanced machinery and equipment can allow for faster and more precise manufacturing.

7.6 SEASONALITY AND CYCLICAL EFFECTS

Our business is not affected by any seasonal trends or cyclical effects.

7.7 INTERRUPTION TO BUSINESS AND OPERATIONS

We have not experienced any other material interruptions to our business during the Financial Periods Under Review.

7.8 TYPES, SOURCES AND AVAILABILITY OF RAW MATERIALS OR INPUTS

The raw materials or inputs (inclusive of outsourced services/products sourced from third-party sub-contractors) purchased by our Group for the Financial Periods Under Review is as follows:

Raw materials or inputs	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Semi-finished machining parts*	21,070	56.66	14,949	60.30	10,839	42.75	5,157	25.21
Aluminium	4,686	12.60	1,407	5.68	6,746	26.61	7,891	38.58
Fabricated sheet metal parts*	5,623	15.12	5,801	23.40	4,879	19.24	4,720	23.08
Surface finishing treatment*	1,545	4.15	1,174	4.74	1,598	6.30	1,733	8.47
Others(1)	4,266	11.47	1,460	5.88	1,292	5.10	952	4.66
Our total purchases	**37,190**	**100.00**	**24,791**	**100.00**	**25,354**	**100.00**	**20,453**	**100.00**

Notes:

* *Sourced from third-party sub-contractors.*

(1) *Mainly comprises plastic, stainless steel, standard items (i.e., screws, bolts, nuts, pins, washers, plugs, gaskets, threads, dowel pins, rings and shafts).*

The percentage of raw materials or inputs purchased from local and foreign suppliers (inclusive of third-party sub-contractors who provide outsourced services/products to our Group) are as follows:

Suppliers	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Local	34,076	91.63	24,275	97.92	24,477	96.54	19,377	94.74
Foreign	3,114	8.37	516	2.08	877	3.46	1,076	5.26
Our total purchases	**37,190**	**100.00**	**24,791**	**100.00**	**25,354**	**100.00**	**20,453**	**100.00**

Our raw materials, such as aluminium and stainless steel, are commodity-based products and are subject to demand and supply conditions which may lead to fluctuation in market prices. Nevertheless, the raw materials that we source are easily available in the market, and there are alternative suppliers from which we can source form, and we have not experienced any major fluctuation in prices of our raw materials or inputs that have materially affected our financial performance for the Financial Periods Under Review and up to the LPD.

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7.9 SALES AND MARKETING

Our sales and marketing activities are spearheaded by our Managing Director, Tan Beng Beng. He is supported by a team of 11 personnel (inclusive of one (1) member of Key Senior Management), and they are responsible for growing our customer base by securing orders from new customers as well as retaining existing customers and securing repeat orders from customers.

We undertake direct marketing whereby we will contact and conduct meetings with potential customers to understand their needs and to showcase our manufacturing capabilities and offer them our services. We also follow up on referrals from our existing customers, suppliers, and other contacts within the engineering support industry and the end-user markets served by the engineering support industry.

Additionally, we maintain a corporate website (www.ambestgroup.com.my) which showcases our Group's profile, products and services offered and contact details to potential customers in the local and overseas markets.

7.10 RESEARCH AND DEVELOPMENT

We are not involved in any design, research and development activities, and we have not incurred any research and development expenditure during the Financial Periods Under Review.

7.11 TECHNOLOGY USED

We utilise the following technology in our manufacturing processes and business operations:

(a) Computer software

We utilise computer software namely CAD and CAM software for our principal activities. CAD software is used to generate two (2)-dimensional or three (3)-dimensional computer models of the intermediate metal parts, thus enabling our team to generate computer models of the intermediate metal parts according to the design and specifications of our customers. On the other hand, CAM software is used to generate a programme for our CNC machines to manufacture the intermediate metal parts according to the designs generated using the CAD software.

(b) CNC machinery

We utilise CNC machinery to undertake precision machining activities such as turning, milling, and turn-milling. Designs produced by our team using CAD software are translated into numbers by computers. The numbers are used as coordinates to guide the CNC machinery to determine where to cut the metal blocks, thus controlling the movement of the CNC machinery.

(c) Coordinate measuring machines

We utilise coordinate measuring machines to measure the dimensions (i.e., height, width, and depth) of the precision-machined parts and components during quality checks.

(d) Enterprise resource planning ("ERP") system

On 28 July 2022, Ambest Technology has entered into a Licence, Support and Update Agreement ("**Licence Agreement**") with Monitor ERP System Sdn Bhd ("**MERPS**") for the purpose of taking a time-limited, non-exclusive, non-transferable Licence to use the software called "MONITOR" in Ambest Technology's business. "MONITOR" is an ERP system used to integrate various functions of Ambest Technology such as planning, purchasing, inventory, sales, marketing and accounting, in order to enhance efficiency and traceability across various functions. The Group is not dependent on the Licence Agreement as there are other alternative ERP systems available in the market in the event the Licence Agreement is discontinued/terminated in the future.

The salient terms of the Licence Agreement are as follows:

Purpose	MERPS grants to Ambest Technology a time limited, non-exclusive, non-transferable Licence to use the software called "MONITOR" in Ambest Technology's business.	
Licence	• Ambest Technology shall not modify, revise, customise, improve, adjust and make changes to MONITOR without written consent of MERPS. The rights, title, and interest in and to MONITOR belong to MERPS and shall not be conveyed to Ambest Technology and shall remain solely and exclusively vested with MERPS. • Ambest Technology may sign hosting (or similar) agreements within the scope of this Licence Agreement but this does not imply MERPS agrees that MONITOR will be signed or assigned to other parties. • Ambest Technology shall not by itself or permit any other person to create, duplicate, reconfigure, decompile or disassemble MONITOR or to do so into source code or any other software to analyse, modify or in other ways open/use this source code/software	
Scope of Work	<u>Scope</u>	Throughout the validity and subsistence of this Licence Agreement, MERPS agrees to provide support services to Ambest Technology regarding MONITOR (within the scope set forth in in the Support Information applicable at the respective time at : http://www.monitorerp.com/customerweb/conditions-support/) at no extra charges. MERPS retains the right to change/modify the support services offered at its sole discretion.
	<u>Exclusion</u>	The following support and other support not stated in this Agreement shall be excluded from the cost-free support services: • adaptations of MONITOR or support due to adaptations of MONITOR; • using MONITOR procedures that have been provided by MONITOR Help-texts; • training sessions; • services in connection with the update; • hardware and network errors; • internet connection errors; • installation not performed by MERPS or consulting or distribution company appointed by MERPS concerning MONITOR ("**Distributor**"); and outstation communication/travelling/accommodation and per diem allowance.
	<u>Update</u>	The following updates (excluding services) are included in the Licence Agreement:- • continuous updates and improvements of MONITOR and documentation; and

		• adjustments of non-conformities in MONITOR confirmed by MERPS. Any costs incurred in testing, adjusting and adaptation due to changes in computing platform shall be paid by Ambest Technology.
Termination	• Both parties may terminate the agreement by giving three (3) months' written notice, and there shall be no refund of the Licence fee (or part thereof) by MERPS. • If either party pass a resolution or the Courts make an order that the company be wound up other than for purpose of reconstruction/amalgamation/receiver or manager on behalf of creditor is appointed, the other party shall be entitled to terminate by giving the other party a written notice. • Upon termination, Ambest Technology's right to use MONITOR will terminate and Ambest Technology shall confirm and warrant in writing that Ambest Technology is no longer using MONITOR.	
Confidentiality	Both parties: • agree to treat as confidential all information received from the other party or acquired in the course of performance of this Agreement which the other party indicated in writing to be confidential except if such information already exists in public domain, is already in MERPS' possession, is independently developed by MERPS outside the scope of this agreement or is rightfully obtained from third party. • agree to disclose this information only to those of its employees and third party who need to know it for the performance of the agreement and to ensure that they are informed and agree to keep the information confidential. • agree that the parties and their employees and third parties shall observe all security requirements at the other party's premises and comply with the security procedures for confidential material.	
Limitation of Liability	• MERPS shall in no event be liable for any damage (direct, indirect, special or consequential) arising in any way of the use of MONITOR. • MERPS shall in no event be liable for any damage caused by Ambest Technology's failure to perform responsibilities or for any indirect or consequential damages or for any claim made against Ambest Technology by any other party. MERPS shall not be liable for any damages claimed by Ambest Technology based on any third party claim. • MERPS shall totally be excluded from the following liabilities for errors/defects in MONITOR due to: ▪ the use that is in conflict with MERPS' rules or MONITOR's documentation; ▪ installation/modifications by Ambest Technology or Distributor or service provide by the Distributor under a separate agreement; ▪ the use that is in conflict with bases and information provided by MERPS; ▪ the hardware, software, equipment not provided by MERPS; ▪ the use of another version of MONITOR; ▪ power failure; or ▪ non-conformities of performance in MONITOR in relation to information provided by Distributor (if differs from Help-texts in MONITOR) • Ambest Technology's sole and exclusive remedy for damage/loss in any way connected with the Support Services, whether by breach of contract or warranty shall be having MERPS offering services to diagnose and rectify defect of MONITOR at MERPS' own cost.	

7.12 QUALITY CONTROL MANAGEMENT

Our Group is committed to consistently producing high-quality products for our customers. To do so, we have put in place various quality assurance processes throughout the pre-production, production, and post-production stages.

Stage	Quality control processes
Pre-production	Prior to mass production, we review the design and specifications of the required precision-machined parts and components or fabricated sheet metal. We will then conduct production planning which includes outlining the engineering processes required, programming the CNC machinery, and mapping out the entire production flow. We will also set up the machinery to ensure that it can effectivity conduct the manufacturing process. We also carry out quality checks on incoming raw materials to ensure that they conform to the specified quality requirements.
Production	We undertake in-process quality control during the stages of the manufacturing process. This typically includes verification of machine setup and first piece verification. We also undertake quality checks on incoming semi-finished parts such as precision-machined components and fabricated sheet metal from our subcontractors to ensure that they meet the desired requirements.
Post-production	We perform a final quality check (outgoing quality assurance) before shipment to ensure every product meets our customers' exact specifications.

As a testament to our Group's commitment to quality, our QMS is currently accredited with ISO 9001:2015 under the scope of "Manufacture of High Precision Machines Components, Jigs, and Fixtures". Our QMS was first accredited with ISO 9001:2008 in 2012 under the same scope. Our QMS helps us to ensure consistent, high-quality products and services that meet the requirements and standards of our customers, authorities, and regulatory bodies. It also allows for continuous improvement in customer satisfaction by identifying areas for enhancement.

7.13 MATERIAL MACHINERIES

As at 31 December 2024, the material machineries used in our operations are as follows:

Machinery/ equipment	Number of units as at 31 December 2024 (Units)	Average lifespan[1] (Years)	Age range of machinery/ equipment[2] (Years)	NBV as at 31 December 2024 (RM'000)
CNC milling machines	40	5	1 to 21	9,336
CNC turning machines	2	5	1 to 8	81
CNC turn-milling machines	7	5	1 to 12	1,052
Testing machines[3]	5	5	2 to 3	823
Total	**54**			**11,292**

As at 30 September 2025, the material machineries used in our operations are as follows:

Machinery/ equipment	Number of units as at 30 September 2025 (Units)	Average lifespan[(1)] (Years)	Age range of machinery/ equipment[(2)] (Years)	NBV as at 30 September 2025 (RM'000)
CNC milling machines	43	5	1 to 22	9,738
CNC turning machines	2	5	2 to 9	48
CNC turn-milling machines	7	5	2 to 13	696
Testing machines[(3)]	8	5	1 to 4	1,059
Total	**60**			**11,541**

Notes:

(1) Average lifespan is based on the depreciation rate adopted for the machinery/equipment.

(2) Age range of machinery/equipment is based on the year of manufacture of the machinery/equipment. The age range of machinery/equipment in use is generally longer than the average lifespan, as our Group undertakes periodic maintenance for the machinery/equipment.

(3) Testing machines are used for quality control purposes and therefore would not affect our Group's production capacity.

7.14 OPERATING CAPACITIES AND UTILISATION RATES

Our Group currently operates from our production facilities located at Facility No. 9 and Office and Factory No. 11. We utilise a variety of machinery and equipment to produce precision-machined components based on the designs and specifications of our customers. Depending on the type of products required by our customers and the complexity of each product, the machinery and equipment used, as well as the production time, will differ.

Our Group's annual production capacity and utilisation rate for FYE 2024 are as follows:

Types of Machines	No. of units as at 31 December 2024	Estimated Maximum Annual Capacity[(i)] (hour)	Actual Production Time per Annum (hour)	Annual Production Capacity Utilisation Rates[(ii)] (%)
CNC milling machines	40	156,190[(iii)]	82,831[(iii)]	53.03[(iii)]
CNC turning machines	2	8,443	7,391	87.54
CNC turn-milling machines	7	29,550	27,608	93.43

Notes:

(i) We use a variety of machinery to produce the products required by our customers. Depending on the complexity and specifications of the products required by our customers, the production time as well as the type of machinery used would vary for each order. As such, our Group's operating annual capacity is measured by the production running time of the CNC machines owned by our Group.

The estimated maximum annual capacity is calculated based on the number of machines x 5 working days per week x 52 weeks per year x 17.16 working hours per day, minus non-operating hours) (calculated based on number of machines x 14 non-operating days x 17.16 working hours per day), based on the following:

- *The 17.16 working hours per day is based on 2 shifts per day, 8.58 working hours (namely, 8 hours and 35 minutes and excluding breaktime of 1 hour) per shift.*
- *Non-operating days refer to certain public holidays granted by our Group to its employees.*

(ii) Utilisation rate is computed based on actual annual operating hours divided by estimated annual operating capacity hours and multiplied by 100%.

(iii) Three (3) units of CNC milling machines acquired between November and December 2024 yet to be operational during FYE 2024, and hence, has been excluded from the calculation of the estimated maximum annual capacity and annual production capacity utilisation rates.

Our Group's production capacity and utilisation rate for FPE 2025 are as follows:

Types of Machines	No. of units as at 30 September 2025	Estimated Maximum 9-month Capacity[(i)] (hour)	Actual Production Time for FPE 2025 (hour)	Production Capacity Utilisation Rates[(ii)] (%)
CNC milling machines	43	135,770	78,923	58.13
CNC turning machines	2	6,315	3,291	52.11
CNC turn-milling machines	7	22,102	18,759	84.87

Notes:

(i) We use a variety of machinery to produce the products required by our customers. Depending on the complexity and specifications of the products required by our customers, the production time as well as the type of machinery used would vary for each order. As such, our Group's operating capacity is measured by the production running time of the CNC machines owned by our Group.

The estimated maximum 9-month capacity is calculated based on the number of machines x 5 working days per week x 39 weeks for the FPE 2025 x 17.16 working hours per day, minus non-operating hours) (calculated based on number of machines x 11 non-operating days x 17.16 working hours per day), based on the following:

- *The 17.16 working hours per day is based on 2 shifts per day, 8.58 working hours (namely, 8 hours and 35 minutes and excluding breaktime of 1 hour) per shift.*
- *Non-operating days refer to certain public holidays granted by our Group to its employees.*

(ii) Utilisation rate is computed based on actual operating hours divided by estimated 9-month operating capacity hours and multiplied by 100%.

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7.15 MAJOR CUSTOMERS

Our top 5 major customers in the Financial Periods Under Review are as follows:

FYE 2022

No.	Name	Country of operation	Products supplied	Length of relationship as at FYE 2022 Year(s)	Revenue contribution RM'000	Revenue contribution %
1.	Customer A	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	7	29,481	49.65
2.	Customer B	Malaysia	Precision-machined parts and components	7	19,372	32.63
3.	Customer C	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	2	3,709	6.25
4.	Customer E	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	3	2,594	4.37
5.	Customer D	Malaysia	Precision-machined parts and components	11	2,128	3.58
Sub-total					**57,284**	**96.48**
Our Group's total revenue					**59,376**	**100.00**

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FYE 2023

No.	Name	Country of operation	Products supplied	Length of relationship as at FYE 2023	Revenue contribution	
				Year(s)	RM'000	%
1.	Customer A	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	8	21,324	46.60
2.	Customer B	Malaysia	Precision-machined parts and components	8	11,876	25.95
3.	RT Supplies	Singapore	Precision-machined parts and components	1	7,857	17.17
4.	Customer E	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	4	1,433	3.13
5.	Customer C	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	3	1,083	2.37
Sub-total					**43,573**	**95.22**
Our Group's total revenue					**45,760**	**100.00**

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FYE 2024

No.	Name	Country of operation	Products supplied	Length of relationship as at FYE 2024	Revenue contribution	
				Year(s)	RM'000	%
1.	Customer B	Malaysia	Precision-machined parts and components	9	22,255	47.09
2.	Customer A	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	9	10,503	22.22
3.	RT Supplies	Singapore	Precision-machined parts and components	2	7,396	15.65
4.	Customer E	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	5	2,986	6.32
5.	Altra Precision(1)	Malaysia	Precision-machined parts and components	4	1,390	2.94
Sub-total					**44,530**	**94.22**
Our Group's total revenue					**47,260**	**100.00**

Note:

(1) Altra Precision, one of our major suppliers for the Financial Periods Under Review, emerged as one of our top five (5) customers in FYE 2024; contributing approximately RM1.39 million or 2.94% of our Group's total revenue for FYE 2024. This was due to higher purchases of precision-machined parts and components by Altra Precision from our Group to cater for the needs of its own customers; which may not be recurring in the future at similar level.

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FPE 2025

No.	Name	Country of operation	Products supplied	Length of relationship as at FPE 2025 Year(s)	Revenue contribution RM'000	%
1.	Customer B	Malaysia	Precision-machined parts and components	10	25,229	63.41
2.	Customer A	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	10	7,731	19.43
3.	Customer E	Malaysia	Precision-machined parts and components, and fabricated sheet metal parts	6	4,376	11.00
4.	Customer F	Malaysia	Precision-machined parts and components	5	814	2.05
5.	Customer G	Malaysia	Precision-machined parts and components	3	608	1.53
Sub-total					**38,758**	**97.42**
Our Group's total revenue					**39,785**	**100.00**

Our top 5 major customers contributed 96.48%, 95.22%, 94.22%, and 97.42% of our Group's total revenue for Financial Periods Under Review respectively. We are dependent on two (2) of our major customers, namely Customer A, and Customer B. They have cumulatively contributed approximately 82.28%, 72.55%, 69.31%, and 82.84% of our total revenue for Financial Periods Under Review respectively. Our Group is one of the suppliers to Customer A and Customer B for the precision-machined parts and components and/or fabricated sheet metal parts sourced by them.

Our Group produces and supplies more than 300 product items for Customer A and more than 200 product items for Customer B. Our customers typically do not enter into long-term contracts with us, and our sales are based on purchase orders. As such, our future business performance is dependent to a certain extent on our Group's ability to secure repeat orders from these customers. Our Group's ability to secure repeat orders depends largely on our manufacturing capabilities, competitive pricing, product quality, reliability, and timely delivery.

Nevertheless, our Group has maintained a good working relationship with our major customers. We have worked with Customer A and Customer B for more than 9 years. Prior to servicing them, we were required to undertake a qualification process to become an approved vendor to them. We also have not experienced any disputes with these customers over the years which have significantly affected our business or financial performance. We believe that our track record and capabilities will enable us to continue the working relationship with our major customers.

Revenue contribution from Customer A had been on a decreasing trend during the Financial Periods Under Review, from RM29.48 million in FYE 2022 to RM10.50 million in FYE 2024, and RM7.73 million in FPE 2025. While the sales from Customer A had caused an overall decrease in our Group's revenue during FYE 2023, our Group has managed to mitigate the adverse impact arising from the reduced sales from Customer A in FYE 2024 by securing higher sales from other customers.

For FYE 2023 and FYE 2024, RT Supplies contributed 17.17% and 15.65%, respectively, to our Group's total revenue. Nevertheless, our Group is of the opinion that we are not dependent on RT Supplies as our revenue in the FPE 2025 increased to RM39.79 million from RM29.65 million in the FPE 2024, despite the loss of revenue from RT Supplies.

For the FPE 2025, Customer E contributed to 11.00% of our Group's total revenue. Nevertheless, our Group is of the opinion that we are not dependent on Customer E as they have only contributed 3.13% to 6.32% of our Group's total revenue for the FYE 2022 to FYE 2024.

Our Group strives to broaden our customer base to mitigate the dependency on our major customers and to increase our revenue. During the Financial Periods Under Review, our number of transacted customers was 16 for both FYE 2022 and FYE 2023 and subsequently increased to 21 for FYE 2024. During the FPE 2025, our Group transacted with 21 customers.

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7.16 MAJOR SUPPLIERS

Our top five (5) major suppliers (inclusive of sub-contractors to whom we outsource our sheet metal fabrication and machining processes) in the Financial Periods Under Review are as follows:

FYE 2022

No.	Name	Country of operation	Products/Services purchased	Length of relationship as at FYE 2022 year(s)	Purchase value RM'000	Purchase value %
1.	Altra Precision[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	3	7,713	20.74
2.	Amco Technology[(2)]	Malaysia	Semi-finished machining parts	7	4,655[(3)]	12.52
3.	Supplier C[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	4	4,023	10.82
4.	Supplier D[(1)]	Malaysia	Semi-finished machining parts	<1	2,348	6.31
5.	Supplier E[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	4	2,297	6.18
Sub-total					**21,036**	**56.57**
Our Group's total purchases					**37,190**	**100.00**

Notes:

(1) *Sub-contractors to whom we outsource our sheet metal fabrication and machining processes.*

(2) *Amco Technology has sold all its CNC machinery to Ambest Technology in 2022. Amco Technology has ceased its business operation in fabrication of industrial engineering parts and products since December 2024, save for the rental income charged to Ambest Technology; and has on 26 May 2025 filed with CCM to change its principal activity to property holding and to amend its memorandum and articles of association.*

(3) *The total transacted values for CNC machining services provided by Amco Technology during FYE 2022 amounting to RM4,664,929. The amount disclosed in the table above is after setting off credit note of RM9,450 issued by Amco Technology during FYE 2022 in relation to a transaction that took place in FYE 2021.*

FYE 2023

No.	Name	Country of operation	Products/Services purchased	Length of relationship as at FYE 2023	Purchase value	
				year(s)	RM'000	%
1.	Altra Precision[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	4	7,644	30.83
2.	Supplier B[(1)]	Malaysia	Semi-finished machining parts	<1	3,534	14.26
3.	Supplier A[(1)]	Malaysia	Semi-finished machining parts	<1	1,822	7.35
4.	Supplier C[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	5	1,704	6.87
5.	Supplier D[(1)]	Malaysia	Semi-finished machining parts	1	1,640	6.62
Sub-total					**16,344**	**65.93**
Our Group's total purchases					**24,791**	**100.00**

Note:

(1) Sub-contractors to whom we outsource our sheet metal fabrication and machining processes.

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FYE 2024

No.	Name	Country of operation	Products/Services purchased	Length of relationship as at FYE 2024	Purchase value	
				year(s)	RM'000	%
1.	Altra Precision[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	5	5,204	20.53
2.	SL Metals	Malaysia	Aluminium	<1	3,575	14.10
3.	Supplier D[(1)]	Malaysia	Semi-finished machining parts	2	1,464	5.77
4.	Supplier B[(1)]	Malaysia	Semi-finished machining parts	1	1,427	5.63
5.	Supplier C[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	6	1,409	5.56
Sub-total					**13,079**	**51.59**
Our Group's total purchases					**25,354**	**100.00**

Note:

(1) Sub-contractors to whom we outsource our sheet metal fabrication and machining processes.

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FPE 2025

No.	Name	Country of operation	Products/Services purchased	Length of relationship as at FPE 2025 year(s)	Purchase value RM'000	Purchase value %
1.	Altra Precision[(1)]	Malaysia	Fabricated sheet metal parts and semi-finished machining parts	6	2,797	13.68
2.	Supplier F	Malaysia	Aluminium	2	2,310	11.29
3.	SL Metals	Malaysia	Aluminium	1	1,993	9.74
4.	IPC Industries Sdn Bhd	Malaysia	Aluminium	5	1,737	8.50
5.	Supplier G[(1)]	Malaysia	Fabricated sheet metal parts, semi-finished machining parts, and standard items (i.e., screws, bolts, nuts, pins, washers, plugs, gaskets, threads, dowel pins, rings and shafts)	7	1,491	7.29
Sub-total					**10,328**	**50.50**
Our Group's total purchases					**20,453**	**100.00**

Note:

(1) Sub-contractors to whom we outsource our sheet metal fabrication and machining processes.

Save for SL Metals and Supplier F (being approved vendors of our Group's major customer, Customer B which requires Ambest Technology to obtain raw materials from SL Metals and Supplier F for certain products) where we would require the consent of our Group's major customer, Customer B before sourcing from alternative supplier in relation to the raw materials for certain products, there are alternative suppliers readily available from whom we could source if our existing suppliers are unable to supply to us. For avoidance of doubt, there are 7 other suppliers or sub-contractors who are under a similar arrangement as SL Metals and Supplier F (i.e. being approved vendors of our Group's Customer A or Customer B) during the Financial Periods Under Review. The arrangement with these suppliers or sub-contractors does not materially impact our Group's financial performance in terms of profit margin, as the transactions with these suppliers or sub-contractors are based on market prices and the costs have been factored into the selling prices of the relevant products sold by our Group to Customer A and Customer B. Purchases sourced from these suppliers or sub-contractors aggregating to approximately RM1.26 million or 3.39%, RM1.06 million or 4.29%, RM5.08 million or 20.03%, and RM7.69 million or 37.60% of our Group's total purchases for Financial Periods Under Review respectively.

Altra Precision, one of our major suppliers for the Financial Periods Under Review, emerged as one of our top five (5) customers in FYE 2024; contributing approximately RM1.39 million or 2.94% of our Group's total revenue for FYE 2024. This was due to higher purchases of precision-machined parts and components by Altra Precision from our Group to cater for the needs of its customers; which may not be recurring in the future at similar level.

None of our major suppliers specialise in, or are confined to, producing customised products for our Group.

Our Group's top 5 major suppliers contributed approximately 56.57%, 65.93%, 51.59%, and 50.50% of our Group's total purchases for Financial Periods Under Review respectively. Our Group is dependent on 3 of our major suppliers, namely Altra Precision (a sub-contractor of our Group to whom we outsource our sheet metal fabrication and machining processes), SL Metals and Supplier F (both of whom are approved vendors of our Group's major customer, Customer B, which requires Ambest Technology to obtain raw materials from SL Metals and Supplier F for certain products), who have cumulatively contributed approximately 20.74%, 30.83%, 34.63%, and 34.71% of our Group's total purchases for Financial Periods Under Review respectively. For avoidance of doubt, the aforementioned arrangement for SL Metals commenced in FYE 2024, while the arrangement with Supplier F commenced in FPE 2025. Our Group's purchases from Altra Precision are mainly fabricated sheet metal products, while our Group purchases aluminium from SL Metals and Supplier F. We have maintained good working relationships with Altra Precision and SL Metals as well as Supplier F, and have not experienced any material disputes in the past and up to the LPD. We believe that the long-standing business relationships and on-going efforts in maintaining a good relationship with Altra Precision, SL Metals and Supplier F respectively will enable us to continue sourcing the necessary products and raw materials from them.

Our Group sources precision machining parts and components from Supplier C, which had contributed 10.82% of our Group's total purchases for FYE 2022. Nevertheless, our Group's purchases from Supplier C had decreased to 6.87% and 5.56% of our Group's total purchases in FYE 2023 and FYE 2024 respectively. Our Group sources precision machining parts and components from Supplier B, which had contributed 14.26% of our Group's total purchases for FYE 2023. Nevertheless, our purchases from Supplier B had decreased to 5.63% of our Group's total purchases in FYE 2024. As both suppliers' contribution to our Group's total purchases have decreased below 10.00% during FYE 2024, we are of the opinion that we are not dependent on Supplier C or Supplier B.

7.17 FUTURE PLANS

Our Group aims to improve our long-term growth by undertaking the following future plans:

7.17.1 Renovation of Facility 42A

Our Group currently operates from Facility No. 9, and Office and Factory No. 11. Our Group had in 2024 purchased the Facility 42A, a single storey industrial facility located in Bayan Lepas, Penang, which is in the vicinity of our Facility No. 9, and Office and Factory No. 11.

The acquisition of Facility 42A was undertaken to cater for future expansion and to house new and additional CNC machinery, as there is limited factory space within Facility No. 9 and Office and Factory No. 11 for further expansion. This is in line with our Group's expansion strategy, in order to demonstrate to customers that our Group is capable of handling new and additional orders.

Since June 2024 and as at the LPD, we are utilising the Facility 42A to store raw materials, packing materials, finished goods, as well as five (5) CNC milling machines (pending maintenance and installation) and one (1) 5-axis CNC milling machine. We intend to add an additional storey to a part of the building to increase the built-up area of the building from approximately 2,010 sq. m. to 2,910 sq. m. This will enable us to expand our manufacturing area and accommodate additional machinery and equipment to expand our production capacity and capabilities. We also intend to construct a new cleanroom in the Facility 42A. Our Group currently has a cleanroom divided into two sections, Class 10,000 and Class 100,000 in Facility No. 9 and Office and Factory No. 11. As at the LPD, the cleanroom in Facility No. 9 and Office and Factory No. 11 has been tested and has been certified with a certificate of compliance and has commenced operations. We intend to construct a similar cleanroom with the same two classifications, Class 10,000 and Class 100,000, in Facility 42A to increase our ability to package the precision-machined parts and components under cleanroom conditions.

We are in the midst of finalising the building plan for the renovation of the Facility 42A and intend to submit said building plan to the authorities by the second quarter of 2026.

The estimated timeline in relation to renovation of Facility 42A and installation of a cleanroom is as follows:

Milestones	Estimated Quarter and Year
Submission of building plan	Second quarter of 2026
Approval of the building plan	Fourth quarter of 2026
Commencement of renovation and fit-out works to construct a mezzanine floor, a conference room, office spaces, a lobby, and other facilities	Fourth quarter of 2026
Completion of renovation and fit-out works	Second quarter of 2027
Installation of additional new machinery and equipment and cleaning line in the cleanroom	Fourth quarter of 2027

The Facility 42A is expected to be fully operational by the first quarter of 2028.

The estimated cost to renovate the factory and install the cleanroom is approximately RM5.00 million, and we intend to use internally generated funds and/or bank borrowings to fund the renovation. The breakdown of the estimated cost for renovation of Facility 42A and installation of a cleanroom is as follows:

Details of utilisation	Total Estimated Cost (RM'000)
Renovation costs	3,800
Installation of a cleanroom	1,200
Total	**5,000**

7.17.2 Purchase of machinery and equipment

Notwithstanding that we have continuously invested in machinery and equipment and have purchased 23, 4, 13, and 6 additional units of machinery and equipment for the Financial Periods Under Review respectively, we intend to invest and purchase new machinery and equipment, which will be placed in the Facility 42A, to grow our business.

The rationale for purchasing new machinery and equipment is to demonstrate strong manufacturing capabilities to secure additional orders from our existing customers and new customers. The purchase of new machinery and equipment also allows us to keep up with the more advanced requirements and potentially allows us to secure additional customers with higher requirements.

We intend to allocate approximately RM3.90 million of the IPO Proceeds to purchase 2 new machineries.

The total cost of the details of the machines are as follows:

Machineries to be purchased	Function of the machinery	Number of units	Total estimated cost (RM'000)
5-axis CNC machine	A machine that is used to perform simultaneous cutting in all five axes to create complex shapes on a workpiece.	1	2,200
CNC horizontal machine	A machine used for high-precision machining of large or complex parts.	1	1,700
Total		**2**	**3,900**

The specifications of the abovementioned CNC machineries are more advanced, as compared to our existing CNC machineries; and can be used for more sophisticated precision-machining processes. The abovementioned CNC machineries can cater to precision-machined parts and components that require machining from multiple angles, with more complex geometries, curved surfaces, and/or intricate designs; and are expected to further enhance our Group's manufacturing capacity and capabilities.

If any of the above machineries is purchased with credit financing prior to the receipt of the proceeds from the Public Issue, the proceeds raised shall be utilised to repay such financing for early settlement.

If the cost of purchasing the abovementioned machinery and equipment exceeds the allocation of proceeds from IPO Proceeds, we will utilise internally generated funds or bank borrowings to fund the expansion plans. Conversely, if the actual cost is lower than the amount allocated above, the excess will be allocated for our Group's working capital purposes.

All of the above CNC machines will be allocated to the Facility 42A. The additional new 5-axis CNC machine and CNC horizontal machine are expected to increase our Group's operating annual capacity by approximately 4.00% collectively. Kindly refer to the Section 4.8.2, Note (1) of this Prospectus for further information on the calculation of the Group's operating annual capacity. The increase in our Group's overall production capacity is in line with our Group's plan to accommodate more orders from our Group's existing customers and to expand the customer base to serve customers from other industries. It is our Group's plan to approach customers from other industries. However, as at the LPD, our Group has yet to receive any formal enquiry or order of customers from other industries. Given the highly competitive nature of the machining industry, our Group must demonstrate strong manufacturing capabilities to manage higher order volumes without compromising quality by highlighting to customers the number of high-end machines the Group owns and operate in order to secure orders from them.

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7.18 EMPLOYEES

As at 31 December 2024, we have a total workforce of 134 employees, of which 73 are permanent employees and 61 are contractual workers. The following depicts the number of employees in our Group according to department:

	Permanent		Contract		
Category	**Local**	**Foreign**	**Local**	**Foreign**	**Total employees**
Executive Directors and Key Senior Management	6	-	-	-	6
Sales and marketing	5	-	-	-	5
Administrative	5	-	-	-	5
Production and warehousing	32	-	-	59	91
QA	25	-	-	2	27
Total	**73**	**-**	**-**	**61**	**134**

As at 30 September 2025, we have a total workforce of 146 employees, of which 87 are permanent employees and 59 are contractual workers. The following depicts the number of employees in our Group according to department:

	Permanent		Contract		
Category	**Local**	**Foreign**	**Local**	**Foreign**	**Total employees**
Executive Directors and Key Senior Management	6	-	-	-	6
Sales and marketing	8	-	-	-	8
Administrative	5	-	-	-	5
Production and warehousing	33	-	-	58	91
QA	35	-	-	1	36
Total	**87**	**-**	**-**	**59**	**146**

As at the LPD, we have a total workforce of 154 employees, of which 96 are permanent employees and 58 are contractual workers. The following depicts the number of employees in our Group according to department:

	Permanent		Contract		
Category	**Local**	**Foreign**	**Local**	**Foreign**	**Total employees**
Executive Directors and Key Senior Management	6	-	-	-	6
Sales and marketing	10	-	-	-	10
Administrative	8	-	-	-	8
Production and warehousing	38	-	-	56	94
QA	34	-	-	2	36
Total	**96**	**-**	**-**	**58**	**154**

As at the LPD, our total workforce comprises 62.34% local employees and 37.66% foreign employees.

There are no employees who are members of any union and there has been no industrial dispute pertaining to our employees. As at the LPD, all of our Group's foreign workers possess the necessary valid working permits.

We have in place a management succession plan to identify key competencies and requirements of managers and higher-ranking personnel, to take positive approach towards addressing talent management to ensure our Group has talent readily available from a capability perspective to undertake leadership positions and to frequently train our middle management to ensure they are well equipped with all the necessary knowledge to succeed at senior management positions in the future in our Group.

Our Group has not experienced any shortage of employees for the Financial Periods Under Review and up to the LPD, save for FYE 2023. During FYE 2023, our Group experienced a temporary shortage of employees where foreign workers who are unable to obtain the permit under the Program Rekalibrasi Tenaga Kerja ("**RTK**") 2.0 have been discontinued, resulting in a decrease in our Group's foreign labour headcount from 66 as at end of FYE 2022 to 17 as at end of FYE 2023. Nevertheless, our Group's operations have not been disrupted as we managed to mitigate the impact by outsourcing some precision machining processes to third-party sub-contractors. This temporary shortage of employees has been subsequently resolved, where new foreign workers with valid working permit have been recruited during FYE 2024, resulting in an increase in our Group's foreign labour headcount from 17 as at end of FYE 2023 to 61 as at end of FYE 2024.

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7.19 MAJOR LICENCES AND APPROVALS

Details of the major licences and approvals of our Group as at the LPD are summarised as follows:

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
1.	Ambest Technology	MBPP	KOM00012822	Business premise licence for Facility No. 9 and Office and Factory No. 11	12 December 2025 to 31 December 2026	-	-
2.	Ambest Technology	MBPP	KOM00014400	Business premise licence for Facility 42A	12 December 2025 to 31 December 2026	-	-
3.	Ambest Technology	MITI	A 025690	Manufacturing licence for Facility No. 9 and Office and Factory No. 11.	Issued on 27 May 2024 with an effective date from 30 November 2023. This manufacturing licence shall remain valid unless revoked	MITI and MIDA are to be notified of the sale of shares of this company.	Complied
						This company should train Malaysians so that technology transfer and expertise could be channelled at all levels of position.	Complied
						The company must comply with the requirements of the Employee Capital Investment Ratio – Capital Investment Per Employee (CIPE) of at least RM140,000.00.	Complied
						Total full-time employment of the entire company shall consist of at least 80% of Malaysians. Employment of foreigners including workers obtained through outsourcing is subject to current policies.	To be complied (on 16 December 2024, MITI has announced the suspension of the 80:20 employment ratio requirement for manufacturing sector.)[(i)]

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						Where required by MIDA, the company must submit information on the performance, investment and project implementation under the Coordination Act Industrial, 1975 (Act 156) and MIDA Act, 1965, failing which:	
						i. the Company may be found guilty of an offence and may be liable to a fine not exceeding RM1,000.00 or imprisonment for a period not exceeding three months or both and the Company may be further fined a sum not exceeding RM500.00 for each day if the offence continues; or	Noted by Ambest Technology.
						ii. the Company may be found guilty of an offence if any statement or other information provided by the Company is false or misleading in any material aspects and the Company may be liable to a fine of not exceeding RM2,000.00 or imprisonment for a period not exceeding six months or both.	Noted by Ambest Technology.
						This company must implement its project as approved and in accordance with the laws and regulations of Malaysia.	Complied

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
4.	Ambest Technology	MITI	A 026226	Manufacturing licence for Facility 42A	Issued on 18 December 2024 with an effective date from 5 November 2024. This manufacturing licence shall remain valid unless revoked	MITI and MIDA are to be notified of the sale of shares of this company.	Complied
						This company should train Malaysians so that technology transfer and expertise could be channelled at all levels of position.	Complied
						The company must comply with the requirements of the Employee Capital Investment Ratio – Capital Investment Per Employee (CIPE) of at least RM140,000.00.	Complied
						Total full-time employment of the entire company shall consist of at least 80% of Malaysians. Employment of foreigners including workers obtained through outsourcing is subject to current policies.	To be complied (on 16 December 2024, MITI has announced the suspension of the 80:20 employment ratio requirement for manufacturing sector.)[(i)]
						Where required by MIDA, the company must submit information on the performance, investment and project implementation under the Coordination Act Industrial, 1975 (Act 156) and MIDA Act, 1965, failing which:	
						i. the company may be found guilty of an offence and may be liable to a fine not exceeding RM1,000.00 or imprisonment for a period not exceeding three months or both and the Company may	Noted by Ambest Technology.

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						be further fined a sum not exceeding RM500.00 for each day if the offence continues; or ii. the company may be found guilty of an offence if any statement or other information provided by the company is false or misleading in any material aspects and the company may be liable to a fine of not exceeding RM2,000.00 or imprisonment for a period not exceeding six months or both.	 Noted by Ambest Technology.
						This company must implement its project as approved and in accordance with the laws and regulations of Malaysia.	Complied
5.	Ambest Technology	DOSH	PP/23/01/195915	Workplace information	Registration Date: 8 February 2023	-	-
6.	Ambest Technology	DOSH	JKKP/PP/2025/239931	Workplace confirmation certificate	Notification sent on 8 April 2025	-	-

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
7.	Ambest Technology	DOSH	PMA-PP/A24-158011	Certificate of Fitness for lifting machinery other than lifts / escalators / moving walkways (A13) vertical lifting platform (Registration No. PP-PMA-85679) at Facility No. 9 and Office and Factory No. 11	Expiry Date: 3 March 2026	-	-
8.	Ambest Technology	JTKSM	AC/10700/2024/0062	Certificate of Accommodation issued for Hostel No. 1	25 March 2024 to 25 March 2027	The company shall comply with the followings: (i) Not to accommodate more than 72 workers in the premises; (ii) Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020; (iii) The accommodation shall be provided free of charge or rent to every employee; (iv) The company to report the accommodation of workers in this premises within 30 days from the date of accommodation;	(i) Complied; (ii) Complied; (iii) Complied; (iv) Complied;

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						(v) The company to report the closure of this accommodation at least 30 days before the date of closure; and (vi) The company to display the Certificate of Accommodation on the external wall of the premises, at a suitable and conspicuous place.	(v) N/A; (vi) Complied.
9.	Ambest Technology	RMCD	P79 G6 2024 00000008	Manufacturing warehouse licence (“**LMW**”) issued for Facility No. 9 and Office and Factory No. 11, and Facility 42A	1 July 2025 to 30 June 2027	1. Licence and LMW Plan approved by the State Director of Customs shall be displayed at a prominent place on the premise. 2. No dutiable goods other than raw materials / components and machinery used directly in manufacturing, and manufacturing goods which have been approved by the State Director of Customs may be stored in the licensed manufacturing warehouse. 3. A copy of every plan approved by the State Director of Customs shall be displayed at a prominent place on the premise after the premise has been licensed. 4. Manufacturing and movement in and out of dutiable goods and manufactured goods shall be allowed at any time and any	1. Complied 2. Complied 3. Complied 4. Complied

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						day according to the needs of the licensee.	
						5. Changes to the structure of buildings and equipment in the licensed premises are not permitted except with the written approval of the State Director of Customs.	5. Complied
						6. State Director of Customs may at any time direct licensee to make any changes in the plan deem necessary.	6. Noted
						7. The State Director of Customs may require licensee to install any lock, seal or other safety equipment deemed necessary to ensure against the loss of revenue.	7. Noted
						8. Licensee shall submit to the Industrial Section of the Customs Office, a monthly statement in Bahasa Malaysia by the 28th day of the following month. The statement should be certified by the Company's Account Officer with particulars as follows: (a) Stock balance of each type of raw materials / components in storage at the beginning of the month.	8. (a) Complied

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						(b) The number of each type of raw materials / components that were imported in that month and its CIF price.	(b) Complied
						(c) Total quantity of each type of raw materials / components used in that month for the purpose of manufacturing.	(c) Complied
						(d) Stock balance of each type of raw materials / components in storage at the end of the month.	(d) Complied
						(e) Stock balance of each type of finished products at the beginning of the month.	(e) Complied
						(f) Total of each type of finished products manufactured within the month.	(f) Complied
						(g) Quantity of each type of finished products sold in the local market within the month. (Please note the registration number of related Customs Form No. 9).	(g) Complied

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						(h) Quantity of each type of finished products exports within the month. (Please note the registration number of Customs Form No. 2 which applied). (i) Stock balance of each type of finished products at the end of the month. (j) Quantity of waste and waste production within the month. (k) Quantity of waste and waste production that have been disposed within the month.	(h) Complied (i) Complied (j) Complied (k) Complied
						9. Licensee shall submit Annual Statement containing details of raw materials / components used, finished good produced, released and balance stock for the period 1 January to 31 December of each year using the format in Annex M4 certified and signed by the accountant of the Company or other authorised officer by the licensee to the Customs Station before January 31 of the following year. The statement shall be accompanied by the Annual Financial Statement of the Company which has been audited by an independent auditor. However, if the Annual	9. Complied and noted for compliance in the future periods.

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						Financial Report of the Company differ with the period of annual statement, the Company's Annual Finance Report shall be submitted to the department within 30 days after the expiration of the Company's financial year. Annual Financial Report of the Company must be audited by an independent audit.	
						10. Goods stored in the Licensed Manufacturing Warehouse should be arranged and labelled in such to ensure security as directed and for Customs Inspection.	10. Complied
						11. Finished goods manufactured in Licensed Manufacturing Warehouse are to be kept separate from raw materials / components or manufacturing waste.	11. Complied
						12. At least 80% of finished product (by value) are to be exported and not exceeding 20% of the finished product (by value) can be sold in the local market for the period of 12 (twelve) months within licensing period starting from the approval date. Goods sold in domestic market are subject to any prevailing duty / tax at the time.	12. Complied[(ii)]

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						13. Disposal of waste including manufacturing waste is subject to the written approval of the State Director of Customs.	13. Complied
						14. The licensee is responsible for receiving, movement and storage of dutiable goods in a factory licensed under Licensed Manufacturing Warehouse.	14. Complied
						15. Bank Guarantee / General Bond amounting to **RM2,000,000.00** is required from Licensee to ensure the safety of duties on raw materials / components, finished goods stored in the Licensed Manufacturing Warehouse and the movement of dutiable goods.	15. Complied
						16. Licensee shall keep and maintain daily records of the quantity of raw materials / components in the store, the quantity used for manufacturing and the stock of finished goods produced.	16. Complied
						17. Licensee shall notify the proper officer of customs in writing within 14 days if: (a) There is any change in the Board of Director of the Company;	17. (a) Noted

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						(b) The Company has been wound up; (c) An application for winding up has been made against the Company; (d) Appointment of receiver or liquidator has been made; (e) The Company is subjected to civil claims, bankruptcy, closure and other similar matters.	(b) Not applicable (c) Not applicable (d) Not applicable (e) Not applicable
						18. Licensee is required to report any case of fire, natural disaster, theft or loss of raw materials, finished goods and machines. The report should contain quantity details and the duty involved together with the investigation report from the Fire and Rescue Department and Police Department.	18. Noted
						19. Application for renewal of a licence shall be made in the format as in "Appendix B" to the State Customs Director at least one (1) month before the expiry of the licence.	19. Noted

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						20. This licence can be revoked at any time in the event of breach of conditions, under the Customs Act 1967 or Regulations thereunder.	20. Noted
						21. All duty / tax involved on the balance of raw materials, components and finished goods are payable (if any) before cancellation of licence due to breach of conditions or the Company applies to cease operations.	21. Noted
						22. The issue of a licence shall not relief the applicant or licensee from the obligation to comply with the requirements of any written law relating to other business.	22. Noted
						23. Breach of any conditions of the licence is an offence which the licence can be revoked or compounded under the Customs Act 1967 and the Customs Regulations 1977 or both.	23. Noted
						24. The Company shall prepare and maintain proper records for a period of six (6) years on the details of raw materials / components / parts / finished goods, waste, etc, or as determined by the Customs Director.	24. Complied

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						25. The licensee is required to keep and maintain record on exempted machines and tools for a period of at least ten (10) years. These records shall be made available for inspection by Customs when required and during disposal. All machineries and equipment shall not be disposed of and removed from the LMW premise without approval from the Zone Operation Director / State Customs Director. The duty / tax involved for machineries and equipment which the life span is less than ten (10) years from the date of exemption is to be paid (if applicable). 26. Only one (1) entity is allowed to operate within the LMW premises. Any partnership with another entity within the same area is not allowed.	25. Complied[(iii)] 26. Complied
10.	Ambest Technology	BOMBA	JBPM:PP/9/028/2025	Fire Certificate pursuant to Fire Services Act 1988 and Fire Services (Fire Certificate) (Amendment) Regulations 2020 for Facility 42A	30 April 2025 to 29 April 2026	Ambest Technology must comply with all the conditions imposed during the validity period of the fire certificate and take related follow-up actions as follows: (a) no changes to the premises that would affect the adequacy of safety facilities are allowed. If Ambest Technology intends to make any changes related to any use of the premises covered by	(a) Complied

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
						this fire certificate, a notice must be submitted to BOMBA regarding the proposal along with the relevant documents; (b) if the fire certificate is lost or destroyed, Ambest Technology must notify the Director General in writing about the loss or destruction within 14 days from the date of the loss or destruction and apply for a replacement certificate by submitting a fee of RM50.00; (c) the fire certificate must be displayed prominently in any part of the premises and must be available for inspection at any time; failure to comply with the above conditions constitutes an offence under the Fire Services Act 1998 and may result in a fine or prosecution in court.	(b) Noted (c) Complied
11.	Ambest Technology	DOSH	PMT-PP/A25-169867	Certificate of Fitness for pressure vessel (T02) Tank 1 (Registration No. PP-PMT-153993) at Facility No. 9 and Office and Factory No. 11	Expiry date: 28 August 2026	-	-

No.	Company	Issuing authority	Licence /Approval application no.	Nature of licence	Validity period	Major conditions imposed	Status of compliance
12.	Ambest Technology	DOSH	PMT-PP/A25-169868	Certificate of Fitness for pressure vessel (T02) Air/Vacuum/N2 Tank 200L (Registration No. PP-PMT-153994) at Facility 42A	Expiry date: 28 August 2026	-	-
13.	Ambest Technology	DOSH	PMT-PP/A25-170953	Certificate of Fitness for pressure vessel (T02) T2 (Registration No. PP-PMT-154056) at Facility No. 9 and Office and Factory No. 11.	Expiry date: 15 September 2026	-	-
14.	Ambest Technology	DOSH	PMA-PP/A25-171193	Certificate of Fitness for lifting machinery other than lifts / escalators / moving walkways (A05) Goods Hoist (Registration No. PP-PMA-85394) at Facility No. 9 and Office and Factory No. 11.	Expiry date: 17 September 2026	-	-

Notes:

(i) *These manufacturing licences contain a condition for total full-time employees to comprise at least 80% Malaysians ("**Local Workforce Condition**").*

Over the past few years, the state of Pulau Pinang has been experiencing high turnover rate, high demand for workers and talent shortages due to the bullish growth since the easing of movement control order for COVID-19 pandemic. As a result, our Group has also experienced high staff turnover rate and had difficulty in recruiting and retaining local employees over the Financial Periods Under Review. To meet our increasing production activities, our Group had to recruit more foreign workers to strengthen our production workforce.

7. BUSINESS OVERVIEW *(CONT'D)*

*As at the LPD, 62.34% of Ambest Technology's full-time workforce are Malaysians. As such, Ambest Technology has yet to comply with the Local Workforce Condition. During the 2025 Budget presentation in October 2024, the Prime Minister of Malaysia had announced that the Government would implement a multi-tier levy mechanism ("**MTLM**") in 2025 for the employment of foreign workers to encourage automation and gradually reduce dependence on foreign workers. On 16 December 2024, MIDA had announced that companies in the manufacturing sector will continue to be exempted from the compliance with the Local Workforce Condition until the MTLM is fully implemented. For the manufacturing sector, MTLM will replace the Local Workforce Condition as stipulated in the manufacturing license conditions.*

Once the MTLM is fully implemented by the Government, the Local Workforce Condition would no longer be applicable to Ambest Technology and hence, there will be no breach or non-compliance. However, our operating costs may increase due to the imposition of the levies for employing foreign workers under the MTLM. The potential levies that we may incur for the employment of our foreign workers under the MTLM cannot be determined at this juncture as the Government has not finalised the details of the MTLM as at the LPD.

(ii) Customer A, Customer B and RT Supplies cumulatively contributed approximately 82.28%, 89.72%, 84.96% and 82.25% of our Group's total revenue for the Financial Periods Under Review. Customer A is based within the free trade zone, Customer B is in possession of LMW and RT Supplies is based in Singapore. Sales to Customer A and Customer B, while being classified as revenue from domestic market, will be counted towards the export quota. As such, Ambest Technology is considered to be in compliance with this requirement.

(iii) Facility No. 9 is currently used as factory, housing CNC machinery for the manufacturing of precision machining products, QA department, and for the storage of raw materials and finished goods.

Office and Factory No. 11 is currently used as office and factory, housing our Group's headquarter for administrative purposes as well as the CNC machinery for the manufacturing of precision machining products.

Facility 42A is currently used to store raw materials, packing materials, finished goods, as well as five (5) CNC milling machines (pending maintenance and installation) and one (1) 5-axis CNC milling machine.

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7.20 INTELLECTUAL PROPERTY RIGHTS

Ambest Technology has "Ambest" Trademark No. TM2022017894 registered in the name of Ambest Technology as registered proprietor of the trademark in Class 40 with the Intellectual Property Corporation of Malaysia registered in Malaysia ("**Ambest Trademark**"). The details of Ambest Trademark are as follows:

Trademark	Trademark no. / Validity period / Class	Description	Status
Ambest	TM2022017894/10 years (15 July 2022 to 15 July 2032)/40	Custom manufacture of metal hardware; custom manufacture of molded components; custom manufacture of molds for use in industry; custom manufacturing; machining parts for others; metal fabrication and finishing services; casting, plating and treating of metal; machining of metal parts; machining of steel parts; machining of aluminium parts; fabrication of industrial engineering parts and products. (Source: extracted from MyIPO on 23 December 2025)	Valid

7.21 DEPENDENCY ON COMMERCIAL OR FINANCIAL CONTRACTS, INTELLECTUAL PROPERTY RIGHTS, LICENCES AND PERMITS

As at the LPD, save as disclosed below, our Group is not dependent on any other commercial or financial contracts, intellectual property rights, licences and permits: -

(i) major licences and approvals as set out in Section 7.19 of this Prospectus; and

(ii) intellectual property rights as set out in Section 7.20 of this Prospectus.

7.22 MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by our Group within the Financial Periods Under Review up to the LPD: -

No.	Parties to the contract	Nature, purpose and salient terms of the contract
(i)	Ambest Technology (purchaser) and M Summit Inovazi Sdn Bhd (seller)	SPA dated 11 November 2021, entered into for the purchase of Facility No. 9 erected on part of the land of Lot No. 70101, Mukim 12, Daerah Barat Daya, Pulau Pinang held under Master Title Geran Mukim No. 3164 (now known as Geran Mukim 4193, Lot 72500, Permatang Damar Laut, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang), for a consideration of RM7,000,000.00. The property is used as office and factory. The transaction has been completed and the title to the Facility No. 9 has been registered in the name of Ambest Technology on 30 April 2024.

No.	Parties to the contract	Nature, purpose and salient terms of the contract
(ii)	Ambest Technology (customer) and Monitor ERP System Sdn Bhd (supplier)	Implementation Agreement dated 28 July 2022, entered into for the purpose of delivery and implementation of the software called "MONITOR" in Ambest Technology.
(iii)	Ambest Technology (Licencee) and Monitor ERP System Sdn Bhd (licensor)	Licence, Support and Update Agreement dated 28 July 2022 entered into for the purposes of taking a time-limited, non-exclusive, non-transferable licence to use the software called "MONITOR" in Ambest Technology's business.
(iv)	Ambest Technology (purchaser) and Eng Oing Heng and Ku Gaik Chin (seller)	SPA dated 16 December 2022, entered into for the purchase of the Bungalow No. 32A held under Geran Mukim No. Hakmilik 1768 (previously known as H.S.(M) 1969, Lot 13989, Mukim 12, Tempat Bayan Lepas, Daerah Barat Daya, Negeri Pulau Pinang for a consideration of RM1,200,000.00. The property was intended to be used as hostel for foreign employees. The property is currently not occupied. The transaction has been completed and the title to the Bungalow No. 32A has been registered in the name of Ambest Technology on 27 June 2023.
(v)	Ambest Technology (tenant) and Amco Technology (landlord)	Tenancy agreement dated 1 May 2023, entered into for the rental of the Office and Factory No. 11 for our Group's production activities, at the rental rate of RM36,000.00 per month for a duration of 3 years (from 1 May 2023 to 30 April 2026).
(vi)	Ambest Technology (customer) and BEAR Resources Sdn Bhd (supplier)	Outsourcing Agreement dated 2 August 2023, entered into for the performance of certain work in relation to information technology in Ambest Technology.
(vii)	Ambest Technology (purchaser) and XLENT Innovator Sdn Bhd (seller)	SPA dated 3 October 2023, entered into for the purchase of the Hostel No. 1 held under Geran Mukim No Hakmilik 1985 and 2049, Lot 10374 and 10439 respectively both of Mukim 12, Tempat Permatang Damar Laut, Daerah Barat Daya, Pulau Pinang for a consideration of RM1,870,000.00. Ambest Technology has turned the property into a hostel for foreign employees. The transaction has been completed and the title to the Hostel No. 1 has been registered in the name of Ambest Technology on 24 January 2024.
(viii)	Ambest Technology (purchaser) and Airmas Development Sdn Bhd (seller)	SPA dated 15 January 2024, entered into for the purchase of the Facility 42A erected on all that piece of land known as Lot No. 72811, Tempat Bayan Lepas, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang held under Hakmilik No. GM4211 for a consideration of RM24,500,000.00. The property is intended to be used for the purposes of warehouse, office and production. The transaction has been completed and the title to the Facility 42A has been registered in the name of Ambest Technology on 18 April 2024.
(ix)	Ambest (purchaser) and Tan Beng Beng (Seller) and Lim Eng Guan (Seller)	SSA dated 9 June 2025 entered into for the purchase of the entire equity interest in Ambest Technology comprising 2,500,000 ordinary shares for a total purchase consideration of RM29,600,000 which is to be fully satisfied by the issuance and allotment of 400,000,000 new Shares to the vendors at an issue price of RM0.074 each, which was completed on 1 December 2025.

No.	Parties to the contract	Nature, purpose and salient terms of the contract
(x)	Ambest (issuer) and Malacca Securities (underwriter)	Underwriting agreement dated 11 December 2025 entered into between our Company and Malacca Securities for the underwriting of 38,250,000 Issue Shares under Public Issue, for the underwriting commission at the rate set out in Section 4.9.1 of this Prospectus.

7.23 MATERIAL INVESTMENTS AND MATERIAL DIVESTITURES

Save as disclosed below, our Group does not have any material investments and material divestitures currently in progress. Save as disclosed below, our Group has not incurred any other material investments and material divestitures during the Financial Periods Under Review and up to the LPD:

	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 October 2025 up to the LPD RM'000
Material investments					
Land and buildings	-	1,393	28,048	-	-
Plant and machinery	5,237	2,282	6,907	2,842	1,627
Motor vehicles	199	-	83	-	-
Office equipment, furniture and fittings	87	702	57	85	37
Renovation	*	1,380	419	485	48
Solar equipment	-	-	360	-	-
Capital work-in-progress	3,629	408	-	-	-
	9,152	**6,165**	**35,874**	**3,412**	**1,712**
Material Divestitures					
Plant and machinery	-	(80)	(224)	-	-
Renovation	-	(432)	-	-	-
Office equipment, furniture and fittings	(9)	(91)	-	*	-
	(9)	**(603)**	**(224)**	*****	**-**

Notes:

* *Less than RM1,000*

The above material investments for the Financial Periods Under Review were all located in Penang, Malaysia.

7.23.1 Material Investments

For FYE 2022, our material investments of RM9.15 million mainly comprised the following:

(a) capital work-in-progress of approximately RM3.63 million in relation to progress billings for the construction of Facility No. 9; and

(b) purchase of new machinery amounting to approximately RM3.47 million and the purchase of used machinery from Amco Technology amounting to approximately RM1.77 million used in the business operations of our Group; mainly consist of CNC machinery used in our Group's operations.

For FYE 2023, our material investments of RM6.17 million mainly comprised the following:

(a) purchase of new machinery amounting to RM2.28 million, mainly consist of CNC machinery used in our Group's operations;

(b) acquisition of Bungalow 32A amounting to RM1.25 million (inclusive of incidental costs directly attributable to the acquisition);

(c) capital work-in-progress of approximately RM0.41 million in relation to progress billings for the construction of Facility No. 9; and

(d) renovation costs and purchase of office equipment, furniture and fittings for the Facility No. 9 and Office and Factory No. 11 amounting to approximately RM1.38 million and RM0.70 million respectively.

For FYE 2024, our material investments of RM35.87 million mainly comprised the following:

(a) acquisition of Facility 42A amounting to RM25.79 million (inclusive of incidental costs directly attributable to the acquisition);

(b) acquisition of Hostel No.1 amounting to RM1.96 million (inclusive of incidental costs directly attributable to the acquisition);

(c) purchase of new machinery amounting to RM6.91 million, mainly consist of CNC machinery used in our Group's operations; and

(d) renovation costs for the Facility No. 9 and Office and Factory No. 11 amounting to RM0.42 million.

For FPE 2025, our material investments of RM3.41 million mainly comprised the following:

(a) purchase of new machinery amounting to RM2.84 million, mainly consist of CNC machinery used in our Group's operations; and

(b) renovation costs for the Facility No.9, Office and Factory No.11, as well as Facility 42A amounting to RM0.49 million.

From 1 October 2025 up to the LPD, our material investments of RM1.71 million mainly comprised the following:

(a) purchase of new machinery amounting to RM1.63 million, mainly consist of CNC machinery used in our Group's operations;

(b) renovation costs for the Facility No.9, Office and Factory No.11, as well as Facility 42A amounting to RM0.05 million; and

(c) purchase of office equipment, furniture and fittings amounting to RM0.03 million.

7.23.2 Material Divestitures

For FYE 2022, there was no material divestitures made by our Group.

For FYE 2023, our divestitures of RM0.60 million mainly comprised the renovation costs of Previous Premises No. 5 amounting to approximately RM0.43 million being written off upon the relocation of our Group's operations to Facility No. 9 and Office and Factory No. 11.

For FYE 2024, our divestitures of RM0.22 million were in relation to disposal of five (5) units of used CNC machinery.

For FPE 2025, there were no material divestitures made by our Group.

From 1 October 2025 up to the LPD, there was no material divestitures made by our Group.

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7.24 MATERIAL PROPERTIES

7.24.1 Properties owned by our Group

As at the LPD, there is no property owned by the Company.

Details of the properties owned by Ambest Technology are as follows:

No.	Title details / Address	Existing use	Description / Type of development / Category of land use / Tenure	Express condition / Restrictions in interest/ Encumbrance / Endorsement	Approximate land area / built up area	Date of issuance of CCC	Audited net book value as at FPE 2025
1.	**Title details:** Geran Mukim 4193, Lot 72500, Mukim 12, Tempat Permatang Damar Laut, Daerah Barat Daya, Negeri Pulau Pinang **Address:** No. 9, Jalan Damar, 11960 Bayan Lepas, Pulau Pinang	Factory, housing CNC machinery for the manufacturing of precision machining products, QA department, and for the storage of raw materials and finished goods	**Description/Type of development:** Double Storey Semi-Detached Light Industrial Factory **Category of land use:** Nil **Tenure:** Freehold	**Express condition:** First Grade The land comprised in this title: (a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Collector's right of way; and (b) subject to the implied condition that the land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land). **Restrictions in interest: -** Nil **Encumbrance: -** Charged to Hong Leong Islamic Bank Berhad vide the presentation no. 0705SC2024001664 on 30 April 2024.	**Land area:** 1,197 sq. m. **Built up area:** 1,181 sq. m.	11 April 2023	RM7.36 million

No.	Title details / Address	Existing use	Description / Type of development / Category of land use / Tenure	Express condition / Restrictions in interest/ Encumbrance / Endorsement	Approximate land area / built up area	Date of issuance of CCC	Audited net book value as at FPE 2025
2.	**Title details:** Geran Mukim 1768, Lot 13989, Mukim 12, Tempat Bayan Lepas, Daerah Barat Daya, Negeri Pulau Pinang **Address:** No. 32A, Jalan Damar 2, Mk 12, 11960 Bayan Lepas, Pulau Pinang	Currently not occupied	**Description/Type of development:** Double Storey Bungalow **Category of land use:** Building **Tenure:** Freehold	**Express condition:** First Grade The land comprised in this title: (a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Collector's right of way; and (b) subject to the implied condition that land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land). **Restrictions in interest:** Nil **Encumbrance:** (a) Private Caveat lodged by Hong Leong Islamic Bank Berhad vide the presentation no. 0705B2023000406 on 25 April 2023; (b) Charged to Hong Leong Islamic Bank Berhad vide the presentation no. 0705B2023001536 on 27 June 2023.	**Land area:** 401 sq. m. **Built up area:** 283 sq. m.	3 August 2004	RM1.23 million

No.	Title details / Address	Existing use	Description / Type of development / Category of land use / Tenure	Express condition / Restrictions in interest/ Encumbrance / Endorsement	Approximate land area / built up area	Date of issuance of CCC	Audited net book value as at FPE 2025
3.	**Title details:** Geran Mukim Nos. 1985 and 2049, Lot Nos. 10374 and 10439, both of Mukim 12, Tempat Permatang Damar Laut, Daerah Barat Daya, Negeri Pulau Pinang **Address:** No. 1, Lorong Damar 1, Mk 12, 11960 Bayan Lepas, Pulau Pinang	Workers' accommodation	**Description/Type of development:** Double Storey Terrace Shophouse **Category of land use:** Nil **Tenure:** Freehold	**Express condition:** First Grade The land comprised in this title: (a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Collector's right of way; and (b) subject to the implied condition that the land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land). **Restrictions in interest:** Nil **Encumbrance:** (a) Private caveat lodged by Public Bank Berhad vide the presentation no. 0705B2023001140 on 23 October 2023; (b) Charged to Public Bank Berhad vide the presentation no. 0705SC2024000230 on 24 January 2024.	**Land area:** 242 sq. m. Comprising: (i) Lot 10374 179 sq. m. (ii) Lot 10439 63 sq. m. **Built up area:** 370 sq. m.	27 September 2001	RM1.89 million

7. BUSINESS OVERVIEW *(CONT'D)*

No.	Title details / Address	Existing use	Description / Type of development / Category of land use / Tenure	Express condition / Restrictions in interest/ Encumbrance / Endorsement	Approximate land area / built up area	Date of issuance of CCC	Audited net book value as at FPE 2025
4.	**Title details:** Geran Mukim 4211, Lot No. 72811, Mukim 12, Tempat Bayan Lepas, Daerah Barat Daya, Negeri Pulau Pinang **Address:** No. 42A, Jalan Damar, 11960 Bayan Lepas, Pulau Pinang	Current use to store raw materials, packing materials, finished goods, as well as 3 CNC milling machines (pending maintenance and installation)	**Description/Type of development:** One storey warehouse / factory **Category of land use:** Nil **Tenure:** Freehold	**Express condition:** First Grade The land comprised in this title: (a) shall not be affected by any provision of the National Land Code limiting the compensation payable on the exercise by the State Authority of a right of access or use conferred by Chapter 3 of Part Three of the Code or on the creation of a Collector's right of way; and (b) subject to the implied condition that the land is liable to be re-entered if it is abandoned for more than three years, shall revert to the State only if the proprietor for the time being dies without heirs; and the title shall confer the absolute right to all forest produce and to all oil, mineral and other natural deposits on or below the surface of the land (including the right to work or extract any such produce or deposit and remove it beyond the boundaries of the land). **Restrictions in interest:** Nil **Encumbrance:** Charged to Maybank Islamic Berhad vide the presentation no. 0705SC2024001476 on 18 April 2024.	**Land area:** 3,881 sq. m. **Built up area:** 2,010 sq. m.	30 October 2023	RM25.65 million

7.24.2 Property rented by our Group

As at the LPD, the details of the property rented by our Group are as follows:

No.	Landlord/Tenant	Existing use	Postal address	Description / Existing use	Approximate land area / built up area	Rental payable per month RM'000	Date of issuance of CFO/CCC	Tenure of tenancy/lease
1.	**Landlord:** Amco Technology **Tenant:** Ambest Technology	Office and factory, housing our Group's headquarter for administrative purposes as well as the CNC machinery for the manufacturing of precision machining products	No. 11, Jalan Damar, 11960 Batu Maung, Pulau Pinang	**Description/Existing use:** As factory for fabrication of industrial engineering parts and products	**Land area:** 1,205 sq.m. **Built up area:** 1,181 sq. m.	36	11 April 2023	Three years commencing from 1 May 2023 to 30 April 2026[(i)]

Note:

(i) The tenancy is renewable for one (1) year subject to rental increment of not more than 15% from the last preceding rental, and either party may determine the tenancy by giving two (2) months' prior written notice.

As at the LPD, our Group is not in breach of any relevant laws, regulations, rules and requirements relating to the above properties which may materially affect our operations and utilisation of the above properties.

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7.24.3 Material plans to construct, expand or improve property, plant and equipment

As at the LPD, save for the expansion of Facility 42A and the purchase of new machineries pursuant to the utilisation of proceeds from our IPO, our Group does not have any significant plans to construct, expand or improve property, plant and equipment. The Group intends to finance the expansion of Facility 42A using internally generated funds and bank borrowings as disclosed in Section 7.17.1 of this Prospectus.

7.25 REGULATORY REQUIREMENTS AND ENVIRONMENTAL ISSUES

Our Group's business is regulated by, and in some instances required to be licensed under specific laws of Malaysia. The following are the major laws and regulations governing the conduct of our Group's business which may materially affect our business operations: -

(i) Local Government Act 1976 ("LGA 1976") and Municipal Council of Penang Island (Trades, Businesses and Industries) By-Laws 1991 ("MBPP By-Laws 1991")

The LGA 1976 confers the power to the local authority to make, amend and revoke by-laws. As our business is carried out in the island of Penang, we come under the jurisdiction of the MBPP and the relevant by-laws governing the conduct of our business is MBPP By-Laws 1991.

By-law 3 of the MBPP By-Laws 1991 provides that no person shall use any place or premises within MBPP for any trade, business or industry without a licence issued by the said local authority; and, if a signboard or advertisement is displayed, an advertisement licence issued by MBPP is required under By-law 5 of the Municipal Council of Penang Island (Advertisement) By-Laws 2000.

A contravention of the LGA 1976 and MBPP By-Laws 1991 will result in an offence, which upon conviction, result in a fine of not exceeding RM2,000.00 or imprisonment for a term not exceeding one (1) year and to a further fine not exceeding RM200.00 for every day during which such default continues after conviction.
A contravention of the Municipal Council of Penang Island (Advertisement) By-Laws 2000 will result in an offence, which upon conviction, result in a fine not exceeding RM2,000.00 or to imprisonment for a term not exceeding one (1) year or to both.

As at the LPD, our Group holds valid business premise licences issued by the MBPP as disclosed in Section 7.19 of this Prospectus.

(ii) Industrial Co-ordination Act 1975 ("ICA 1975")

Section 3 of the ICA 1975 provides that no person shall engage in any manufacturing activity unless he is issued a licence in respect of such manufacturing activity. Notwithstanding, a manufacturing licence may be exempted if the manufacturing company has (a) shareholders' funds of less than RM2,500,000.00; or (b) less than 75 full-time paid employees.

Failure to comply is an offence under the ICA 1975 and the person is liable, on conviction, to a fine not exceeding RM2,000.00 or imprisonment for a term not exceeding six (6) months and a further fine not exceeding RM1,000.00 for every day during which such default continues.

As at the LPD, our Group holds valid manufacturing licences issued by MITI as disclosed in Section 7.19 of this Prospectus.

As disclosed in Section 7.19 of this Prospectus, save for the condition of having total full-time employees consisting of at least 80% of Malaysians (the implementation of which has been suspended by MITI vide announcement on 16 December 2024), we have complied with the other conditions imposed by the MITI.

(iii) Manufacturing warehouse licence under the Customs Act 1967

Section 65 and/or Section 65A of the Customs Act 1967 provides that warehouse licence and/or manufacturing warehouse licence may be granted by the Director General of Customs and Excise to give customs duty exemption to all raw materials, components, machinery and/or equipment used directly in the manufacturing process of approved produce from the first stage of manufacturing until the finished product is finally packed and ready for export. The licensee may import duty-free raw materials, equipment, or spare parts, subjected to a given limit by tariff codes.

Any person who contravenes such provision shall be guilty of an offence and shall, on conviction:

(a) in the case of goods which is dutiable pursuant to an order made under Section 11(1) of the Customs Act 1967:

(i) be liable for the first offence to a fine of not less than ten times the amount of the customs duty or RM50,000.00, whichever is the greater amount, and of not more than 20 times the amount of the customs duty or RM500,000.00, whichever is the greater amount, or to imprisonment for a term not exceeding five (5) years or to both; and

(ii) be liable for a second office or any subsequent offence to a fine of not less than 20 times the amount of the customs duty or RM100,000.00, whichever is the greater amount, and of not more than 40 times the amount of the customs duty or RM1,000,000.00, whichever is the greater amount, or to imprisonment for a term not exceeding seven (7) years or to both:

provided that where the amount of the customs duty cannot be ascertained, the penalty may amount to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding five (5) years or to both;

(b) in the case of uncustomed goods, such goods not being dutiable or prohibited, be liable to a fine not exceeding twice the value of the goods or RM10,000.00 whichever is the greater amount, provided that where the value cannot be ascertained the penalty may amount to a fine not exceeding RM10,000.00.

As at the LPD, our Group holds valid manufacturing warehouse licence issued by RMCD as disclosed in Section 7.19 of this Prospectus and our Group is in compliance with the relevant requirements imposed thereunder.

(iv) Occupational Safety and Health Act 1994 (as amended by the Occupational Safety and Health (Amendment) Act 2022) ("OSHA")

The OSHA regulates, among others, the safety, health and welfare of persons at work, protecting others against the risks of safety or health in connection with the activities of persons at work.

(a) Certificate of Fitness

Pursuant to section 27D(1) of the OSHA, no person shall operate or cause or permit to be operated any plant that has been installed under section 27C of the OSHA unless the plant has a certificate of fitness issued by an officer or a licensed person. A person who contravenes section 27D(1) of the OSHA shall be guilty an offence and shall, on conviction, be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding 1 year or to both. Pursuant to section 27D(6) of the OSHA, in the case of any contravention of section 27D(1) of the OSHA, an officer shall immediately serve to the person who operates or causes or permits to be operated the plant a written notice prohibiting the operation of the plant or may render the plant inoperative until a certificate of fitness is issued.

A person who fails to comply with the notice issued under section 27D(6) of the OSHA shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM500,000.00 or to imprisonment for a term not exceeding 2 years or to both.

For the purposes of the clauses above, "plant" is defined as any machinery, equipment, appliance, implement or tool, any component thereof and anything fitted, connected or appurtenant thereto pursuant to section 3 of the OSHA.

As at the LPD, our Group holds valid certificates of fitness for all the plants in our Group's operational facilities, namely, Facility No. 9, Office and Factory No. 11 and Facility 42A as required by DOSH as disclosed in Section 7.19 of this Prospectus.

Certificate of fitness for lifting machine platform

The lifting machine platform (cargo) at Facility No. 9 was installed by the contractor (appointed by the developer of Facility No. 9) and the certificate of fitness for the said lifting machine platform (cargo) issued by DOSH was in the name of the contractor (appointed by the developer of Facility No. 9) and had expired on 25 October 2024.

Upon being made aware of the expiry of the certificate of fitness for the said lifting machine platform (cargo), the Group had immediately stopped using the said lifting machine platform (cargo). For avoidance of doubt, the Group is not dependent on the said lifting machine platform (cargo) for its business operations.

The Group, through the equipment supplier, had on 26 May 2025 submitted an application to transfer the name of the certificate of fitness for the said lifting machine platform (cargo) to Ambest Technology and renew its validity until 17 September 2026.

The abovementioned non-compliance had been subsequently rectified on 19 June 2025 where the name of the certificate of fitness was transferred to Ambest Technology and the validity period was successfully renewed. Additionally, as of the date of the Prospectus, the Group has not received any fines nor received any written notice issued under section 27D(6) of the OSHA pursuant to the non-compliance.

(b) Safety and health policy

It shall be the duty of every employer (except those who has not more than five employees) under Section 16 of the OSHA to prepare and as often as may be appropriate revise a written statement of his general policy with respect to the safety and health at work of his employees and the organization and arrangements for the time being in force for carrying out that policy, and to bring the statement and any revision of it to the notice of all of his employees. A person who contravenes Section 16 of the OSHA shall be guilty of an offence, and shall, on conviction, be liable to a fine not exceeding RM500,000.00 or imprisonment for a term not exceeding two (2) years or both.

(c) Establishment of safety and health committee at place of work

Under Section 30(1)(a) of the OSHA, every employer shall establish a safety and health committee if there are 40 or more persons employed at the place of work. A person who contravenes this provision shall be guilty of an offence, and shall, on conviction, be liable to a fine not exceeding RM100,000.00 or imprisonment for a term not exceeding one (1) year or both.

(d) Occupational safety and health coordinator

With effect from 1 June 2024, Section 29A(1) of the OSHA provides that the employer shall appoint one of his employees to act as an occupational safety and health coordinator if he employs five or more employees at his place of work. Section 29A(3) of the OSHA provides that an employer who has appointed a safety and health officer at the place of work shall be deemed to have complied with Section 29A(1) of the OSHA. An employer who contravenes Section 29A(1) of the OSHA shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.00 or to imprisonment for a term not exceeding six (6) months or to both.

As at the LPD, our Group is in compliance with the relevant requirements under the OSHA.

(v) Safety and health compliance pursuant to the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 ("USECHH Regulations 2000")

(a) Pursuant to Regulation 5(1) of the USECHH Regulations 2000, an employer shall identify and record in a register all chemicals hazardous to health used in the place of work.

(b) An employer shall not carry out any work which may expose or is likely to expose any employee to any chemical hazardous to health unless he has made a written assessment of the risks created by the chemical to the health of the employee pursuant to Regulation 9(1) of the USECHH Regulations 2000.

(c) Pursuant to Regulation 10 of the USECHH Regulations 2000, an assessment carried out pursuant to Regulation 9 of the USECHH Regulations 2000 shall be reviewed if: (a) there has been a significant change in the work to which the assessment relates; (b) more than five (5) years have elapsed since the last assessment; or (c) directed by the Director General, Deputy Director General or the Director of Occupational Safety and Health.

(d) Pursuant to Regulation 14(1) of the USECHH Regulations 2000, where an assessment report indicates that action is required to eliminate or reduce the actual or potential exposure of an employee to chemicals hazardous to health, an employer shall carry out such action, which may include changes to work processes, practices, procedures, plants or engineering control equipment, within one month after receiving the assessment report from the assessor.

(e) Pursuant to Regulation 27(1) of the USECHH Regulations 2000, where an assessor carries out an assessment and such assessment indicates that health surveillance is necessary for the protection of the health of employees exposed or likely to be exposed to chemicals hazardous to health, the employer shall carry out a health surveillance programme. Pursuant to Regulation 27(3) of the USECHH Regulations 2000, if an employee is exposed or likely to be exposed to chemicals hazardous to health listed in Schedule II of the USECHH Regulations 2000, the health surveillance required by Regulation 27(1) above shall include medical surveillance conducted at intervals of not more than 12 months or at such shorter intervals as determined by the occupational health doctor or an occupational safety and health officer who is also a medical practitioner.

(f) Pursuant to Regulation 29 of the USECHH Regulations 2000, where chemicals hazardous to health is used in any area in any manner which is hazardous to the health of the person who may be in that area or is likely to be at risk of being affected by such chemicals, the employer shall ensure that warning signs are posted at a conspicuous place at every entrance of that area which shall give warning of such hazard and be written in Bahasa Malaysia and English language and printed in dark red against a white background.

A person who by any act or omission contravenes any provisions of OSHA or any subsidiary legislation made thereunder shall be guilty of an offence, and if not penalty is expressly provided shall, on conviction, be liable to a fine not exceeding RM100,000.00 or to imprisonment for a term not exceeding one (1) year or to both, and in the case of a continuing offence, to a fine not exceeding RM2,000.00 for every day or part of a day during which the offence continues after conviction.

In accordance with the USECHH Regulations 2000, a chemical health risk assessment has been conducted by the DOSH registered assessor at No. 9 & No. 11, Jalan Damar, 11960 Batu Maung, Pulau Pinang, Malaysia on 26 July 2023, among others, to assess the risk to health of the employees and persons working in the factory from exposure to chemicals hazardous to health. Our Group is responsible to ensure the implementation of the recommended actions as contained in the chemical health risk assessment and monitoring thereafter, and there is no requirement for the implementation of recommended actions to be separately reviewed by the DOSH registered assessor. Our Board confirms that the necessary recommended actions have been fully carried out and undertakes to ensure that our Group shall continue to be in compliance with all relevant requirements under the USECHH Regulations 2000. Unless otherwise directed by the Director General, Deputy Director General or the Director of Occupational Safety and Health, our Group shall be required to engage the DOSH registered assessor to conduct a new chemical health risk assessment after five (5) years from the last assessment, i.e. in year 2028.

(vi) Occupational Safety and Health (Noise Exposure) Regulations 2019 ("NE Regulations 2019")

Pursuant to Regulation 4(1) of the NE Regulations 2019, where it appears to the employer that any of his employees may be exposed to excessive noise, the employer shall appoint a noise risk assessor to carry out noise risk assessment.

Anyone who contravenes the sub-regulations in Regulation 4 of the NE Regulations 2019 commits an offence and shall, on conviction, be liable to a fine not exceeding RM10,000.00 or to imprisonment for a term not exceeding one (1) year or to both.

In accordance with Regulation 4 of the NE Regulations 2019, an initial noise risk assessment has been conducted by the DOSH registered assessor at No. 9 & No. 11, Jalan Damar, 11960 Batu Maung, Pulau Pinang, Malaysia on 31 July 2023, to assess area noise measurement and personal employee's exposure monitoring and to recommend appropriate control measures to prevent or reduce high noise exposure. Our Group is responsible to ensure the implementation of the recommended actions as contained in the noise risk assessment and monitoring thereafter, and there is no requirement for the implementation of recommended actions to be separately reviewed by the DOSH registered assessor. Our Board confirms that the necessary recommended actions have been fully carried out and undertakes to ensure that our Group shall continue to be in compliance with all relevant requirements under NE Regulations 2019. Unless otherwise directed by the Director General of Occupational Safety and Health, our Group shall be required to engage the DOSH registered assessor to conduct a new noise risk assessment after five (5) years from the last assessment, i.e. in year 2028.

(vii) Certificate of Completion and Compliance ("CCC") under Street, Drainage and Building Act 1974 ("SDBA 1974")

Section 70(20) of the SDBA 1974 provides that each building requires a CCC for occupation.

Any person who occupies or permits to be occupied any building or any part thereof without a CCC, shall be guilty of an offence and shall, on conviction, and be liable to a fine not exceeding RM250,000.00 or imprisonment for a term not exceeding ten (10) years or both.

As disclosed in Section 7.24 of this Prospectus, the properties owned and rented by our Group have complied with Section 70(20) of the SDBA 1974.

(viii) Fire Certificate under Fire Services Act 1988 ("FSA 1988")

Section 28 of the FSA 1988 provides that every designated premises shall require a fire certificate and the said certificate shall be renewed annually pursuant to Section 28(2) of the FSA 1988.

Designated premise is defined in the Schedule of the Fire Services (Designated Premises) Order 1998 to include, *inter alia,* factories which are of any of the following sizes:

(a) Single storey – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed;
(b) Two storeys and above – 2,000 square metres and over (total floor area) where the automatic sprinkler systems are installed;
(c) Special structure – Hazardous processes.

The owner of a designated premise who contravenes the above provision, shall be guilty of an offence and shall, on conviction, and be liable to a fine not exceeding RM50,000.00 or imprisonment for a term not exceeding five (5) years or both.

Our factories at No. 9 & No. 11, Jalan Damar, 11960 Batu Maung, Pulau Pinang, Malaysia are not required to have fire certificates.

As at the LPD, our Group holds valid fire certificate for No. 42A, Jalan Damar, 11900 Bayan Lepas, Pulau Pinang issued by BOMBA as disclosed in Section 7.19 of this Prospectus and our Group is in compliance with the relevant requirements imposed thereunder.

(ix) Material Regulatory Compliances with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSH 1990")

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

The aforesaid Act was amended by the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 ("**Amended Act**") which applies to all employment sectors providing housing and accommodation for workers. With the enforcement of the Amended Act from 1 June 2020, there are additional rules and obligations on the minimum standards that employers must follow if they provide accommodation for their employees which includes, amongst others, to obtain a certificate for accommodation from the Director General of Labour ("**Director General**") before providing accommodation for the employee, to inform the Director General of such accommodation occupied by the employees within 30 days from the date an employee occupies the accommodation as well as to ensure that every accommodation$^{(1)}$ provided for employees complies with the minimum standards required under the EMSH 1990 or any regulations made thereunder such as the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020 ("**EMSH Regulations 2020**"). Notwithstanding, there was an additional three months grace period from 1 June 2020 to allow employers to making necessary arrangements to ensure compliance with the EMSH 1990. Accordingly, the EMSH Regulations 2020 came into force on 1 September 2020.

Absence of certificate of accommodation for the accommodation provided by employers to their employees is an offence under Section 24D(3) of the EMSH 1990 and the employer shall, on conviction, be liable to a fine not exceeding RM50,000.00.

As at the LPD, our Group holds valid certificate of accommodation issued by JTKSM as disclosed in Section 7.19 of this Prospectus and our Group has complied with the conditions imposed therein.

Note:

(1) Section 24E of the EMSH 1990; failing which is an offence shall, on conviction, be liable to a fine not exceeding RM10,000; Section 24E(2) of the EMSH 1990.

(x) Immigration Act 1959 ("Immigration Act")

Pursuant to Section 15(1)(c) of the Immigration Act, a person shall not remain in Malaysia after the expiration of the period of any pass relating to or issued to him unless he is otherwise authorized to remain in Malaysia.

The Immigration Act also imposes liability on the employer who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass where upon conviction, the employer shall be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each such employee. Additionally, where it is proved to the satisfaction of the court that the person has at the same time employed more than five (5) such employees that person shall, on conviction, be liable to imprisonment for a term of not less than six (6) months but not more than five (5) years and shall also be liable to whipping of not more than six (6) strokes.

As at the LPD, all foreign employees of our Group are issued with valid and existing work permits.

(xi) Minimum Wages Order 2024 ("MWO 2024")

With effect from 1 February 2025, the Minimum Wages Order 2024 ("**MWO 2024**") provides that the minimum wages rates payable to an employee employed by an employer who employs five (5) or more employees (thus, applicable to this Company) shall be RM1,700.00 per month.

Pursuant to the National Wages Consultative Council Act 2011, a failure to comply with the payment of minimum wages as specified in the MWO 2024 commits an offence and shall on conviction, be liable to a fine of not more than RM10,000.00 for each employee.

As at the LPD, our Group has complied with the minimum wages requirements specified in the MWO 2024.

(xii) Competition Act 2010 ("Competition Act")

In respect of promoting economic development by promoting and protecting the process of competition, thereby protecting the interests of consumers and to provide for matters connected therewith.

The following are the prohibited practices stated in the Competition Act: -

(a) Section 4(1) of the Competition Act: -

A horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

(b) Sections 10(1) and (2) of the Competition Act: -

An enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services.

An abuse of a dominant position may include: -

(aa) directly or indirectly imposing unfair purchase or selling price or other unfair trading condition on any supplier or customer;

(bb) limiting or controlling: -

(i) production;
(ii) market outlets or market access;
(iii) technical or technological development; or
(iv) investment,

to the prejudice of customers;

(cc) refusing to supply to a particular enterprise or group or category of enterprises;

(dd) applying different conditions to equivalent transactions with other trading parties to an extent that may: -

(i) discourage new market entry or expansion or investment by an existing competitor;
(ii) force from the market or otherwise seriously damage an existing competitor which is no less efficient than the enterprise in a dominant position; or
(iii) harm competition in any market in which the dominant enterprise is participating or in any upstream or downstream market;

(ee) making the conclusion of contract subject to acceptance by other parties of supplementary conditions which by their nature or according to commercial usage have no connection with the subject matter of the contract;

(ff) any predatory behaviour towards competitors; or

(gg) buying up a scarce supply of intermediate goods or resources required by a competitor, in circumstances where the enterprise in a dominant position does not have a reasonable commercial justification for buying up the intermediate goods or resources to meet its own needs.

In the course of carrying out our business operations, we are to comply with the Competition Act, and in particular not to engage in any conduct which prevents the process of competition, such as price-fixing, bid-rigging, sharing market, and abuse of dominant position in any market for products or services. This is to promote healthy competition and fair trading and ultimately, to protect the interest of the consumers.

As at the LPD, there are no breach of laws and regulations governing our business operations, and environmental issues which may materially affect our Group's operation and usage of our properties.

7.26 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

We are committed to adopt environmental, social and governance ("**ESG**") practices to ensure environmentally responsible operations, a conducive workplace for employees and a high standard of corporate governance, to create durable and sustainable value and maintain confidence of our stakeholders.

Our Group currently focuses on the following ESG practices:

7.26.1 Environmental

Our Group's principal activities is an engineering supporting services provider that primarily provides precision machining for the semiconductor industry. Our operations involve the use of electricity, machinery and industrial processes and therefore generate a degree of indirect environmental impact. Based on the nature of these activities, our Group is not deemed to be operating in a high greenhouse gas-emitting sector, such as oil and gas, power generation, mining or heavy chemical manufacturing. As at the LPD, there is no indication that our operations result in material greenhouse gas emissions compared with companies in carbon-intensive industries.

Our Group is subject to environmental and climate-related risks that may materially affect its operations, financial condition and prospects. The regulatory landscape in Malaysia and internationally continues to evolve and future changes in environmental laws, regulations, policies or standards relating to climate change, energy use, emissions, waste management, resource efficiency or related matters may result in higher compliance costs, additional capital expenditure requirements or operational adjustments. Any such regulatory developments, including more stringent enforcement or new reporting requirements in line with emerging sustainability disclosure frameworks, may adversely affect our Group's cost of operations and financial performance. Our Group also faces exposure to physical risks associated with climate change, including extreme weather events such as flooding, storms or prolonged periods of elevated temperatures, which could disrupt operations, damage facilities, interrupt utilities or adversely affect supply chain continuity and production schedules. In addition, any failure to comply with applicable environmental laws and regulatory requirements may expose our Group to enforcement actions, fines, cleanup or remediation costs and reputational harm, which could have a material and adverse effect on its business, financial condition and results of operations.

Our Group seeks to manage environmental and climate-related risks through the implementation of appropriate operational controls and by ensuring compliance with applicable environmental laws, regulations and industry standards. Our Group monitors its environmental practices and, where practicable, adopts measures aimed at improving operational efficiency, enhancing resource utilisation and reducing its environmental impact. Such measures may include investments in energy-efficient equipment and technologies, initiatives to improve energy and resource efficiency, enhancements to operational resilience and the integration of environmental considerations into its risk management and governance processes. Our Group also intends to continue evaluating the potential impacts of climate change on its operations and may refine its approach to environmental risk management in light of evolving regulatory expectations and stakeholder interests. However, there can be no assurance that such measures will be adequate to fully mitigate all environmental and climate-related risks or that future regulatory changes or climate-related developments will not materially and adversely impact our Group's business, financial condition or results of operations.

We are committed to ensure environmentally responsible operations which include energy use, water use, climate change policy and action, and material choices, among others.

Energy management

Our Group's ongoing energy savings initiatives to reduce electricity usage involve equipping our Facility No. 9 and Office and Factory No. 11 with light emitting diode ("**LED**") lights which are more energy efficient as they consume less electricity when in use. We also turn off the lights in the production floor during the lunch break to reduce energy consumption.

Additionally, to further reduce our environmental impact, we have installed a 169.92 kWp rooftop solar photovoltaic system at our Facility No. 9 and Office and Factory No. 11 in December 2024. This has enabled us to reduce our electricity costs by an average of RM5,000 per month.

Lastly, we ensure that we educate our employees on saving electricity and put up memos and signs throughout our facility to remind them of our energy-saving initiatives.

Water management

We have a rainwater harvesting tank whereby the water collected will be used for general washing purposes. We have also installed dual-flush water closets to reduce water usage.

Lastly, we ensure that we educate our employees on saving water and put up memos and signs throughout our facility to remind them of our water-saving initiatives.

Waste Reduction

As part of our commitment to responsible environmental practices, we've adopted a proper waste disposal system. This includes encouraging our employees to segregate waste, and we have placed recycle racks in our Facility No. 9 and Office and Factory No. 11 for paper, plastic, and cans. Our recyclable waste, such as paper, cardboard, plastic bottles, containers, and aluminium cans, is then processed by a third-party recycling company. We also encourage the use of scrap paper for internal uses such as printing and photocopying of documents which are only used between our Group's employees.

In addition, we have adopted paperless practices such as using a facial recognition time management system for recording daily attendance, thereby eliminating paper punch cards as well as using electronic filing systems and shared folders for documentation.

Management of scheduled wastes

Our Group's manufacturing activities generate scheduled waste namely scrap metal chips and used coolant which we are committed to managing responsibly. We maintain regular waste disposal through licensed contractors who strictly comply with the relevant regulations. This ensures the safe handling and disposal of scheduled wastes, meeting all regulatory standards.

7.26.2 Social

Health and safety

We have established a safety and health committee in accordance with the Occupational Safety and Health Act 1994 to ensure a safe, healthy and conducive workplace for our employees. The policy is displayed throughout our Facility No. 9 and Office and Factory No. 11 in multiple languages to ensure that our foreign employees fully understand the policy. We also display our emergency evacuation plan at every exit door and translate said document into multiple languages to ensure that our foreign employees fully understand the plan. We also ensure that our employees are equipped with personal protective equipment such as safety goggles, ear plugs, and safety shoes.

As a testament to our commitment to the safety and health of our employees, we also undertake activities such as annual fire drills, first-aid training and fire-fighting training.

Employee wellbeing

In addition to safeguarding the health and safety of our employees, we also have initiatives in place to encourage social and emotional wellbeing amongst our employees. This includes organising activities such as sporting competitions, celebrating various festive holidays such as Chinese New Year and Hari Raya, as well as providing them with a comfortable break room that enables them to relax during breaks.

We also have a zero-tolerance policy regarding sexual harassment in the workplace.

Diversity and inclusion

We are committed to fostering a diverse and inclusive working environment by providing fair and equal employment and advancement opportunities to all our employees regardless of race, religion, age, and gender.

Training

We offer our employees training opportunities to encourage continuous learning.

Community engagement

Our Group strives to develop relationships with the local community and as part of our corporate social responsibility ("**CSR**") efforts, we offer support to the local communities in the form of donations to various organisations. We have also participated in career talks whereby our employees share their experience with soon-to-be graduates to prepare them for employment.

We also actively provide internships to students from various educational organisations. This enables the interns to develop skills, gain real-world experience, and build professional connections. Aside from giving back to the local community and students, through the internship programme our Group is also able to identify and evaluate potential candidates and provide employment to the candidates in the future. For Financial Periods Under Review, our Group engaged 1, 15, 22, and 11 interns, respectively.

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7.26.3 Governance

We recognise our responsibility to all stakeholders, including shareholders, employees, customers, communities and government agencies, and strive to balance business development and the needs of our stakeholders. In promoting transparency and accountability within our Group, we have also communicated and created awareness on anti-bribery and anticorruption for all directors and employees and seek their commitment to comply with good practices and uphold their highest integrity and ethics.

Our suppliers (inclusive of sub-contractors) are carefully identified and assessed, possess the right skills and whose corporate values are aligned with our own standards and required to comply with local laws. In adhering to standards of ethical conduct, we design our internal approach to ensure that our procurement teams are aware of the environmental and social impact of purchasing decisions. In addition, measures are initiated to ensure that the relationships with suppliers are handled fairly and in our Group's best interests.

We do not condone human trafficking, human rights abuses, child labour and forced labour within our Group. Our employees are not required to work excessive hours or days beyond the limits prescribed under the Employment Act 1955. Our employees have equal opportunities for career advancement based on merit, performance, experience, and academic qualification regardless of race and gender. Our Group supports the upgrading of employees' skills and knowledge to enhance our workforce competency, including sponsoring training or educational programs.

Our labour standards are maintained by practising equal and fair treatment of foreign workers by housing our foreign workers at hostels which have been certified with the requisite Certificates for Accommodation. We ensure our foreign workers are compensated fairly in compliance with minimum wages stipulations under the Minimum Wages Act 2022. As part of our practice, we do not withhold passports of our foreign workers.

We are also committed to uphold good corporate governance and ethical conduct in accordance with the principles and guidance of corporate governance as set out in the MCCG.

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Protégé ASSOCIATES

BRAND | FINANCE | MARKET

The Board of Directors
Ambest Group Berhad,
No.9, 11 & 42A
Jalan Damar
11960 Batu Maung
Pulau Pinang

Date: 0 5 JAN 2026

Dear Sirs/Madams,

Independent Market Research Report on the Engineering Supporting Industry in Malaysia ("IMR Report")

Protégé Associates Sdn Bhd ("**Protégé Associates**") has prepared this IMR Report for inclusion in the Prospectus of Ambest Group Berhad ("**Ambest**" or "**Company**") in relation to its proposed listing on the ACE Market of Bursa Malaysia Securities Berhad.

We have been engaged by the Company to provide an independent market research of the abovementioned industry in which Ambest and its subsidiaries ("**Ambest Group**", or "**Group**") operate in. The market research process undertaken involved secondary research as well as detailed primary research when required, which involves interviews with the relevant stakeholders of the industry to discuss the state of the industry. Quantitative market information could be sourced from such interviews and therefore, the information is subject to fluctuations due to changes in business, industry, and economic conditions.

We have prepared this IMR Report in an independent and objective manner and have taken adequate care to ensure the accuracy and completeness of the report. We believe that this IMR Report presents a balanced view of the industry within the boundaries and limitations of secondary statistics, primary research, and continued industry movements. Our research has been conducted to present an overall view of the industry and may not necessarily reflect the performance of individual companies in this industry. Protégé Associates is not responsible for the decisions and/or actions of the readers of this report. This report should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in this report.

Thank you.

Yours sincerely,

Seow Cheow Seng
Managing Director

About Protégé Associates Sdn Bhd
Protégé Associates is an independent market research and business consulting company. Our market research reports provide an in-depth industry and business assessment for companies raising capital and funding in the financial markets; covering their respective market dynamics such as market size, key competitive landscape, demand and supply conditions, government regulations, industry trends and the outlook of the industry.

Profile of signing partner, Seow Cheow Seng
Seow Cheow Seng is the Managing Director of Protégé Associates. He has 25 years of experience in market research, having started his career at Frost & Sullivan where he spent 7 years. He has a Master in Business Administration from Charles Sturt University, Australia and Bachelor of Business majoring in Marketing from RMIT University, Australia.

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The research for this IMR Report was completed in December 2025

For further information, please contact:

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1.0 Introduction to the Engineering Supporting Industry

The engineering supporting industry ("ESI") primarily centres on the production of intermediate metal goods, which are subsequently utilised in the manufacturing of diverse end products. According to the Malaysian Investment Development Authority ("MIDA"), the ESI is segmented as follows:

Figure 1: ESI Segmentation

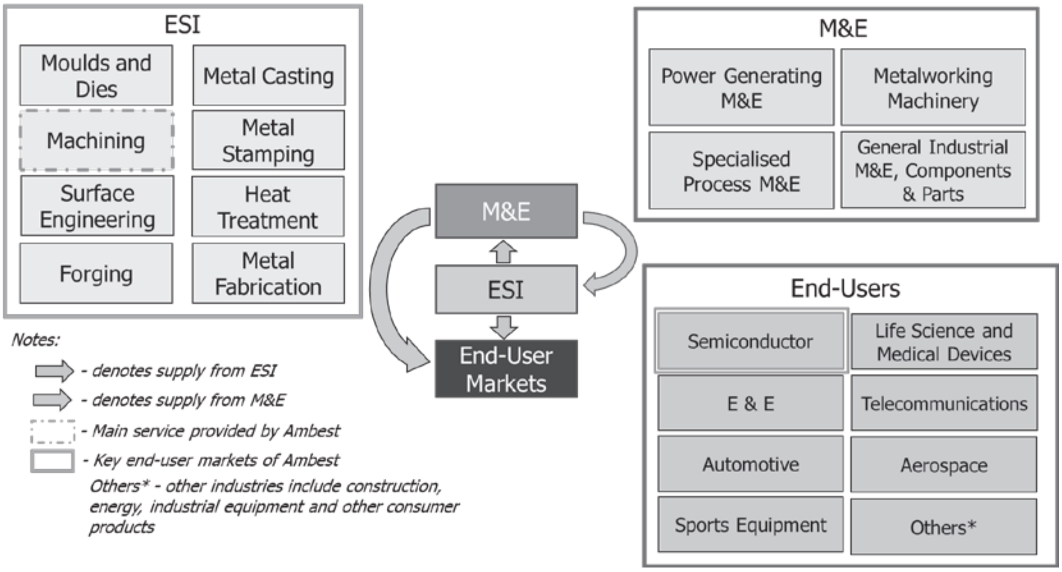
Segmentation	Description
Moulds and dies	A mould is a container in which molten metal or other liquid substances are poured into to form products in the same shape as the mould once the substance solidifies. A die is a block of metal of specific shape or pattern cut and is used for shaping a metal workpiece through mechanical forces.
Machining	Refers to the process of producing high-precision machined parts and components through advanced computer numerical control ("CNC") machines. Advanced CNC machines are also capable of multi-axis machining, in which machining tools can move in four (4) or more directions to manufacture complex parts and components. Examples of precision machined parts and components include shafts, pins, brushes, jigs, and other machined components found in hard disk drives.
Metal casting	Includes foundries, die casting, magnesium injection moulding and investment casting. In foundries, molten metal is poured into a mould to produce a specific metal part or component. Die casting is a process in which molten metal is injected into dies at high pressures to form a casting that takes the shape of the die used. Similarly, magnesium injection moulding is a process which uses magnesium alloys that are heated into a semi-solid state and injected at high speeds into moulds to produce precision moulded components. An investment casting process involves creating a three (3)-dimensional ("3D") wax version of the final product and subsequently dipping the wax product into a ceramic suspension that hardens over the wax structure.
Metal stamping	It is the process of manufacturing stamped metal parts from sheet metal. Stamped metal parts can be used in various industries such as the electrical and electronics ("E&E"), machinery and equipment ("M&E") as well as automotive industries.
Surface engineering	It is the process of modifying the surface properties of a metallic or non-metallic product using a wide range of technologies (generally via a plating process).
Heat treatment	Involves the heating and cooling of metal to various temperatures to alter its physical and mechanical properties.
Forging	It is a process involving the use of physical force to bend and alter the physical shape of a metal into a desired form. Forging is mainly used in the manufacturing iron and steel products.
Metal fabrication	Involves the process of creating metal structures from metal materials via cutting, bending, welding, machining, forming and assembly to create the final product.

Sources: MIDA and Protégé Associates

The ESI manufactures and provides metal components to a wide range of end-user markets, in particular the M&E industry. The M&E industry consists of four (4) main sub-segments, namely power generating M&E, metalworking machinery, specialised process M&E, and general industrial M&E, components and parts. The M&E industry supplies metalworking machinery to the ESI to produce intermediate metal products. The ESI then supplies these intermediate metal products back to the M&E industry, which is then used to manufacture various M&E products. The M&E industry subsequently supplies these products to end-user. At the same time, the ESI also directly supplies intermediate metal products to end-user markets.

Figure 2 below illustrates the connection between the ESI and end-user markets.

Figure 2: ESI and End-user Markets



Source: Protégé Associates

2.0 Overview of the M&E Industry and Selected End-User Markets

2.1 Overview of the M&E Industry in Malaysia

The M&E industry in Malaysia bolsters the manufacturing activities of various end-user industries, including the E&E, automotive, aerospace, medical, oil and gas, and food production industries. As these end-user industries continue to expand from consistent foreign and domestic direct investment, the M&E industry is expected to follow suit. According to the MIDA, Malaysia is one of the largest M&E industries amongst the Association of Southeast Asian Nations ("ASEAN"), whereby it can provide tailored products, end-to-end manufacturing, as well as other various comprehensive solutions to both domestic and international manufacturers. Over 85% of M&E companies in Malaysia are small and medium enterprises, employing a highly skilled workforce.

However, the country is still reliant on imported M&E to fulfil local demand. M&E imports have been on the rise in recent years. According to the Department of Statistics Malaysia ("DOSM"), M&E imports reached RM89.38 billion in 2022, up from RM68.55 billion in 2021. In 2023, the slowdown in global economic activities had led to slower import growth for M&E. M&E imports increased by a marginal 0.4% to RM89.76 billion in 2023. Global economic activities continued to recover in 2024, leading to M&E imports increasing by 26.7% to RM113.72 billion.

Similarly, Malaysian exports of M&E has also been growing over the years. M&E exports from Malaysia was valued at RM60.41 billion in 2022, up from RM49.92 billion in 2021. The global economic slowdown in 2023 had also impacted M&E exports from the country, whereby the value of exports declined by 5.2% to RM57.28 billion. In 2024, the recovery in global economic activities saw Malaysian M&E exports rebounding by 20.5% to RM69.04 billion during the year. The Malaysian M&E industry primarily exports products to ASEAN countries, the United States of America ("USA"), and China. Due to the critical role of the M&E industry in Malaysia's economic and technological advancement, continuous investments have been directed towards its development. In 2024, a total of 142 M&E projects worth RM10.60 billion were approved, indicating sustained commitment to industry growth.

The Malaysian M&E industry is poised for continued expansion, driven by the growth of end-user markets within the broader manufacturing sector. As manufacturing activities intensify, investments are expected to increase in enhancing and expanding production capacities, including the adoption of automated equipment solutions. This, in turn, will drive up demand for M&E solutions in Malaysia, supporting the industry's growth trajectory. At the same time, the rise of Industry 4.0 is transforming how business activities are conducted. M&E companies in Malaysia are in the midst of adopting Industry 4.0 solutions and utilising technologies such as Internet of Things ("IoT"), Big Data Analytics ("BDA"), cloud computing, robotics and additive manufacturing. This bodes well for the development of the local M&E industry.

2.2 Overview of the Global Semiconductor Industry

Semiconductors serve as vital elements manufactured within the E&E industry and play a fundamental role in electronic product manufacturing where they facilitate the flow of electrical currents. The expansion of the global semiconductor industry in recent years has primarily stemmed from the increasing demand for electronics like smartphones, the widespread adoption of technologies such as IoT and cloud computing, the implementation of fifth-generation telecommunications technology ("5G"), as well as the growing popularity of electric vehicles ("EV"). Advanced functionality of 5G smartphones is anticipated to encourage users to upgrade their devices, leading to higher demand for semiconductors accordingly. Additionally, the increasing popularity of the IoT, which involves integrating network connectivity into everyday objects, has led to increased embedding of software, sensors, actuators, and networking capabilities in consumer and industrial devices for signal and data generation, reception, and exchange.

At the same time, the growing adoption of cloud computing, along with the accompanying software and infrastructure such as high-performance computers and data centres, serves as a catalyst for the global semiconductor industry. Cloud computing stands out as a major market for artificial intelligence ("AI") chips utilised in data centres, where these chips enhance machine learning capabilities. Furthermore, the semiconductor demand is bolstered by the increasing integration of electronic components in both traditional and emerging industries. For instance, features once exclusive to luxury vehicles, such as keyless entry, Bluetooth connectivity, in-car entertainment systems, and reversing cameras, are now commonplace in most passenger vehicles.

The global semiconductor industry can be divided into four (4) regions namely the Americas, Asia Pacific, Japan and Europe, and was valued at USD630.55 billion in 2024 based on the World Semiconductor Trade Statistics ("WSTS"). The Asia Pacific region has retained its top position (in terms of revenue), generating sales of USD337.44 billion in 2024, accounting for 53.5% of global semiconductor sales. The Asia Pacific region hosts several prominent semiconductor companies globally, including Samsung Electronics (South Korea), MediaTek Inc. (Taiwan), and Hynix Semiconductor Inc. (South Korea), thus helping the region maintain its position as a global leader. This is followed by the Americas region with sales amounting to USD195.12 billion and accounting for 30.9% of global semiconductor sales in 2024. Semiconductor sales in Europe and Japan accounted for 8.1% and 7.4% of global semiconductor sales respectively in 2024.

Going forward, the global semiconductor industry is projected to expand continuously as an ever-increasing number of E&E devices are being produced with embedded semiconductor technology. The advancement in technology is expected to lead to the launching of new electronic devices which would contribute to higher demand for semiconductors. The WSTS organisation has forecasted the global semiconductor industry to expand in 2025 due to higher memory and logic chip sales resulting from investments in AI and improving consumer electronics sales. Nevertheless, the slowing global economy and elevated inflation may dampen demand for memory chips used in consumer electronics, resulting in weaker than expected growth. The global semiconductor industry is forecast to reach USD700.87 billion in 2025 and grow at a CAGR of 8.8% to USD962.70 billion in 2029.

Additionally, the global semiconductor industry may also be affected by tensions between the USA and China. Since 2022, the USA has imposed export controls on advanced semiconductor technology (including AI chips) to China. This restriction extends beyond American companies, applying to any entity worldwide utilising USA semiconductor technology. Additionally, the regulations prohibit USA citizens, residents, and green-card holders from employment in Chinese semiconductor firms. Companies seeking to supply equipment for semiconductor chip production in China must obtain a license from the USA. Japan and the Netherlands have also followed suit in implementing export controls of advanced semiconductor manufacturing equipment in 2023. China then retaliated by restricting the exports of two (2) metals, namely gallium and germanium, which are key to the manufacturing of semiconductors. In early January 2025, the USA proposed a revision to its Export Administration Regulations controls on advanced integrated circuits and AI models. The move serves to protect the USA's national security and foreign policy interests, and add new license exceptions to facilitate the export, reexport and transfer of advanced integrated circuits to end users in destinations that do not raise national security or foreign policy concerns. These geopolitical tensions may lead to some global semiconductor companies having to cease operations in China or stop exporting products to the country in the short-term. Some companies may also opt to establish new operations in locations outside China, which may lead to a downturn in the industry until the new operations commence.

Despite the challenges, growth of the global semiconductor industry will continue to be driven by major economies shoring up and growing their local semiconductor industries. The USA introduced the Creating Helpful Incentives to Produce Semiconductor and Science Act of 2022 ("CHIPS Act") on August 9, 2022. This act entails subsidies for companies investing in chip fabrication plants, chip research and development, and workforce development. It also offers incentives for facilities manufacturing semiconductor manufacturing equipment, aiming to bolster the semiconductor industry in the USA. Similarly, China has intensified investments in its local semiconductor industry to enhance its domestic supply chain amidst US restrictions on tech exports. Between 2021 and 2022, the country allocated over USD290.8 billion to semiconductor-related investment projects, focusing primarily on semiconductor equipment and materials. In May 2024, China had set up a state-backed fund worth 344 billion

Renminbi to further support its semiconductor industry. Additionally, in July 2023, the European Union ("EU") implemented the European Chips Act to reduce its vulnerabilities and dependencies on foreign entities. This act mobilizes more than EUR43 billion and aims to double the region's market share to 20% by 2030. Other major semiconductor powerhouses across the globe have also jumped on the bandwagon in developing their local semiconductor industries. The Japanese Government had set aside a total of 4 trillion Japanese Yen ("¥") between fiscal 2021 and fiscal 2023 for subsidies for helping companies build semiconductor plants in Japan. The country has also earmarked almost ¥2 trillion as a supplementary budget for the chip industry in fiscal 2024. Taiwan had in November 2023 announced that the country's semiconductor firms are expected to invest USD210 billion over the next five (5) years to cement Taiwan's lead over its peers in the global semiconductor industry. Such initiatives are expected to boost investment in the semiconductor industry and foster its growth in the future.

3.0 Overview of the ESI in Malaysia

As an industry catering to a diverse range of end-user markets such as the semiconductor, life sciences and medical technology, and M&E industries, the Malaysian ESI relies on export demand from these end-users. Concurrently, industry growth is often subject to cyclical patterns influenced by fluctuations in global economic conditions and volatile foreign currencies, particularly the USD, which tends to impact export demand.

The cyclical growth patterns can also be attributed to the cyclical nature of technology-based end-user markets, notably the semiconductor industry. The semiconductor industry experiences frequent introductions of new or enhanced electronic devices, primarily composed of semiconductors, leading to the accelerated obsolescence of older technologies. Consequently, pricing for existing devices tends to depreciate to maintain competitiveness in the market. This downward pricing pressure is passed throughout the entire semiconductor industry value chain, including the ESI, which supplies various parts and components.

Figure 3: Estimated Market Size (in terms of sales value of manufactured products in Malaysia) and Growth Forecast of the ESI in Malaysia, 2021-2029

Year	Market Size (RM billion)	Growth Rate (%)
2021	7.62	22.3
2022	9.37	22.9
2023	10.15	8.3
2024	12.50	23.2
2025^f	13.96	11.7
2026^f	15.23	9.1
2027^f	16.73	9.8
2028^f	18.50	10.6
2029^f	20.47	10.6

Notes:

1. *CAGR (2025-2029) (base year of 2024): 10.4%*
2. *^{f} denotes forecast*
3. *The estimated market size and growth forecast exclude sales of non-ESI related metal fabrication activities such as the fabrication of simple household items to large-scale metal fabricated structures for skyscrapers and oil drilling platform.*

Source: Protégé Associates

In recent times, the local ESI has faced challenges due to the increasing trend of trade protectionism. Governments around the world have sought to protect domestic industries from foreign competition by imposing tariffs, import quotas, product standards, or offering government subsidies. The trade conflict between the USA and China stands out as a prominent example. This tension has resulted in disruptions to the global supply chain and trade operations, posing risks to the global economy's stability. The COVID-19 outbreak in 2020 further aggravated the situation. Due to its extensive connections to end-user markets within the global supply chain, the Malaysian ESI is highly responsive to economic fluctuations, and its performance is influenced by ongoing developments in the global economy. Consequently, any adverse effects on the global economy, such as policies related to trade protectionism and outbreaks of viruses, are expected to adversely affect the Malaysian ESI.

In 2022, the Malaysian ESI showed growth driven by continued performance in end-user industries such as life sciences and medical technology, optoelectronics, and semiconductors. However, the global economy faced various challenges including the Russia-Ukraine conflict, which later led to increased commodity prices. The growing inflationary environment prompted central banks around the world to raise interest rates to combat the rising prices, which led to a slowdown in the global economy. Consumer demand for electronics decreased due to lower disposable income resulting from higher inflation and interest rates. There was also a shift in consumer spending from purchase of goods towards travel and entertainment post-pandemic. Nonetheless, others end-user markets of the semiconductor industry (including enterprise networking, industrial, medical and transportation) remained resilient during the year, thus countering the decline in consumer-led markets.

In 2023, the Malaysian ESI continue to grow, albeit at a slower pace, amidst an inflationary environment, weaker consumer spending, and a global economic slowdown. The decline in the global semiconductor industry affected demand for engineering support services in Malaysia. However, demand from other sectors such as life sciences and medical technology driven by advancements such as internet-connected wearable medical devices and the increasing elderly population's healthcare needs helped to offset this decline. The ESI in Malaysia continued its expansionary trend in 2024, primarily driven strong performance within the manufacturing sector. The sales value of the manufacturing sector in 2024 reached RM1.9 trillion, which was an increase of 4.6% from the previous year.

Going into 2025, the ESI in Malaysia is likely to experience cyclical growth due to fluctuations in the global economy due to the ongoing trade war and a volatile foreign currency exchange that are expected to continue impacting the export demand for the intermediate metal products from the ESI in Malaysia. Nevertheless, growth of the ESI is likely to be driven by factors such as technological advancements, strong government support towards the M&E industry and other end-user markets, as well as a global ageing population. The Malaysian ESI can also benefit from the trade war on technology between the USA and China in the form of trade and investment diversion to countries outside of the USA and China. As part of the global supply chain, the ESI in Malaysia may benefit from multinational companies shifting manufacturing facilities to the country, whereby the semiconductor and technology industries are likely to be key beneficiaries of potential investment diversion. The ESI in Malaysia was valued at RM12.50 billion in 2024 and is projected to expand from RM13.96 billion in 2025 to RM20.47 billion in 2029 at a CAGR of 10.4% for the period.

4.0 Competitive Analysis

According to MIDA, the local ESI is highly competitive with more than 1,000 domestic and foreign companies competing fiercely against one another to gain market share. The ESI in Malaysia relatively high barriers to entry. While the barriers may be lower for smaller-scale operations, potential new entrants require a relatively high capital outlay to invest in manufacturing facilities, high-end production machineries and equipment, raw materials, stocks, storage facilities and manpower. In addition, any future upgrading of machineries may also lead to additional cost due to technological advancement. At the same time, customers usually prefer reliable and reputable manufacturers or suppliers that have sound technical knowledge and established reputation. Furthermore, long screening and vetting processes are often required when using parts and components from a new supplier, and customers may prefer to stick with existing suppliers which have already obtained approval for their products.

Ambest Group is an engineering supporting services provider principally involved in the manufacturing of precision-machined parts and components. For this report, Protégé Associates has used the following criteria when selecting industry players in Malaysia for comparison with Ambest Group:

- Involved in the provision of precision machining;
- Cater to semiconductor/E&E end-user markets; and
- Registered an annual turnover of below RM500 million based on the latest publicly available financial information (The threshold is selected based on Protégé Associates' study on the list of companies in the ESI in Malaysia and their financials).

The above criteria are used to narrow down the list of industry players that can be selected for comparison with Ambest Group. The criteria are used to select industry players that are deemed to be more similar to Ambest Group in terms of upcoming revenue, type of products, and principal activities. After taking into consideration the above criteria, Protégé Associates has selected the below companies for comparison purposes. It needs to be highlighted that the list of industry players used for comparison purpose is not exhaustive. These market players cater to a wide range of end-user markets and may not serve the exact same end-user markets as Ambest Group.

Coraza Integrated Technology Berhad ("Coraza")

Coraza is currently listed on the ACE Market of Bursa Malaysia Securities Berhad. It is an investment holding company while principal activities of its subsidiaries include fabrication of sheet metal and precision machined components, as well as the provision of related services, such as design and development and value-added sub-module assembly services. Coraza's end-user markets include the M&E, life science and medical technology, semiconductor, instrumentation, and aerospace industries. The geographical markets served by Coraza include Malaysia, Singapore, USA, European countries, and other Asian countries.

CPE Technology Berhad ("CPE")

CPE is currently listed on the Main Market of Bursa Malaysia Securities Berhad. It is principally involved in the manufacturing of precision machined parts and components and provision of CNC machining services. CPE's end-user markets include the semiconductor, life science and medical technology, and sport equipment industries. The geographical markets served by CPE include USA, Singapore, Malaysia, Italy, Japan, Thailand, Germany, Portugal, Switzerland, Romania, and China.

Frencken Mechatronics (M) Sdn Bhd ("Frencken")

Frencken is a wholly-owned subsidiary of Frencken Group Limited, which is listed on the Mainboard of the Singapore Exchange. It is principally involved in the manufacture of machined parts and components for the E&E industries, semiconductor industrial machinery equipment, aerospace industry, medical equipment industry, environmental equipment, professional machines and other solar energy equipment and machineries. The geographical markets served by Frencken Group Limited include Netherlands, China, Malaysia, Singapore, Czech Republic, Hungary, USA, Germany, Switzerland, Thailand, India, Indonesia, United Kingdom, Mexico, Italy, Slovakia and others.

Kobay Technology Berhad ("Kobay")

Kobay is currently listed on the Main Market of Bursa Malaysia Securities Berhad. It is an investment holding company while principal activities of its subsidiaries include manufacture of metal works and structures, modules and parts for oil and gas production and extraction equipment, manufacture of semiconductor assembly and testing equipment, manufacture of precision moulds and parts, precision plating and surface treatment and manufacture of precision metal stamping, sheet metal and die casting parts. The geographical markets served by Kobay include Malaysia, Singapore, USA, and others.

Northeast Group Berhad ("Northeast")

Northeast is currently listed on the ACE Market of Bursa Malaysia Securities Berhad. It is an investment holding company while principal activities of its subsidiaries include the manufacturing of precision engineering components, serving a diverse range of industries including photonics, electrical and electronics, semiconductor, telecommunications, and optoelectronics. The geographical markets served by Northeast include Malaysia, USA, United Kingdom, Thailand, Singapore, Russia, Canada, Germany, Hungary and others.

Oxford Innotech Berhad ("Oxford")

Oxford is currently listed on the ACE Market of Bursa Malaysia Securities Berhad. It is an investment holding company while principal activities of its subsidiaries include the provision of precision engineering solutions (comprising sheet metal fabrication, CNC machining and plastic injection moulding); mechanical assembly solutions; and automation and robotic solutions. Oxford's end-user markets include the semiconductor, electrical and electronic, telecommunications, modular building systems, ergonomic furniture, and automotive industries. The geographical markets served by Oxford include Malaysia, North America, Europe and other Asian countries.

PMC Precision Sdn Bhd ("PMC")

PMC is principally involved in the manufacturing of precision-machined parts and components. PMC's end-user markets include the semiconductor, photonics, motion, medical and machinery industries. The geographical markets served by PMC include Malaysia, Singapore, USA, and Europe.

SFP Tech Holdings Berhad ("SFP")

SFP is currently listed on the ACE Market of Bursa Malaysia Securities Berhad. It is an investment holding company while principal activities of its subsidiaries include provision of sheet metal fabrication, CNC machining, assembly services as well as automation equipment solutions. SFP's end-user markets include the M&E, semiconductor, electrical and electronics and solar PV industries. The geographical markets served by SFP include China, Malaysia, USA, Singapore, Hong Kong, and others.

UWC Berhad ("UWC")

UWC is currently listed on the Main Market of Bursa Malaysia Securities Berhad. It is an investment holding company while principal activities of its subsidiaries include provision of precision sheet metal fabrication and value-added assembly services and provision of precision machined components. UWC's end-user markets include the semiconductor, life sciences and medical technology, telecommunications, and M&E industries. The geographical markets served by UWC include Malaysia, USA, Singapore, Thailand, India, Netherlands, France, Australia, China, and others.

Figure 4: Comparison between Ambest and Selected Industry Players in the ESI in Malaysia

Company	Information from FYE	Revenue (RM'000)	Gross Profit (RM'000)	Profit after Tax (RM'000)	Gross Profit Margin (%)	Profit after Tax Margin (%)
Ambest	31 December 2024	47,259.95	14,261.71	7,058.29	30.18	14.94
Coraza	31 December 2024	109,031.71	21,054.74	4,393.47	19.31	4.03
CPE	30 June 2025	129,141.00	39,941.00	23,590.00	30.93	18.27
Frencken	31 December 2023	209,184.99	17,736.86	1,480.00	8.48	0.71
Kobay	30 June 2025	341,927.29[a]	82,797.96	(19,916.64)	24.22	(5.8)

Company	Information from FYE	Revenue (RM'000)	Gross Profit (RM'000)	Profit after Tax (RM'000)	Gross Profit Margin (%)	Profit after Tax Margin (%)
Northeast	30 September 2024	90,143.16	34,691.58	13,743.13	38.48	15.24
Oxford	31 December 2024	92,905.00[b]	31,264.00	15,585.00	33.65	16.78
PMC	31 March 2025	66,918.59	28,134.82	19,391.52	42.04	28.98
SFP	31 December 2024	169,536.00[c]	74,216.00	11,980.00	43.78	7.07
UWC	31 July 2025	386,174.96	N/A	39,523.84	N/A	10.23

Notes:
1. *The above figures (which are based on the latest available audited financial information) only provide an indication and are not considered directly comparable as not all companies carry out activities which are completely similar to each other or in the same geographical area.*
2. *The list of industry players is not exhaustive.*

[a] *Includes revenue generated from property development division of RM22.8 million, from pharmaceutical division of RM76.8 million, and from asset management division of RM27.0 million.*
[b] *Includes revenue generated from mechanical assembly solutions division of RM43.0 million and from automation and robotics solutions division of RM5.2 million.*
[c] *Includes revenue generated from automated equipment solutions division of RM10.4 million.*

Sources: Ambest, annual reports/ prospectus of Coraza, CPE, Kobay, Northeast, Oxford, SFP, and UWC, Companies Commission of Malaysia and Protégé Associates

4.1 Ambest's Market Share Analysis

The revenue generated by Ambest in its financial year ended 31 December 2024 was RM47.26 million, which is equivalent to 0.38% of the ESI in Malaysia in 2024. The market share is derived based on the revenue of Ambest over the market size of the ESI in Malaysia in 2024 of RM12.50 billion.

5.0 Demand Conditions

Figure 5: Demand Conditions Affecting the ESI in Malaysia, 2025 - 2029

Impact	Demand Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	Technological Advancement	High	High	High
+	Strong Government Support towards the M&E Industry and End-User Markets	High	High	Medium
-	Geopolitical Tension across the Globe Affecting Economic Activities	High	Low	Low

Source: Protégé Associates

Technological Advancement

With technological advancements, a growing array of electronic components has been integrated into both traditional and emerging devices across diverse industries. Given the ESI's dependence on its end-user markets, it stands to gain from the rapid evolution of technological trends that fuel the growth of these markets.

In particular, the expansion of the global semiconductor industry has been fuelled by the emergence of new and innovative electronic devices. Examples include augmented reality ("AR"), virtual reality ("VR"), and 3D printing, which have spurred the creation of products like AR glasses, VR headsets, and 3D printing machines. Furthermore, the proliferation of 5G technology, AI, and BDA has brought about a technological revolution, giving rise to smart factories equipped with interconnected machinery, autonomous vehicles, and intelligent home devices such as advanced lighting systems and door locks. This ongoing technological revolution is expected to drive further advancements in the semiconductor and E&E industries, resulting in the production of more sophisticated semiconductor and electronic devices with enhanced performance, capacity, and technology.

The utilisation of integrated circuits in telecommunication devices and transmission infrastructure has also increased, leading to additional development of the semiconductor industry. One of the latest advancements in telecommunication technology is the 5G technology, which offers enhanced speed and broader coverage. Some of the features of 5G include a higher number of multiple input and output streams, resulting in increased data transmission rates compared to fourth-generation wireless broadband technology. The higher data transmission rates and expanded input/output streams necessitate the utilisation of more advanced semiconductor technology to provide adequate support.

The rise of the IoT where there are increasing usage of sensors and semiconductors in both consumer and industrial products is also expected to bolster growth of the semiconductor industry. This extends to the Internet of Medical Things ("IoMT"), which refers to the usage of medical devices that are embedded with connectivity and sensor technology to monitor a patient's health conditions. The use of IoMT devices also provides healthcare providers with the necessary data required to take immediate health actions or detect health issues at an early stage.

Moreover, there has also been achievements in materials engineering. The emergence of innovative materials has not only significantly influenced human progress but has also become a fundamental element in shaping a technologically advanced future. These new materials have paved the way for the development of cutting-edge technologies across various industries, including civil engineering, biomedical sciences, and electrical engineering. In civil engineering, the utilisation of advanced alloys and composite materials has facilitated the construction of structures that are both more durable and efficient. In the biomedical field, biomaterials and nanomaterials stand at the forefront, driving the creation of revolutionary medical devices and prosthetics, thereby improving healthcare outcomes and transforming lives. Additionally, the electrical engineering sector has seen notable advancements with the introduction of superconductors and photonic crystals, leading to increased efficiency and energy conservation.

Strong Government Support towards the M&E Industry and End-User Markets

The M&E industry in Malaysia supports the local ESI by purchasing intermediate metal products from the ESI. The M&E industry is crucial for Malaysia's advancement into a high-technology nation, as it is linked to key economic sectors like manufacturing, construction, and services.

The local E&E industry is another focus of the Malaysian Government. Under the Twelfth Malaysia Plan ("12MP"), the Malaysian Government aims to accelerate the development of eight strategic and high impact industries, including the E&E sector. In particular, the E&E industry will be encouraged to adopt advanced technologies, strengthen the industry ecosystem to move up the value chain, focus on the development of talent and capability, as well as to enhance research and development and design and development. The Malaysian Government had introduced the New Investment Policy ("NIP") to ensure Malaysia remains a competitive destination for high-value investments that will deliver economic growth. Under the NIP, the Malaysian Government introduces initiatives at both the national and sector levels. At the sectoral level, the Malaysian Government has identified three (3) economic sectors namely E&E, the digital economy, and pharmaceuticals. Specifically, initiatives for the E&E industry include expanding support to accelerate Industry 4.0 adoption by SMEs, enhancing E&E intra- and inter-cluster linkages, establishing a joint public-private E&E Sector Development Fund, and launching an investment accelerator programme targeting participants within key industries along the E&E value chain. The Malaysian Government had also in Budget 2024 highlight its plans to establish a high-tech industrial area in Kerian, Perak, to bolster the E&E industry in the northern region. Budget 2024 also allocates funding through government-linked companies and government-linked investment companies to support local startups in high-growth industries such as E&E, digital economy, and space technology. Any development in the E&E industry can only serve to benefit its supporting semiconductor industry. In Budget 2025, the Malaysian Government had agreed to introduce a New Incentive Framework (to be implemented in third quarter of 2025) focusing on high-value activities to improve the existing practice of providing product-centric incentives. This includes to increase the level of economic complexity in the E&E sector, by way of high value-added activities such as IC design services and advanced materials. Tax incentives for increasing exports have also been extended to IC design activities. In Budget 2026, the Malaysian Government had intensified its support for high-value sector, including Khazanah Nasional Berhad and Kumpulan Wang Persaraan ("KWAP") investing RM550 million in the semiconductor ecosystem to increase collaboration between local firms and multinational companies. The creation of SemiconStart, a new incubator programme by Malaysian Technology Development Corporation in collaboration with global incubators, aims to help early-stage startups gain mentorship, access to global financing, prototype creations at discounted rates and a wider customer network. Also, the RM7.9 billion allocation for Technical and Vocational Education and Training ("TVET"), including RM650 million focused on AI, EV, and semiconductor training, reflects the Government's commitment to growing the country's high-tech industries.

The Malaysian Government had launched the National Semiconductor Strategy ("NSS") in May 2024. Some of the targets of the NSS set by the Government include attracting RM500 billion in investments, focusing on IC design, advanced packaging, and wafer fabrication; developing Malaysia as a global research and development ("R&D") hub for semiconductors with world-class universities and corporate R&D; allocating a sum of at least RM25 billion for targeted incentives; training and upskilling 60,000 high-skilled Malaysian engineers; and establishing 10 Malaysian companies in design and advanced packaging with revenues between RM1 billion and RM4.7 billion, and 100 semiconductor-related companies with revenues around RM1 billion. This is likely to increase the level of investment in the semiconductor industry and lead to growth of the industry going forward.

Geopolitical Tension across the Globe Affecting Economic Activities

As part of the global supply chain, Malaysia's economic activities can be affected by geopolitical events across the globe. There's been a rise in trade protectionism in global trade, notably from major economies such as the USA and China. The USA banned the sales of advanced semiconductor chips to China by enacting export controls on the supply of advanced semiconductors and required American companies to obtain a licence to sell equipment for making these advanced semiconductor chips to China. Japan and the Netherlands also limited selling some high-tech equipment to China in 2023. On 9 August 2022, the USA introduced the CHIPS Act, which provides subsidies to companies manufacturing semiconductors in the USA to help them develop and thus reducing the need to rely on China. On 2 April 2025, the USA announced the introduction of a "reciprocal tariff" policy, which imposes 10% or higher tax rates for specific countries on all imports from all trading partners (including Malaysia) unless otherwise stated. Subsequently on 9 April 2025, a temporary 90-day suspension on the country-specific rates (only a duty of 10% will be imposed) for all trading partners except China. The reciprocal tariff came into effect on 1 August 2025, whereby a 19% tariff was imposed on Malaysian products. However, certain goods including semiconductors, some pharmaceutical components, palm oil, rubber, cocoa, as well as automobiles and aerospace parts, were exempted from the tariffs. This increase in protectionism could potentially impact global trade and slow down the world economy. Furthermore, impact of the downside risk may increase if the uncertainties over trade protectionism are prolonged.

The heightening geopolitical tensions is also marked by physical conflicts erupting in different pockets of regions including the Russia-Ukraine and Israel-Hamas war as well as maritime disputes in Asia Pacific that threaten to escalate into wider conflicts. Based on the International Monetary Fund, global economic growth stood at 3.3% in 2024 and is forecast to expand by a growth rate of 2.8% and 3.0% in 2025 and 2026 respectively. The ongoing trend of trade protectionism and physical conflicts disrupt trade flows and cause inflationary pressure on traded goods such as oil and renewable energy equipment, which negatively impacts global economic growth.

In Malaysia, the end-user markets for the ESI are influenced by economic cycles and global economic conditions. The trade protectionism by major economies and the Russia-Ukraine war are anticipated to negatively impact the demand for end-user products in Malaysia, affecting the need for intermediate metal products from the ESI. However, the above developments have also reshaped the global supply chain in response to these global geopolitical challenges, whereby certain countries or regions not involved in these issues might experience benefits through trade or investment diversion. Southeast Asia with its cost-competitiveness has emerged as a new centre for global manufacturing. Based on the United States Trade Representative, it was estimated that USA goods imports from the Association of Southeast Asian Nations ("ASEAN") totalled USD352.3 billion in 2024, up 13.3% from 2023. Specifically, Malaysia stands to benefit from the ongoing trade tensions between the USA and China. This situation is expected to prompt more USA companies to outsource electronic manufacturing services to Malaysia, which will support the demand for engineering support services. Additionally, some multinational companies including Intel Corp, Infineon Technologies AG, and AT&S have expressed plans to invest over USD10 billion in new production capacity in Malaysia, which is anticipated to positively impact the local ESI. The first phase of the Infineon Technologies AG semiconductor fabrication plant has been completed and operational since August 2024, with the second phase currently underway. AT&S's production facility started construction in late 2021 and commenced operations in early 2025. Intel Corp in early December 2025 announced an additional investment of RM860 million to make Malaysia its assembly and test operations hub. At the same time, Intel Corp's advanced packaging facility in Penang, which has a capital expenditure of RM12 billion, is 99% complete.

6.0 Supply Conditions

Figure 6: Supply Conditions Affecting the ESI in Malaysia, 2025 - 2029

Impact	Supply Conditions	Short-Term	Medium-Term	Long-Term
		2025-2026	2027-2028	2029
+	Expansion within the ESI	High	High	High
+	Growing Sophistication of Manufacturing Technology	High	High	High
+	Support from the Malaysian Government	High	High	High
-	Downward Pricing Pressure from Customers	Medium	Medium	Medium

Source: Protégé Associates

Expansion within the ESI

To stay competitive in the global market, manufacturing companies continuously improve their production facilities and adopt the latest manufacturing technologies. This is also true for the ESI, where companies invest in upgrades and new technology to meet customer demands. Some companies enhance their competitive edge by offering integrated services and complete manufacturing solutions, or by focusing on niche products that require special design and development skills. This involves closely collaborating with customers to develop products, from initial design to final prototypes, while addressing issues like materials, quality, and manufacturing processes.

Growing Sophistication of Manufacturing Technology

The advancement of technological facilities and resources, which include state-of-the-art machine and tools, the use of computer system along with advanced computer-aided design and other related design and engineering software, R&D facilities, quality control facilities, has been a key driver of the global expansion of the manufacturing sector. These advanced technologies enable the production of highly precise end products with minimal human error.

At present, manufacturing technology is very much shaped by digitalisation transformation, driven by connected technologies. It is described as Industry 4.0, smart manufacturing, or digital factories. Industry 4.0 introduces the combination of digitalised and automated manufacturing process and real time physical progress monitoring to make decentralised decisions. As part of the manufacturing sector, the advancement in technology also benefits the expansion of the local ESI. The implementation of cutting-edge technologies facilitates the development of more sophisticated engineering solutions and services, allowing local industries to meet higher standards of precision and quality demanded by global markets.

Support from the Malaysian Government

Due to its close linkages with the Malaysian M&E industry for supplying parts and components and other metal fabrication services, the Malaysian Government has been supportive of the local ESI with the introduction of various supporting programmes in the form of tax incentives that are relevant for manufacturing companies, all of which are expected to aid in the expansion of the ESI in Malaysia. These incentives include but are not limited to reinvestment allowance, group relief, Industrial Building Allowance, and deduction of audit fees. In addition, the Malaysian Government launched various Industry4WRD related financial facility supports and incentives to help SMEs to drive digital transformation in their manufacturing businesses. These include the Industry4WRD Intervention Fund, Domestic Investment Strategic Fund, and the automation capital allowance. The Malaysian Government had also announced the New Industrial Master Plan 2030 ("NIMP 2030") to improve the country's manufacturing sector. Amongst other measures, the NIMP 2030 aims to improve access to funding and capital for the sector to grow via the NIMP 2030 Industrial Development Fund and NIMP 2030 Strategic Co-Investment Fund. The continued support of the Malaysian Government augers well for the growth of the local ESI.

Downward Pricing Pressure from Customers

The ESI is exposed to the risk of downward pricing pressure from technology-driven markets like the semiconductor industry. Semiconductors are always evolving, with newer and more advanced products regularly coming into the market. This has led to obsoletion of older semiconductor products and prices of older products depreciating to stay competitive in the marketplace. This pricing pressure affects the entire semiconductor supply chain, including the ESI, which provides various parts and components. As a result, ESI companies are forced to accept lower profits or cut costs to meet customer demands and stay financially stable.

However, ESI companies have been investing in better manufacturing facilities and the latest technologies to offer comprehensive manufacturing solutions. Leveraging on their expertise, some companies are moving into more specialised production areas that require advanced design and development capabilities. This shift allows them to move away from low-profit production while maintaining financial health.

7.0 Prospects and Outlook of the ESI in Malaysia

The market size (measured by sales value of manufactured products in Malaysia) of the ESI in Malaysia was valued at RM12.50 billion in 2024, which was an expansion from RM10.15 billion in 2023. The local ESI is forecast to reach RM13.96 billion in 2025 and expand by a CAGR of 10.4% to reach RM20.47 billion in 2029, supported by the advancement in technology as well as expansion in end-user markets. In the short term, the growth of the Malaysian ESI may be affected by the global economic slowdown, an inflationary environment, and subdued consumer spending. Nevertheless, the increasing demand for engineering supporting services from end-user industries is likely to support the Malaysian ESI. The semiconductor industry is also expected to stage a recovery, further supporting growth of the Malaysian ESI. Growth in the industry is expected to be underpinned by an increasing number of electronic components being incorporated into both emerging and traditional industries, thus spurring demand for more semiconductors. Furthermore, the global semiconductor industry is also expected to be driven by the advancement in telecommunication technology such as the rollout of 5G technology and the increasing adoption of IoT and IoMT, in which both will boost demand for semiconductors. The ESI is also set to benefit from the expansion of other end-user markets such the life sciences and medical technology, instrumentation and sport equipment industries, all of which rely on the ESI to supply parts, components and services to them.

Closer to home, the local ESI is poised to benefit from the growth of the local M&E industry which serves as an important supporting industry for the broader manufacturing sector. As manufacturing activities intensify, there's an anticipated uptick in investments, especially those that focus on enhancing and expanding production capacities, which would translate to increased demand for the M&E solutions in Malaysia. Manufacturers are also adopting the "just-in-time" method for its advantages such as reduced warehousing and inventory costs, greater control over inventory turnover and prevention of overproduction as well as unsold product accumulation. The need for swift production in response to orders from customers would require manufacturers to increase their manufacturing capacity. These developments will continue to support the local M&E industry and translate to higher demand for engineering supporting services.

9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISK FACTORS THAT MAY HAVE A SIGNIFICANT IMPACT ON OUR FUTURE PERFORMANCE, IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, BEFORE MAKING AN APPLICATION FOR OUR IPO SHARES.

9.1 RISKS RELATING TO OUR BUSINESS

9.1.1 We are dependent on our major customers

We are dependent on 2 of our major customers, namely Customer A and Customer B. They have cumulatively contributed approximately 82.28%, 72.55%, 69.31% and 82.84% of our total revenue for Financial Periods Under Review, respectively.

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Customer A	29,481	49.65	21,324	46.60	10,503	22.22	7,731	19.43
Customer B	19,372	32.63	11,876	25.95	22,255	47.09	25,229	63.41
Subtotal	**48,853**	**82.28**	**33,200**	**72.55**	**32,758**	**69.31**	**32,960**	**82.84**
Our total revenue	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**39,785**	**100.00**

Such dependency is common in our nature of business, as we are required to undergo a qualification process to become an approved / recognised vendor to our major customers. The qualification process is time-consuming and as such, our major customers generally prefer to source products and services from their approved / recognised vendor, thereby leading to our Group receiving recurring orders from our major customers and resulting in our major customers contributing a significant portion of our Group's revenue.

While we enjoy good working relationships with our major customers, there can be no assurance that we will be able to retain our major customers or maintain or increase the level of business activity that we have with them. Additionally, we generally do not enter into any long-term contracts with our customers in view that we generally produce a variety of customised products for our customers. We may experience a decrease or cessation in orders from our major customers. During the Financial Periods Under Review, orders from our major customers have been on a fluctuating trend. Revenue contribution from Customer A had been on a decreasing trend during the Financial Periods Under Review in particular, reduced from RM29.48 million in FYE 2022 to RM7.73 million in FPE 2025. We experienced an overall decrease in our revenue during FYE 2023, mainly due to reduced orders from Customer A and Customer B amid the overall slowdown in the global semiconductor industry in 2023. We managed to mitigate the adverse impact arising from the reduced sales from Customer A in FYE 2024 by securing higher sales from other customers.

Our sales to our major customers are based on purchase orders, where the selling prices are negotiated on a case-by-case basis and may vary according to various factors such as, among others, design, specifications, complexity of the manufacturing process, setup time, volume of order, raw material prices and delivery lead time. We may be required by our major customers to reduce the unit selling price for certain products if the actual volume of orders is higher than originally quoted. In such circumstances, we may need to write down the carrying values of the relevant finished goods due to a revision of standard costing and reallocation of fixed costs. For FYE 2024, we recorded inventories written down of approximately RM1.11 million.

While we have not experienced any disputes with Customer A and Customer B since the commencement of our business relationship, there can be no assurance that disputes will not occur in the future. If there are any adverse changes to working relationship with our major customers and we are unable to retain our major customers, while also being unable to secure new customers with the same scale of orders in a timely manner, our business and financial performance may be negatively affected.

9.1.2 We may be exposed to disruptions in our manufacturing operations

Our business is reliant on the efficient and smooth running of our manufacturing operations, which are supported by our workforce and a range of machinery and equipment such as CNC milling, CNC turning and CNC turn-milling machines. While we undertake regular scheduled maintenance of our machinery and equipment to ensure that they work optimally, we may experience unexpected failures that may lead to unanticipated downtime which would lead to an interruption in our manufacturing operations. Any unanticipated disruptions may affect our production schedule and may lead to a delay in the delivery of products to our customers. For the Financial Periods Under Review and up to the LPD, we have not experienced any disruptions to our manufacturing operations that affected our production schedule and delivery of products to our customers. However, there can be no assurance that disruptions to our manufacturing operations in the future will not affect our business and financial performance.

9.1.3 We are subject to regulatory requirements for our business operations

Our business is subject to various laws and regulations. As at the LPD, our Group has obtained the necessary licenses and approvals to carry out our business operations. Kindly refer to Section 7.19 of this Prospectus for further information on the major licences and approvals obtained by our Group.

The licences and approvals obtained by our Group are subject to conditions and requirements that have been imposed by the various issuing bodies. Should there be instances of non-compliance by our Group, the licences and approvals obtained by our Group may be terminated, revoked, or may not be renewed upon expiry. Additionally, our Group and/or our Directors may be subject to penalties, fines, or potential prosecutions in the event of any non-compliance with the relevant laws and regulations. While we have internal processes to monitor our compliance with the relevant laws and regulations and track the validity of our licences and approvals, there can be no assurance that we will be able to renew our licences and approvals in a timely manner or comply with conditions imposed. Failure to successfully renew our licences and approvals may adversely affect our business operations and our future financial performance.

9.1.4 We are dependent on our Executive Directors and Key Senior Management team for continued success and growth of our business

The success and achievements of our Group thus far can be attributed to our Directors and Key Senior Management who have been involved in developing business strategies and charting the growth of our Group. Our Managing Director, Tan Beng Beng, and our Executive Director, Lim Eng Guan, have over 25 years and 29 years of experience in the engineering support industry respectively. In addition, they are supported by our management team who each have over 20 years of experience in their respective fields. The resignation or loss of our Key Senior Management simultaneously or without suitable or timely replacements may affect our business operations and our ability to compete with our competitors. In such event, the financial performance of our Group may be adversely affected.

9.1.5 We are dependent on our major suppliers

We are dependent on 3 of our major suppliers, namely Altra Precision (a sub-contractor to whom we outsource our sheet metal fabrication and machining processes), SL Metals and Supplier F (both of whom are approved vendor of our Group's major customer, Customer B which requires Ambest Technology to obtain raw materials from SL Metals and Supplier F for certain products) who have cumulatively contributed approximately 20.78%, 30.83%, 34.63%, and 34.71% of the total net purchases for the Financial Periods Under Review respectively. Our Group's purchases from Altra Precision are mainly fabricated sheet metal products while our Group purchases aluminium from SL Metals and Supplier F.

While we have maintained good working relationships with Altra Precision, SL Metals, as well as Supplier F, and have not experienced any material disputes in the past and up to the LPD, there can be no assurance that they will be able to continue supporting us in the future at the same level they have been doing so. If they cease or reduce their services to us, we may not be able to replace them with other suppliers in a timely manner, thereby affecting our business operations. This may subsequently affect our financial results and the prospects of our Group.

9.1.6 We are exposed to fluctuations in raw material prices

We are exposed to fluctuations in raw material prices when purchasing raw materials such as aluminium, which contributed approximately 12.60%, 5.68%, 26.61%, and 38.58% of our raw material purchases for Financial Periods Under Review respectively. The price of aluminium is affected by factors including but not limited to demand and supply conditions. Any adverse changes in demand and supply conditions may cause the price of the raw materials to increase, thus causing an increase in manufacturing cost. While we have generally been able to pass on the increase in cost to our customers, there can be no assurance that we will be able to pass on the increase in cost (in full or partially) to our customers in the future. We would then have to bear the increase in cost which may adversely affect our financial performance.

9.1.7 We are exposed to fluctuations in foreign exchange transaction risks which may impact the profitability of our Group

Our Group's sales and purchases are denominated in RM and other currencies, namely the USD, SGD, and RMB.

Sales denominated in USD and SGD contributed approximately 55.91%, 66.23%, 38.31% and 20.94% to our total revenue for Financial Periods Under Review respectively.

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%(1)	RM'000	%(1)	RM'000	%(1)	RM'000	%(1)
USD	33,197	55.91	30,307	66.23	10,708	22.66	8,331	20.94
SGD	-	-	-	-	7,396	15.65	-	-
Total	**33,197**	**55.91**	**30,307**	**66.23**	**18,104**	**38.31**	**8,331**	**20.94**

Note:

(1) Based on the revenue of our Group for the Financial Periods Under Review of RM59.38 million, RM45.76 million, RM47.26 million and RM39.79 million respectively.

Meanwhile, purchases denominated in USD, SGD, and RMB are approximately 8.37%, 2.08%, 3.46%, and 5.37% of our total purchases for the Financial Periods Under Review respectively.

	FYE 2022		FYE 2023		FYE 2024		FPE 2025	
	RM'000	%(1)	RM'000	%(1)	RM'000	%(1)	RM'000	%(1)
USD	1,713	4.60	184	0.74	765	3.02	951	4.65
SGD	207	0.56	332	1.34	113	0.44	147	0.72
RMB	1,193	3.21	-	-	-	-	-	-
Total	**3,113**	**8.37**	**516**	**2.08**	**878**	**3.46**	**1,098**	**5.37**

Note:

(1) Based on the total purchases of our Group for the Financial Periods Under Review of RM37.19 million, RM24.79 million, RM25.35 million, and RM20.45 million respectively.

Our net realised and unrealised gain or loss on foreign exchange for the Financial Periods Under Review are as follows:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Realised gain/(loss) on foreign exchange	604	401	(380)	(201)
Unrealised (loss)/gain on foreign exchange	(248)	4	303	(69)
Net gain/(loss)	**356**	**405**	**(77)**	**(270)**
PBT	9,464	9,044	8,167	5,856
Net gain/(loss) on foreign exchange as a % of PBT	3.76	4.48	(0.94)	(4.61)

We are exposed to foreign exchange gains or losses in the conversion of foreign currencies into RM, mainly arising from the timing difference between our billings and actual receipt of payments from our customers and/or conversion for transactions which are conducted in currencies other than RM. As such, any unfavourable fluctuations in the foreign exchange rates may have an adverse impact on our financial performance and profitability.

Currently, we do not maintain any foreign currency accounts for sales proceeds or payments in foreign currencies. We also do not enter into any formal financial instruments to hedge against foreign exchange rate fluctuations. Nevertheless, we will continue to monitor and review exchange rate fluctuations and take steps to protect ourselves if the risk becomes more significant to our Group. However, there can be no assurance that fluctuations in foreign currency will not affect our Group's future earnings and financial performance.

9.1.8 We may experience delays in realising our future plans

We plan to renovate our Facility 42A and add an additional storey to the building to expand our manufacturing area and accommodate additional machinery and equipment as well as construct a new cleanroom. Such activities may be subject to various uncertainties such as the ability to obtain the necessary licenses and approvals from relevant authorities, or delays in installing the cleanroom, as well as delays in procuring new machinery. If we experience any setbacks in realising our future plans, our business growth may be subsequently affected as we may not be able to keep up with our customers' demands.

Additionally, delays in construction and renovation may lead to higher-than-expected costs. We may be required to use internally generated funds to cover the additional costs, thus limiting our working capital. We may also be required to undertake bank borrowings, which would increase our interest expenses.

9.1.9 We may be exposed to inadequate insurance coverage to cover all losses or liabilities that may arise in the course of our business operations

Our business is subject to incidents such as fire, flood, power outages, and burglary which are outside of our control. These unexpected events may cause interruptions in or prolonged suspension of our manufacturing operations. We have purchased various insurance policies to insure against, amongst others, all risk, fire, and personal accidents and we continuously review our insurance coverage to ensure that they are valid and adequate for our current operations. As at the LPD, the total sum insured amounted to approximately RM48.97 million.

While we have various insurance coverages in place, they are subject to exclusions and limitations in liability in terms of amount and events. There can be no assurance that our insurance coverage will be able to cover all losses or liabilities that we may suffer in our operations. As such, our business and financial performance may be adversely affected if our insurance coverage is not sufficient to cover all losses or liabilities incurred.

9.1.10 We are exposed to interest rate risk

For FPE 2025, our Group's total outstanding interest-bearing borrowings (excluding lease liability) stood at RM37.61 million, comprising term loans, hire purchases, revolving credit and bankers' acceptance with interest rates ranging from 2.90% to 6.69% per annum; out of which approximately RM29.21 million or 77.67% are floating rate borrowings.

Our Group's interest expenses for borrowings (excluding lease liability) for the Financial Periods Under Review are as follows:

	FYE 2022	FYE 2023	FYE 2024	FPE 2025
	RM'000	RM'000	RM'000	RM'000
Interest expenses on hire purchases	113	226	220	289
Interest expenses on term loans	-	216	989	902
Interest expenses on revolving credit	-	-	-	99
Interest expenses on banker's acceptance	-	-	-	47
Total interest expenses on borrowings (excluding lease liability)	**113**	**442**	**1,209**	**1,337**
PBT	9,464	9,044	8,167	5,856
Total interest expenses on borrowings (excluding lease liability) as a % of PBT	1.19	4.89	14.80	22.83

In view that a significant portion of our Group's outstanding borrowings consist of floating rate borrowings, any significant increase in interest rates would increase our finance costs and in turn may have an adverse impact on our financial performance and cash flows.

9.1.11 We may not be able to effectively manage our capacity expansion

To meet the anticipated increase in demand for our precision machining services, we intend to purchase additional machinery and equipment. For clarity, our Group had previously invested in machinery and equipment to demonstrate our ability to keep up with more advanced requirements and increase our production capacity before securing the additional orders from our customers. Purchasing additional machinery and equipment will enable us to increase our production capacity and produce more complex precision-machined parts and components. Additionally, we plan to establish a new cleanroom in anticipation of increased precision-machined parts and components that need to be packed under cleanroom conditions.

Our expansion plans may be subject to uncertainties regarding demand from existing and new customers, and there can be no assurance that the demand for our services will increase in line with our increased production capacity. We will be required to incur capital expenditure costs for the purchase and installation of additional machinery and equipment. If we are unable to recover the cost incurred for said expansion, our business and financial performance may be adversely affected.

9.1.12 We are exposed to delays in collection

We face delays in collecting payments from our customers. The normal credit period granted to our Group's customers ranges from 30 to 90 days. During the Financial Periods Under Review, our trade receivables turnover periods were 83, 110, 129, and 113 days, respectively. Save for the FYE 2022, our trade receivables turnover periods for the Financial Periods Under Review exceeded the normal credit period granted to our customers.

Slower collections from our customers could negatively impact our cash flow, potentially affecting our ability to pay suppliers and subcontractors on time. Although our Group has managed to generate positive operating cash flows during the reviewed periods, there can be no guarantee that we will not experience any future collection delays or payment defaults, which may have a material adverse impact on our cash flow and financial stability.

9.2 RISKS RELATING TO OUR INDUSTRY

9.2.1 We are reliant on the semiconductor industry

Our Group's business is dependent on the end-user markets of our customers, namely the semiconductor industry, which contributed 100.00% of our revenue for the Financial Periods Under Review. Changes in the semiconductor industry may be influenced by factors including but not limited to global economic condition, political and regulatory risks, and demand trends for the industry's products.

The global semiconductor industry is subject to continued geopolitical tensions including that between the USA and China. Since imposing export controls on advanced semiconductor technology in 2022, the USA has continued to implement export restrictions. In early January 2025, the USA proposed a revision to its Export Administration Regulations controls on advanced integrated circuits and AI models. The move serves to protect the USA's national security and foreign policy interests, and add new license exceptions to facilitate the export, reexport and transfer of advanced integrated circuits to end users in destinations that do not raise national security or foreign policy concerns. These geopolitical tensions may lead to some global semiconductor companies having to cease operations in China or stop exporting products to the country in the short-term. Some companies may also opt to establish new operations in locations outside of China, which may lead to a downturn in the industry until the new operations commence.

In 2025, the USA announced the introduction of reciprocal tariffs, which imposes 10% or higher tax rates for specific countries on all imports from all trading partners (including Malaysia) unless otherwise stated. The reciprocal tariff came into effect on 1 August 2025, whereby a 19% tariff was imposed on Malaysian products. However, certain goods including semiconductors, some pharmaceutical components, palm oil, rubber, cocoa, as well as automobiles and aerospace parts, were exempted from the tariffs. While Malaysian exports of semiconductors to the USA are not currently significantly affected as Malaysian semiconductor exports to the USA remain exempt from these retaliatory tariffs, there can be no assurance that policy changes by the USA administration will not adversely impact the competitiveness of Malaysian exports to the USA.

As our Group is generating revenue solely from customers serving the end-users in the semiconductor industry, a downturn or negative performance in the semiconductor industry is likely to adversely affect the demand for our Group's services and will likely lead to an adverse impact on our business operations and financial performance. We experienced an overall decrease in our revenue during FYE 2023, mainly due to reduced orders from Customer A and Customer B amid the overall slowdown in the global semiconductor industry in 2023.

9.2.2 We are subject to changes and advancements in technology

Our Group is an engineering supporting services provider, primarily involved in the manufacturing of precision engineering parts and components, which can then be used by our customers to produce products across various industries. As such, we are subject to changes and advancements in technology in the various industries that our customers are involved in. To meet their changing needs, our Group must be able to adapt to new technologies and introduce them to our customers in a timely manner.

If we are unable to anticipate and develop new solutions in terms of production processes for our customers in a timely manner, we may be unable to retain our customers or attract new customers. Additionally, undertaking new capital investments and production process development activities (such as purchase of new jigs and fixtures) to keep abreast with the changes in technology will result in our Group incurring costs that may not be recouped if we are unsuccessful in retaining our customers or attracting new customers. This would lead to an adverse impact on our financial performance and profitability.

9.2.3 We operate in a competitive industry

The engineering support industry in Malaysia is highly competitive, with more than 1,000 market players *(Source: Malaysian Investment Development Authority)*. Not only does our Group face competition from incumbent industry players but also potential new industry players. New industry players may be equipped with newer and more advanced technology and machinery while incumbent industry players may have greater resources that may enable them to fund development of their products and services, adapt to newer technologies at faster rates, and conduct more sales and marketing activities. While we strive to remain competitive in the engineering support industry, there can be no assurance that we will be able to successfully compete with other players in the engineering support industry. If we are unable to compete with other players, our financial performance and business operations may be adversely affected.

9.2.4 We are subject to economic, political, and regulatory risks in Malaysia and the markets that we serve

Our Group operates principally from Malaysia and generates revenue from local sales as well as from overseas sales to countries such as Singapore and Sri Lanka. As such, we are subject to the economic, political, and regulatory environment of the countries we serve. Any adverse changes in the aforementioned conditions, such as but not limited to, changes in political leadership; war; changes in government policies regarding taxation, import duties, and tariffs; as well as changes in economic conditions could affect the demand for our customers' products and subsequently affect the demand for our services. This may in turn lead to an adverse effect on our business and financial performance.

On 2 April 2025, President Donald Trump of the USA announced a comprehensive tariff strategy aimed at addressing perceived trade imbalances of the USA. This plan included a baseline tariff of 10% applied universally to imports from all countries, effective 5 April 2025. Additionally, reciprocal tariffs targeting specific countries with higher duties were introduced, with varying rates. For Malaysia, a reciprocal tariff rate of 24% was set to take effect on 9 April 2025. On 9 April 2025, President Donald Trump announced a 90-day pause on certain tariffs, excluding those on Chinese imports. On 8 July 2025, President Donald Trump notified Malaysia that the USA would impose a 25% tariff on products from Malaysia with effect from 1 August 2025. This rate was subsequently revised to 19% through an order issued on 31 July 2025, with the revised tariff taking effect on 1 August 2025. While semiconductor products are currently not subject to the reciprocal tariff, there is no certainty as to whether the tariffs on semiconductor products will eventually be enacted. This uncertainty is expected to lead to greater volatility in the global supply chains, particularly affecting industries which are reliant on international trade. If the tariffs are imposed, it is expected to adversely affect the competitiveness of Malaysian exports into the USA market.

During the Financial Periods Under Review, our Group was not affected by the USA reciprocal tariffs. Our Group did not export goods to the USA market for FYE 2022 and FYE 2023. For FYE 2024, less than 0.03%, a negligible amount of our revenue, was derived from direct exports of goods to the USA market. Similarly, during the FPE 2025, less than 0.05% a negligible amount of our revenue, was derived from direct exports of goods to the USA market. Notwithstanding the above, some of our Group's customers and/or end customers may be exporting directly to the USA market from Malaysia and/or other countries which are subject to the tariffs imposed by the USA. While we are currently unable to determine nor quantify the extent of the exposure of our customers or their end customers to the USA, there can be no assurance that our customers' or their end customers' product will not be impacted by the tariffs and subsequently lead to a decline in demand for our products.

9.3 RISKS RELATING TO THE INVESTMENT IN OUR SHARES

9.3.1 Our Listing is exposed to the risk that it may be delayed or aborted

Our Listing may be delayed or aborted should any of the following events occur: -

(i) the selected investors fail to subscribe for the portion of our IPO Shares allocated to them;

(ii) our Underwriter exercising its rights pursuant to the Underwriting Agreement to discharge from its obligations under the Underwriting Agreement;

(iii) the revocation of approvals from the relevant authorities for the Listing and/or admission for whatever reason; or

(iv) we fail to meet the public shareholding spread requirement of the Listing Requirements of at least 25% of our enlarged issued share capital to be held by a minimum number of 200 public shareholders holding not less than 100 Shares each at the time of our Listing.

Where prior to the issuance and allotment of our IPO Shares: -

(i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to have been withdrawn and cancelled and we shall repay without interest all monies received from the applicants and if any such money is not repaid within 14 days of the stop order, we shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC from the expiration of that period pursuant to Section 245(7)(a) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, investors will not receive any of our IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the issuance and allotment of our IPO Shares: -

(i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and we shall repay without interest all monies received from the applicants and if any such money is not repaid within 14 days of the date of service of the stop order, we shall be liable to repay such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC from the expiration of that period and take necessary steps to effect the order pursuant to Section 245(7)(b) of the CMSA; or

(ii) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders could only be achieved by way of cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either: -

(a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or

(b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Directors.

9.3.2 There is no prior market for our Shares

There has been no prior market for our Shares prior to our Listing and there can be no assurance that an active market for our Shares will develop, or even if developed, that such market liquidity can be sustained.

In addition, there can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the ACE Market of Bursa Securities upon our Listing. There is also no assurance that the market price of our Shares will not decline below the IPO Price.

9.3.3 Volatility of our Share price and trading volume

The volatility of trading price and volume of our Shares on Bursa Securities may fluctuate due to, amongst others, the following factors, some of which are not within our control and may be unrelated or disproportionate to our financial results: -

(i) variations in our financial results and operations;

(ii) success or failure of our Executive Directors and/or Key Senior Management in implementing business and growth strategies;

(iii) additions or departures of any of our Executive Directors and/or Key Senior Management;

(iv) fluctuation in stock market prices and volume;

(v) changes in government laws, decrees, legislation or regulation;

(vi) changes in securities analysts' recommendations and projections of our Group's financial performance;

(vii) changes in market conditions, general economic conditions or stock market sentiments or other related events or factors; and

(viii) changes in market valuations and share prices of companies with similar businesses to our Group that may be listed on Bursa Securities.

The performance of Bursa Securities, market and investors sentiment could be affected by external factors such as the performance of the regional and global stock exchanges, the inflow or outflow of foreign funds as well as internal factors such as economic and political conditions and the growth potential of the various sectors of the local economy. These factors contribute to the volatility of trading price and volume on Bursa Securities, thus adding risks to the future volatility of the market price of our Shares.

9.4 OTHER RISKS

9.4.1 Our Promoters will be able to exert significant influence over our Company

Our Promoters who are also substantial shareholders and Directors of our Company will collectively hold approximately 70.40% of our enlarged total number of Shares upon our Listing. As a result, they will be able to effectively control the business direction and management of our Group including the election of Directors, the timing and payment of dividends as well as having substantial voting control over our Company. Because of the size of their collective shareholdings, our Promoters will have significant influence on the outcome of certain matters requiring the vote of shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities.

9.4.2 There is no assurance of payment of dividends to our shareholders

In recommending dividend, our Board would take into consideration a number of factors, including but not limited to our Group's financial performance, cash flows, debt servicing and financing obligations and covenants, capital expenditure plans and compliance with the relevant laws and regulations. Whilst we will endeavour to declare and pay dividends annually, there is a risk that our Company would not be in the position to pay any dividends in the future as a result of the aforementioned factors.

9.4.3 Forward-looking/prospective statements in this Prospectus may not be achievable

Certain statements in this Prospectus may be forward-looking or prospective in nature which may not be reflective of our actual results in the future. Such forward-looking or prospective statements in this Prospectus are based on certain assumptions and judgements which are subject to uncertainties. There can be no assurance that such forward-looking or prospective statements will materialise or are achievable as the actual results may differ significantly from such statements.

10. RELATED PARTY TRANSACTIONS

10.1 RELATED PARTY TRANSACTIONS

Under the Listing Requirements, a RPT is a transaction entered into by a listed issuer or its subsidiaries that involves the interest, direct or indirect, of a related party.

A “**related party**” of a listed issuer is:

(i) a director, having the meaning given in subsection 2(1) of the CMSA, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed issuer, its subsidiary or holding company or a chief executive of the listed issuer, its subsidiary or holding company; or

(ii) a major shareholder, and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed issuer or its subsidiaries or holding company, and has or had an interest or interests in one or more voting shares in a corporation and the nominal amount of that shares on the aggregate of the nominal amounts of those shares is:

   (a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the corporation; or

   (b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the corporation where such person is the largest shareholder of the corporation; or

(iii) a person connected with such director or major shareholder.

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10. RELATED PARTY TRANSACTIONS *(CONT'D)*

10.1.1 Our Group's RPTs

There were no other existing or proposed RPTs, entered or to be entered into by our Group, which involve the interests, direct or indirect, of a related party (including the Directors of our Group, major shareholders and/or persons connected with them) which are material to our Group during the Financial Periods Under Review and for the subsequent period up to the date of this Prospectus, save as disclosed below:

No.	Transacting Parties	Nature of Relationship	Nature of Transaction	Transactions Value FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 October 2025 up to the LPD RM'000
1.	• Amco Technology[(1)] • Ambest Technology	• Tan Beng Beng and Lim Eng Guan are the directors and substantial shareholders of Amco Technology. • They are also the Promoters, substantial shareholders and directors of Ambest Technology.	Purchase of used machinery and motor vehicle by Ambest Technology from Amco Technology.	1,845[(a)] *Being 5.22% of our Group's total assets*	-	-	-	-
			Security and utility deposits for office and factory spaces located at Office and Factory No. 11 paid by Ambest Technology to Amco Technology.	-	44[(b)] *Being 0.10% of our Group's total assets*	-	-	-
			CNC machining services charged by Amco Technology to Ambest Technology.	4,655[(2)] *Being 10.02% of our Group's cost of sales*	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(CONT'D)*

No.	Transacting Parties	Nature of Relationship	Nature of Transaction	Transactions Value FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000	1 October 2025 up to the LPD RM'000
1.			Electricity expenses charged by Amco Technology to Ambest Technology.	464[(c)] *Being 1.00% of our Group's cost of sales*	223[(c)] *Being 0.68% of our Group's cost of sales*	-	-	-
			Rental expenses for Office and Factory No. 11 paid by Ambest Technology to Amco Technology.	-	288[(d)] *Being 7.03% of our Group's administrative expenses*[#]	468[(d)]* *Being 8.96% of our Group's administrative expenses*[#]	324[(d)] *Being 7.33% of our Group's administrative expenses*	108[(d)] *Being 2.15% of our Group's administrative expenses*
			Hire purchase payment erroneously charged to Amco Technology reimbursed by Ambest Technology.	16 *Being 0.07% of our Group's total liabilities*	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(CONT'D)*

				Transactions Value				
				FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**	**1 October 2025 up to the LPD**
No.	**Transacting Parties**	**Nature of Relationship**	**Nature of Transaction**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2.	• Amex Marketing • Ambest Technology	• Tan Beng Beng is the substantial shareholder and director of Amex Marketing. • He is also the Promoter, substantial shareholder and director of Ambest Technology.	Purchase of tools and equipment by Ambest Technology from Amex Marketing.	28[(e)] *Being 0.06% of our Group's cost of sales*	-	-	-	-
3.	• Yomax • Ambest Technology	• Tan Beng Beng is the substantial shareholder and director of Yomax • He is also the Promoter, substantial shareholder and director of the Ambest Technology.	Purchase of machining parts and tools by Ambest Technology from Yomax.	221[(f)] *Being 0.48% of our Group's cost of sales*	-	-	-	-
			Rental expenses for copier machines charged by Yomax to Ambest Technology.	6[(g)] *Being 0.15% of our Group's administrative expenses*	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(CONT'D)*

				Transactions Value				
				FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025 up to the LPD
No.	Transacting Parties	Nature of Relationship	Nature of Transaction	RM'000	RM'000	RM'000	RM'000	RM'000
4.	• Tan Beng Beng and Lim Eng Guan • Ambest Technology	• Tan Beng Beng and Lim Eng Guan are the Promoters, substantial shareholders and directors of our Group	Rental expenses for Previous Premises No. 5 charged by Tan Beng Beng and Lim Eng Guan to Ambest Technology.	17(3) *Being 0.04% of our Group's cost of sales#*	8(3) *Being 0.02% of our Group's cost of sales#*	-	-	-
			Advances from Tan Beng Beng and Lim Eng Guan to Ambest Technology for working capital requirement.	1,100(4) *Being 5.09% of our Group's total liabilities*	-	-	-	-

10. RELATED PARTY TRANSACTIONS *(CONT'D)*

Notes:

* *Based on the monthly rental of RM36,000, the total rental amount for FYE 2024 comprises 12 months rental of office and factory spaces, and an advance 1 month rental payment of RM36,000, while the total rental amount for FYE 2025 comprises 3 months rental of office and factory spaces for the period of February 2025 until May 2025 and an advance 1 month rental payment of RM36,000.*

\# *Rental expenses for Office and Factory No. 11 paid by Ambest Technology to Amco Technology are benchmarked against our Group's administrative expenses, while rental expenses for Previous Premises No. 5 charged by Tan Beng Beng and Lim Eng Guan to Ambest Technology are benchmarked against our Group's cost of sales, in order to be consistent with the profit or loss line items under which these rental expenses are being categorised and captured under.*

(1) Amco Technology has sold all its CNC machinery to Ambest Technology in 2022. Amco Technology has ceased its business operation in fabrication of industrial engineering parts and products since December 2024, save for the rental income charged to Ambest Technology. Amco Technology had on 26 May 2025 filed with CCM to change its principal activity to property holding and to amend its memorandum & articles of association.

(2) Quotation was not obtained at the material time when the transaction was made and quotation obtained now may not be reflective and comparable to the past transactions undertaken, given the designs requirements, complexity of the customised products, materials costs at that time, minimum order quantity (MOQ) and the sophistication of the machinery used, all of which could have influenced the pricing.

Complex machining requires intricate programming setups, which can be time-consuming and more costly, especially during the initial setup, which includes creating custom tooling, fixtures, and jigs to assist in the manufacturing process tailored to different customer requirements that impact the overall price. Advanced CNC machinery used for complex machining can further increase the CNC machining price. Additionally, high initial setup costs can be reduced if the volume or batch sizes are larger, due to economies of scale. Conversely, small or one-off projects may incur higher per-unit costs due to setup time and lower efficiency, which can further affect the price of CNC machining services offered. Based on the above, our Group is unable to determine whether the CNC machining services charged by Amco Technology to Ambest Technology were conducted on an arm's length basis.

The total transacted value for CNC machining services provided by Amco Technology during FYE 2022 amounted to RM4,664,929. The amount disclosed in the table above is after setting off a credit note of RM9,450 issued by Amco Technology during FYE 2022 in relation to a transaction that took place in FYE 2021.

(3) No market comparable for similar properties in the vicinity or third-party quotations were obtained at the material time when the transaction was made and quotation obtained now may not accurately reflect or be comparable to the past transaction. Previous Premises No. 5 were used by Ambest Technology for its operations until 30 June 2023, after which our Group relocated to the new premises at Facility No. 9 and Office and Factory No. 11. The factory spaces were leased from Tan Beng Beng and Lim Eng Guan at a monthly rental rate of RM1,400. There was no formal tenancy agreement executed between Ambest Technology and Tan Beng Beng and Lim Eng Guan. Such transactions have not recurred since FYE 2023, as our Group has relocated to new premises at Facility No. 9 and Office and Factory No. 11 and ceased renting the Previous Premises No. 5. Based on the above, our Group is unable to determine whether the rental for Previous Premises No. 5 was conducted on an arm's length basis.

(4) The advances from the related parties to the Ambest Technology were not conducted on an arm's length basis as the advances were provided interest-free. However, they were not detrimental to our Group. As at the LPD, all advances have been fully settled by our Group. Moving forward, our Group will no longer obtain or provide any advances from or to its related parties.

10. RELATED PARTY TRANSACTIONS *(CONT'D)*

Save for the transactions in Notes (2), (3) and (4) above, all other RPTs were conducted on an arm's length basis and competitive commercial terms not more favourable to the related parties and were not detriment to the minority shareholders of *our* Group. This was determined based on the following:

(a) the purchase of used machinery from Amco Technology was based on quotations obtained from third-party CNC machine dealers who accept trade-in used machines, whereas the purchase of motor vehicle was benchmarked against selling prices of similar motor vehicles listed online at the time of purchase;

(b) the refundable security and utility deposits were part of the tenancy agreement dated 1 May 2023 entered between Ambest Technology (the tenant) and Amco Technology (the landlord), for the Office and Factory No. 11. These deposits are intended to cover potential non-payment of rent and utility charges during the tenancy term and are fully refundable at the end of the tenancy period, subject to the tenant settling all outstanding rent and utility charges. The imposition of refundable security and utility deposits is consistent with the common practice for tenancy agreements with third parties.

(c) the electricity charges incurred in FYE 2022 and 2023 for both properties at Previous Premises No. 5 and Previous Premises No. 10 were paid by Amco Technology and charged back to Ambest Technology based on the actual monthly electricity bills, as the usage of the electricity at both premises were attributable to machinery used for CNC machining owned by Ambest Technology.

(d) the rental expenses for the Office and Factory No. 11 payable/paid to Amco Technology were based on the terms which are commonly adopted by tenancy agreements of similar nature entered into by third-parties and based on the prevailing market rental rates of other comparable properties within the vicinity;

(e) the purchase of the tools and equipment from Amex Marketing were based on market prices comparable to those of similar tools and equipment sold to third-parties by Amex Marketing;

(f) the purchase of machinery parts and tools from Yomax were based on the market prices comparable to those of similar machinery parts and tools sold to third-parties by Yomax; and

(g) the rental expenses for copier machines were based on the monthly rental invoices for copier machines between Yomax and the owner of the copier machines. As the copier machines were used by Ambest Technology, the rental cost incurred was charged to Ambest Technology.

Save for the rental expenses for the Office and Factory No. 11 payable to Amco Technology, all other RPTs as disclosed above will not subsist after the Listing.

There is no RPT which is material to our Group that has been effected after the FPE 2025 or entered into but not yet effected up to the date of this Prospectus.

Moving forward, if there are potential related party transactions, the related parties must first inform our Audit and Risk Management Committee on their interests in the transaction and the nature of the transaction before the transaction is entered into.

Our Audit and Risk Management Committee is responsible for the review of all related party transactions to ensure that there is no conflict of interest. Our Audit and Risk Management Committee shall deliberate and determine if the related party transactions (if any) are undertaken on arm's length basis and on normal commercial terms.

10.2 PROCEDURES TAKEN TO ENSURE THAT FUTURE RELATED PARTY TRANSACTIONS WILL BE CARRIED OUT ON ARM'S LENGTH BASIS

Pursuant to our Listing, we have implemented the following procedures in relation to the managing of RPTs and RRPTs:

(a) our Audit and Risk Management Committee, comprising independent directors, will be responsible for, amongst others, reviewing and evaluating all the terms of the RPTs and RRPTs before they are entered into by our Group;

(b) we have adopted a Policy and Procedures on Related Party Transactions, which governs the framework of RPTs and RRPTs of our Group; and

(c) we will observe the disclosure requirements and other obligations under the Listing Requirements pertaining to RPTs and RRPTs, including making immediate announcements and seeking the approval of our shareholders at general meetings, if required and to appoint advisers as required under the Listing Requirements. Interested Directors shall abstain from deliberation and voting at the relevant Board meetings and interested Directors and major shareholders of our Company shall abstain and procure persons connected to them to abstain from voting at the general meetings held to approve the resolutions relating to the RPTs. For RRPTs, we will obtain an annual mandate from our shareholders at general meetings, if required.

10.3 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

There are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which our Company and/or our Subsidiary was a party during the Financial Periods Under Review and for the subsequent period up to the date of this Prospectus.

10.4 LOANS AND FINANCIAL ASSISTANCE TO OR FOR THE BENEFIT OF RELATED PARTIES

There are no loans (including guarantees of any kind) or financial assistance made by us to or for the benefit of any related party for the Financial Periods Under Review and up to the LPD.

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10.5 LOANS AND FINANCIAL ASSISTANCE FROM RELATED PARTIES TO OUR GROUP

Save as disclosed below, there are no loans (including guarantees of any kind) or financial assistance received by us from any related party for the Financial Periods Under Review and up to the LPD:

No.	Transacting Parties	Nature of Relationship	Nature of Transaction	Transactions Value				
				FYE 2022	FYE 2023	FYE 2024	FPE 2025	1 October 2025 up to the LPD
				RM'000	RM'000	RM'000	RM'000	RM'000
1.	• Tan Beng Beng and Lim Eng Guan • Ambest Technology	• Tan Beng Beng and Lim Eng Guan are the Promoters, substantial shareholders and directors of our Group	Advances from Tan Beng Beng and Lim Eng Guan to Ambest Technology for working capital requirement.	1,100 **Outstanding balance as at the LPD:** Nil	-	-	-	-

For the Financial Periods Under Review and up to the LPD, our Promoters and Directors (namely, Tan Beng Beng and Lim Eng Guan) have jointly and severally provided personal guarantees in favour of several financial institutions including Alliance Bank Malaysia Berhad, Alliance Islamic Bank Berhad, Hong Leong Islamic Bank Berhad, Maybank Islamic Berhad, Public Bank Berhad, Mitsubishi HC Capital Malaysia Sdn Bhd and SMFL Hire Purchase (Malaysia) Sdn Bhd (collectively, the "**Financiers**"), for the banking and hire purchase facilities extended by the Financiers to our Group ("**Personal Guarantees**"). We have applied to the Financiers for the discharge of the Personal Guarantees, by substituting the same with corporate guarantee from our Company. Until such discharge and substitution of guarantees have been implemented by the Financiers, our Promoters and Directors (namely, Tan Beng Beng and Lim Eng Guan) will continue to guarantee the banking and hire purchase facilities extended to our Group. As at the LPD, we have received conditional consents from the Financiers to discharge the Personal Guarantees and substitute the same with corporate guarantee from our Company upon the completion of our Listing.

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11. CONFLICT OF INTEREST

11.1 INTEREST IN OTHER SIMILAR BUSINESSES AND CORPORATIONS

As at the LPD, none of our Directors and/or substantial shareholders has any interest, whether direct or indirect, in other businesses or corporations which are carrying on a similar trade as our Group or are either customers or suppliers of our Group, save as disclosed below:

Name of company	Principal activities	Nature of interest
Amco Technology(1)	Property holding company	• Tan Beng Beng and Lim Eng Guan are the Promoters, substantial shareholders and Directors of Ambest, each holding a 50.00% direct interest in Ambest before our Listing, which will be reduced to 35.20% direct interest each in Ambest following the completion of our Listing. • Tan Beng Beng and Lim Eng Guan are the Directors and substantial shareholders of Amco Technology, each holding 50.00% direct interest in Amco Technology. Amco Technology is a major supplier of our Group for FYE 2022.

Note:

(1) As at the LPD, Amco Technology has ceased its business operations in fabrication of industrial engineering parts and products and changed its principal activity to property holding, where it continues to own the Office and Factory No. 11. Amco Technology was not included as part of our Group due to the following considerations:

(i) allows our Group to streamline our corporate structure and business operations under Ambest Technology, as the business operations previously carried out by Amco Technology were identical to Ambest Technology, and the additional administrative and statutory costs to run Amco Technology would impose unnecessary costs to our Group;

(ii) the acquisition of the Office and Factory No. 11 which is owned by Amco Technology would incur additional costs such as legal fees and stamp duty, and would increase our Group's gearing, as the acquisition would need to be financed by additional bank borrowings; and

(iii) the Promoters do not intend to dispose of the Office and Factory No. 11 at this juncture due to high costs arising from real property gain tax.

Our Board (save for the interested Directors namely Tan Beng Beng and Lim Eng Guan) is of the view that any potential conflict of interest situation which may arise through the direct and indirect interests of Tan Beng Beng and Lim Eng Guan in Amco Technology above is mitigated due to the following:

i. the company has ceased its business operation in fabrication of industrial engineering parts and products since December 2024; and

ii. Amco Technology had on 26 May 2025 filed with CCM to change its principal activity to property holding and to amend its memorandum and articles of association.

Moving forward, following our Listing, our Audit and Risk Management Committee will continue to review and assess the financial risk and matters in relation to any related party transactions and potential conflict of interest situations that may arise to ensure that transactions are carried out in the best interest of our Group. These matters may include any transactions, procedures or course of conduct within our Group that raise questions of management integrity.

11.2 DECLARATION BY THE ADVISERS ON CONFLICT OF INTEREST

11.2.1 Declaration by Malacca Securities

Malacca Securities has confirmed that there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Sponsor, Underwriter and Placement Agent for our IPO.

11.2.2 Declaration by WYNCORP

WYNCORP has confirmed that there is no existing or potential conflict of interest in its capacity as the Corporate Finance Adviser for our IPO.

The scope of work of our Corporate Finance Adviser includes, among others, the following:

(a) in consultation with our Promoters and Principal Adviser, advising on the Pre-Listing Exercise and equity structure of our Company in preparation for our Listing;

(b) in consultation with our Promoters and Principal Adviser, assisting on conceptualising, advising, planning and implementing the Listing, including the offer structure, size and method of achieving the optimal public shareholding spread, pricing of the Shares, the enlarged issued share capital and other related capital/financial matters. For the avoidance of doubt, the role of our Corporate Finance Adviser does not involve making available, offer for subscription or purchase or issue an invitation to subscribe for or purchase securities in relation to our Listing;

(c) in consultation with our Principal Adviser, advising us on the suitability of professionals appointed in relation to our Listing;

(d) in consultation with our Promoters and Principal Adviser, assisting us in reviewing the submission documents and this Prospectus and, where applicable, advising on all relevant matters that may arise in the process of implementation of our Listing;

(e) together with our Principal Adviser, advising us on the regulatory requirements and compliance matters, including the appropriate corporate governance structure, in relation to our Listing; and

(f) participating in the due diligence working group to verify the information, data, documents and representations by our Directors contained in this Prospectus and submissions to the relevant authorities, based on the scope as agreed in the due diligence planning memorandum.

11.2.3 Declaration by ZICO

ZICO has confirmed that there is no existing or potential conflict of interest in their capacity as the Due Diligence Solicitors for our IPO.

11.2.4 Declaration by Grant Thornton

Grant Thornton has confirmed that there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants for our IPO.

11.2.5 Declaration by Protégé

Protégé has confirmed that there is no existing or potential conflict of interest in its capacity as the Independent Market Researcher for our IPO.

11.2.6 Declaration by Sterling Business Alignment Consulting Sdn Bhd

Sterling Business Alignment Consulting Sdn Bhd has confirmed that there is no existing or potential conflict of interest in its capacity as the Independent Internal Control Review Consultant for our IPO.

11.3 MONITORING AND OVERSIGHT OF RPT AND CONFLICT OF INTERESTS

The functions of our Audit and Risk Management Committee include, amongst others, reviewing related party transactions and conflict of interest situations that arose, persist or may arise within our Group including any transactions, procedures or course of conduct that raise questions of management integrity and the measures taken to resolve, eliminate or mitigate such conflicts and report to the Board accordingly. Conflict of interest include a situation in which a person has competing interests which could improperly influence the performance of his/her duties and responsibilities or where a person's ability to perform his/her duties effectively or impartially is potentially impaired by personal interest, considerations or relationships.

In order to manage such conflict of interest situation, our Board has adopted a Conflict of Interest Policy to provide guidance on how to deal with situations involving conflict of interest or potential conflict of interest as and when they arise. Our Board has also established a Related Party Transaction Policy and Procedures which set out the policies and procedures relating to the conduct of RPTs involving our Group to ensure that they are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length and are not to the detriment of the interest of our Company's minority shareholders.

Our Audit and Risk Management Committee shall periodically review the Conflict of Interest Policy and the Related Party Transaction Policy and Procedures to ensure that they are updated based on prevailing laws and regulations from time to time.

Before any RPT is entered into by our Group, the interested Directors and major shareholders of our Company are required to disclose their interests in such RPT to our Company for deliberation by our Audit and Risk Management Committee and further approval of our Board, if required. Any RPT must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company, on an arm's length basis, and are based on normal commercial terms not more favourable to the related party than those generally available to third parties, and are not to the detriment of the interest of our Company's minority shareholders. Interested Directors will also be required to abstain from deliberations and voting on board discussions and/or resolutions pertaining to the RPT in which they have interest.

Any conflict of interest situations must also be immediately declared and fully disclosed by the conflicted Directors and/or Key Senior Management for deliberation by our Audit and Risk Management Committee. The Audit and Risk Management Committee shall also review the measures required to be taken to resolve, eliminate or mitigate such conflict of interest situations and report to the Board accordingly. In respect of our interests in companies carrying on similar business, the conflicted Directors and/or Key Senior Management will also be required to abstain from any involvement, discussion and/or decision making pertaining to matters and/or transactions where a conflict of interest may arise.

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12. FINANCIAL INFORMATION

12.1 HISTORICAL FINANCIAL INFORMATION

Our Company was incorporated as a private limited company under the name of Ambest Group Sdn Bhd on 16 February 2023 in Malaysia under the Act. Our Company was converted to a public limited company under the name of Ambest Group Berhad on 12 June 2025. Upon completion of the Pre-Listing Exercise, Ambest Technology Sdn Bhd become our wholly-owned subsidiary.

Our Group's historical audited financial information comprises the combined statements of financial position, combined statements of profit or loss and other comprehensive income and combined statements of cash flow for the Financial Periods Under Review. The historical financial information has been prepared in accordance with MFRS and IFRS and were not subject to any audit qualification.

The historical financial information of our Group for the Financial Periods Under Review should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations as set out in Section 12.2 of this Prospectus and the Accountants' Report as set out in Section 13 of this Prospectus.

12.1.1 Combined statements of profit or loss and other comprehensive income

		Audited		Unaudited	Audited
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2024**	**FPE 2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	59,376	45,760	47,260	29,654	39,785
Cost of sales	(46,466)	(32,642)	(32,998)	(20,142)	(28,367)
GP	**12,910**	**13,118**	**14,262**	**9,512**	**11,418**
Other income	605	413	323	10	220
Administrative expenses	(3,950)	(4,097)	(5,222)	(3,677)	(4,422)
Finance costs	(113)	(490)	(1,266)	(876)	(1,368)
Finance income	12	100	70	68	8
PBT	**9,464**	**9,044**	**8,167**	**5,037**	**5,856**
Taxation	(2,279)	(2,235)	(1,109)	(418)	(636)
PAT	**7,185**	**6,809**	**7,058**	**4,619**	**5,220**
EBITDA [(1)]	10,711	11,970	12,937	8,346	10,505
GP margin (%) [(2)]	21.74	28.67	30.18	32.08	28.70
EBITDA margin (%) [(3)]	18.04	26.16	27.37	28.14	26.40
PBT margin (%) [(4)]	15.94	19.76	17.28	16.99	14.72
PAT margin (%) [(5)]	12.10	14.88	14.93	15.58	13.12
Basic EPS (sen) [(6)]	1.80	1.70	1.76	1.15	1.30
Diluted EPS (sen) [(7)]	1.41	1.34	1.38	0.91	1.02
Effective tax rate (%)	24.08	24.71	13.58	8.30	10.86

Notes:

(1) EBITDA is computed as follows:

	FYE 2022 RM'000	Audited FYE 2023 RM'000	FYE 2024 RM'000	Unaudited FPE 2024 RM'000	Audited FPE 2025 RM'000
PBT	9,464	9,044	8,167	5,037	5,856
Add:					
Amortisation of intangible asset	57	80	100	70	120
Depreciation charges [(8)]	1,089	2,456	3,474	2,431	3,169
Finance costs	113	490	1,266	876	1,368
Less:					
Finance income	(12)	(100)	(70)	(68)	(8)
EBITDA	**10,711**	**11,970**	**12,937**	**8,346**	**10,505**

(2) GP margin is computed based on the GP over revenue.

(3) EBITDA margin is computed based on the EBITDA over revenue.

(4) PBT margin is computed based on the PBT over revenue.

(5) PAT margin is computed based on the PAT over revenue.

(6) The basic EPS is computed based on the PAT of our Group divided by the existing issued Shares of our Company before the Public Issue comprising 400,000,002 Shares.

(7) The diluted EPS is computed based on the PAT of our Group divided by the enlarged issued Shares of our Company after the Public Issue comprising 510,000,002 Shares.

(8) Depreciation charges comprise depreciation of PPE and rights-of-use asset.

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12.1.2 Combined statements of financial position

	Audited As at 31 December			Audited As at 30 September
	2022 RM'000	**2023 RM'000**	**2024 RM'000**	**2025 RM'000**
ASSETS				
Non-current assets				
PPE	14,470	18,002	50,676	51,213
Right-of-use asset	-	1,304	913	619
Intangible asset	301	278	292	483
	14,771	**19,584**	**51,881**	**52,315**
Current assets				
Inventories	1,896	1,697	5,426	7,231
Trade receivables	15,062	12,616	20,849	12,204
Other receivables, deposits and prepayments	593	3,209	2,585	3,689
Current tax assets	-	-	596	1,433
Cash and bank balances	3,005	4,908	822	1,323
	20,556	**22,430**	**30,278**	**25,880**
TOTAL ASSETS	**35,327**	**42,014**	**82,159**	**78,195**
EQUITY				
Equity attributable to owners of the Company				
Share capital (1)	-	*	*	*
Invested equity (2)	500	1,500	2,500	2,500
Retained profits	13,222	20,031	27,089	32,309
TOTAL EQUITY	**13,722**	**21,531**	**29,589**	**34,809**
LIABILITIES				
Non-current liabilities				
Borrowings	7,688	9,535	31,563	32,477
Lease liability	-	950	556	248
Deferred tax liabilities	186	243	115	88
	7,874	**10,728**	**32,234**	**32,813**
Current liabilities				
Trade payables	9,394	6,199	9,163	3,967
Other payables and accruals	1,988	784	3,379	1,067
Borrowings	1,845	2,230	7,400	5,130
Lease liability	-	375	394	409
Current tax liabilities	504	167	-	-
	13,731	**9,755**	**20,336**	**10,573**
TOTAL LIABILITIES	**21,605**	**20,483**	**52,570**	**43,386**
TOTAL EQUITY AND LIABILITIES	**35,327**	**42,014**	**82,159**	**78,195**
Net Assets	**13,722**	**21,531**	**29,589**	**34,809**
Net Assets per Share (RM) (3)	27.44	14.35	11.84	13.92

Notes:

* *Represents RM2.00 comprising 2 Shares.*

(1) Represents the share capital of our Company.

(2) Represents the share capital of our Subsidiary.

(3) NA per Share as at 31 December 2022 is computed based on the net assets of our Group divided by the number of our Subsidiary's issued shares as at 31 December 2022 comprising 500,000 shares.

NA per Share as at 31 December 2023, 2024 and FPE 2025 are computed based on the net assets of our Group divided by the aggregate number of issued shares of our Company and our Subsidiary as at 31 December 2023, 31 December 2024 and 30 September 2025 comprising 1,500,002, 2,500,002 and 2,500,002 shares respectively.

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12.1.3 Combined statements of cash flows

	FYE 2022 RM'000	Audited FYE 2023 RM'000	FYE 2024 RM'000	Audited FPE 2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
PBT	9,464	9,044	8,167	5,856
Adjustments for:				
Accretion of interest on lease liability	-	48	57	31
Amortisation of intangible asset	57	80	100	120
Depreciation of PPE	1,089	2,195	3,083	2,875
Depreciation of right-of-use asset	-	261	391	293
Intangible asset written off	-	-	2	-
Interest expenses	113	442	1,209	1,337
Interest income	(13)	(100)	(70)	(8)
Inventories written down	-	-	1,112	-
(Gain)/Loss on disposal of PPE	-	(5)	17	-
PPE written off	4	384	-	*
Unrealised loss/(gain) on foreign exchange	248	(4)	(303)	69
Operating profit before working capital changes	10,962	12,345	13,765	10,573
Net changes in:				
Inventories	(485)	198	(4,841)	(1,805)
Receivables	(3,476)	2,184	(9,204)	7,768
Payables	(804)	(4,399)	5,556	(7,504)
Cash generated from operations	6,197	10,328	5,276	9,032
Income tax paid	(2,240)	(2,516)	(2,000)	(1,500)
Interest income	12	100	70	8
Net cash from operating activities	3,969	7,912	3,346	7,540
CASH FLOWS FROM INVESTING ACTIVITIES				
Deposits paid for acquisition of PPE	-	(2,351)	(451)	(747)
Net changes in fixed deposits with licensed bank	-	(1,031)	1,031	-
Proceeds from disposal of PPE	-	60	100	-
Purchase of PPE	(2,498)	(3,153)	(7,359)	(1,597)
Purchase of intangible asset	(188)	(57)	(115)	(312)
Net cash used in investing activities	(2,686)	(6,532)	(6,794)	(2,656)

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	FYE 2022 RM'000	Audited FYE 2023 RM'000	FYE 2024 RM'000	Audited FPE 2025 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown on hire purchase	-	-	-	2,940
Net change in bankers' acceptance	-	-	928	547
Net change in revolving credit	-	-	3,000	(3,099)
Proceeds from issuance of shares	-	1,000	1,000	-
Repayment of hire purchases	(972)	(2,204)	(2,605)	(2,962)
Repayment of lease liability	-	(288)	(432)	(324)
Net drawdown/(repayment) of term loans	1,965	984	(1,498)	(1,484)
Net cash from/(used in) financing activities	993	(508)	393	(4,382)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**2,276**	**872**	**(3,055)**	**502**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**-**	**-**	*****	**(1)**
CASH AND CASH EQUIVALENTS AT BEGINNING	**729**	**3,005**	**3,877**	**822**
CASH AND CASH EQUIVALENTS AT END	**3,005**	**3,877**	**822**	**1,323**
Cash and cash equivalents are represented by:				
Cash and bank balances	3,005	1,869	791	1,291
Fixed deposits with a licensed bank	-	3,039	31	32
	3,005	4,908	822	1,323
Less: Fixed deposits with maturity more than 3 months	-	(1,031)	-	-
	3,005	**3,877**	**822**	**1,323**

Note:

* *Less than RM1,000.*

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12.2 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our Group's financial condition and results of operations for the Financial Periods Under Review should be read in conjunction with the financial information of our Group as extracted from the Accountants' Report and the accompanying notes as set out in Section 13 of this Prospectus.

The following discussion and analysis contain data derived from our Group's audited combined financial statements for the Financial Periods Under Review and may include certain forward-looking statements that involve risks, uncertainties and assumptions. Our Group's actual results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements are discussed in the "Forward-Looking Statements" section of this Prospectus and elsewhere in this Prospectus, in particular the risk factors as set out in Section 9 of this Prospectus. Such forward-looking statements should not in any manner or circumstance be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person. Investors are cautioned not to place undue reliance on the forward-looking statements made as of the date of this Prospectus.

12.2.1 Overview of Our Group's operations

Our Company's principal activities are investment holding and provision of management services. Our Group, through our Subsidiary, is principally involved in the following business segments:

(i) Precision machining; and

(ii) Sheet metal fabrication.

Please refer to Section 7 of this Prospectus for the detailed overview of our Group's business and Section 12.3 of this Prospectus for the significant factors affecting our operations and financial performance.

12.2.2 Revenue

Our Group's revenue derived from the business segment of precision machining and sheet metal fabrication.

Our precision machining business involves various processes of working with metal such as milling, turning, and turn-milling to produce precision-machined parts and components. We also offer additional processes such as surface finishing treatment and sub-modular assembly to our customers when required.

Our sheet metal fabrication business involves processes such as stamping, bending, and welding to form the desired shapes. The fabricated sheet metal can then be used as enclosures and assembled with the precision-machined parts and components that are produced in-house by us when sub-modular assembly process (additional process offered by our Group under the precision machining business segment) is required by our customers.

Our Group generates revenue by selling products predominantly in Malaysia. A small portion of the revenue is generated from the overseas sales. The products sold locally are denominated in RM and USD, whilst overseas sales are denominated in RM, USD and SGD.

Our revenue is recognised upon delivery to and acceptance of our products by our customers. We do not practice any fixed pricing policy. The selling prices, and correspondingly GP margin, of our products are determined and negotiated on a case-to-case basis, and may vary according to various factors such as, among others, design, specifications, complexity of the manufacturing process, setup time, volume of order, raw material prices and delivery lead time.

Due to the nature of our business where our products are customised based on our customers' orders, our products may vary in terms of design, specification, size, manufacturing process and materials required. Accordingly, different unit selling price is applied to our products despite similar measurement unit in terms of size and quantity.

(i) Revenue by business segment

	Audited						**Unaudited**		**Audited**	
	FYE 2022		**FYE 2023**		**FYE 2024**		**FPE 2024**		**FPE 2025**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Precision machining	49,095	82.68	33,959	74.21	38,165	80.76	22,861	77.09	31,912	80.21
Sheet metal fabrication	10,281	17.32	11,801	25.79	9,095	19.24	6,793	22.91	7,873	19.79
Total	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**29,654**	**100.00**	**39,785**	**100.00**

(ii) Revenue by geographical market

	Audited						**Unaudited**		**Audited**	
	FYE 2022		**FYE 2023**		**FYE 2024**		**FPE 2024**		**FPE 2025**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Domestic:										
Malaysia	59,349	99.95	37,813	82.63	39,643	83.88	25,792	86.98	39,535	99.37
International:										
Singapore	20	0.04	7,905	17.28	7,533	15.94	3,797	12.80	144	0.36
Sri Lanka	1	*	42	0.09	53	0.11	53	0.18	66	0.17
Japan	6	0.01	-	-	-	-	-	-	-	-
Others	-	-	-	-	31(1)	0.07	12(2)	0.04	40(3)	0.10
	27	0.05	7,947	17.37	7,617	16.12	3,862	13.02	250	0.63
Total	**59,376**	**100.00**	**45,760**	**100.00**	**47,260**	**100.00**	**29,654**	**100.00**	**39,785**	**100.00**

12. FINANCIAL INFORMATION *(CONT'D)*

Notes:

* *Negligible.*

(1) *Consist of USA, Thailand and Switzerland.*

(2) *Consist of USA and Thailand.*

(3) *Consist of USA and Switzerland.*

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(a) Comparison between the FYE 2022 and the FYE 2023

Our Group's revenue decreased by RM13.62 million or 22.94% from RM59.38 million in FYE 2022 to RM45.76 million in FYE 2023. The decrease in the overall revenue was mainly driven by:

(i) lower revenue from precision machining business segment amounting to RM15.14 million, mainly due to:

(aa) a significant decrease in sales to two (2) of our Group's major customers, namely Customer A (decreased by RM11.30 million) and Customer B (decreased by RM7.50 million). The decrease in sales to the two major customers was mainly attributable to lower orders received for precision-machined parts and components during FYE 2023 resulting from the overall slowdown in the global semiconductor industry in 2023 in response to weakening demand in the end user markets, which has impacted the customers' demands during the year;

(bb) decrease in sales of precision-machined parts and components to two (2) of our Group's top customers, namely Customer C (decreased by RM1.71 million) and Customer D (decreased by RM1.34 million); resulting from the overall slowdown in the global semiconductor industry in 2023 in response to weakening demand in the end user markets, which has impacted the customers' demands during the year;

which was partially offset by:

(cc) additional sales of precision-machined parts and components amounting to RM7.86 million to a newly secured major customer, namely RT Supplies, in FYE 2023.

The abovementioned decrease in revenue from precision machining business segment for the FYE 2023 was partially offset by:

(ii) higher revenue from sheet metal fabrication business segment amounting to RM1.52 million, mainly due to:

(aa) additional sales of fabricated sheet metal parts amounting to RM3.14 million from one of our Group's major customers, namely Customer A in FYE 2023;

Which was partially offset by:

(bb) decrease in sales of fabricated sheet metal parts to two (2) of our Group's top customers, namely Customer C (decreased by RM0.91 million) and Customer E (decreased by RM0.71 million) in FYE 2023.

By geographical market, our Group's revenue from overseas market increased significantly by RM7.92 million from RM0.03 million in FYE 2022 to RM7.95 million in FYE 2023. This was mainly due to the increase in revenue generated from Singapore as a result of the newly secured major customer, RT Supplies, in FYE 2023.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's revenue increased by RM1.50 million or 3.28% from RM45.76 million in FYE 2023 to RM47.26 million in FYE 2024. The increase in the overall revenue was mainly due to:

(i) higher revenue from precision machining business segment amounting to RM4.21 million, mainly due to the gradual recovery of the global semiconductor industry in 2024, which led to:

(aa) increase in orders for precision-machined parts and components from one (1) of our Group's major customers, namely Customer B, which contributed additional sales of RM10.38 million; and

(bb) increase in orders for precision-machined parts and components from one (1) of our Group's top customers, namely Customer E, which contributed additional sales of RM0.70 million; and

(cc) additional sales of precision-machined parts and components amounting to RM1.39 million from Altra Precision, who is our major supplier (a sub-contractor to whom we outsource our sheet metal fabrication and machining processes) but also procured precision-machined parts and components from us;

which was partially offset by:

(dd) decrease in sales of precision-machined parts and components to one (1) of our Group's major customer, namely Customer A, amounting to RM8.29 million.

The abovementioned increase in revenue from precision machining business segment for the FYE 2024 was partially offset by:

(ii) lower revenue from sheet metal fabrication business segment amounting to RM2.71 million, mainly due to:

(aa) decrease in orders for fabricated sheet metal parts from one (1) of our Group's major customers, namely Customer A (decreased by RM2.53 million) and another top customer, namely Customer C (decreased by RM1.03 million);

which was partially offset by:

(bb) higher sales of fabricated sheet metal parts amounting to RM0.86 million to one of our Group's top customers, namely Customer E.

(c) Comparison between the FPE 2024 and the FPE 2025

Our Group's revenue increased by RM10.14 million or 34.20% from RM29.65 million in FPE 2024 to RM39.79 million in FPE 2025. The increase in the overall revenue was mainly due to:

(i) higher revenue from precision machining business segment amounting to RM9.05 million, mainly due to:

(aa) increase in orders for precision-machined parts and components from one (1) of our Group's major customers, namely Customer B, which contributed additional sales of RM11.90 million;

(bb) increase in orders for precision-machined parts and components from one (1) of our Group's major customers, namely Customer A, which contributed additional sales of RM1.34 million; and

(cc) increase in orders for precision-machined parts and components from two (2) of our Group's top customers, namely Customer E (increased by RM0.49 million) and Customer G (increased by RM0.26 million);

which was partially offset by:

(dd) absence of orders for precision-machined parts and components from one (1) of our Group's major customer, namely RT Supplies, which resulted in a decline in sales amounting to RM3.70 million; and

(ee) decrease in orders for precision-machined parts and components amounting to RM1.35 million from Altra Precision, who is our major supplier (a sub-contractor whom we outsource our sheet metal fabrication and machining processes) but also procured precision-machined parts and components from us; and

(ii) higher revenue from sheet metal fabrication business segment amounting to RM1.08 million, mainly due to:

(aa) higher sales of fabricated sheet metal parts amounting to RM1.76 million to one (1) of our top customers, namely Customer E;

which was partially offset by:

(bb) lower sales of fabricated sheet metal parts amounting to RM0.68 million to one (1) of our major customers, namely Customer A.

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12.2.3 Cost of sales

(i) Cost of sales by business segment

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Precision machining	40,843	87.90	26,840	82.23	28,118	85.21	16,582	82.33	23,647	83.36
Sheet metal fabrication	5,623	12.10	5,802	17.77	4,880	14.79	3,560	17.67	4,720	16.64
Total	**46,466**	**100.00**	**32,642**	**100.00**	**32,998**	**100.00**	**20,142**	**100.00**	**28,367**	**100.00**

<u>Comparison between the FYE 2022 and the FYE 2023</u>

For FYE 2023, our Group's total cost of sales decreased by RM13.83 million or 29.76% from RM46.47 million in FYE 2022 to RM32.64 million in FYE 2023; mainly due to overall decrease in cost of sales incurred by our precision machining business segment amounting to RM14.00 million during FYE 2023, in line with the decrease in revenue generated from our precision machining business segment. The decrease was, however, partially offset by the overall increase in cost of sales incurred by our sheet metal fabrication business segment amounting to RM0.17 million, in line with the increase in revenue generated from our sheet metal fabrication business segment during FYE 2023.

<u>Comparison between the FYE 2023 and the FYE 2024</u>

For FYE 2024, our Group's total cost of sales increased by RM0.36 million or 1.10% from RM32.64 million in FYE 2023 to RM33.00 million in FYE 2024; mainly due to overall increase in cost of sales incurred by our precision machining business segment amounting to RM1.28 million during FYE 2024, in line with the increase in revenue generated from our precision machining business segment. The increase was, however, partially offset by the overall decrease in cost of sales incurred by our sheet metal fabrication business segment amounting to RM0.92 million, in line with the decrease in revenue generated from our sheet metal fabrication business segment during FYE 2024.

<u>Comparison between the FPE 2024 and the FPE 2025</u>

For FPE 2025, our Group's total cost of sales increased by RM8.23 million or 40.86% from RM20.14 million in FPE 2024 to RM28.37 million in FPE 2025; attributable to higher cost of sales incurred by our precision machining and sheet metal fabrication business segments amounting to RM7.07 million and RM1.16 million respectively, in line with the increase in revenue generated from both business segments during FPE 2025.

(ii) Cost of sales by cost components

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Material costs	36,837	79.28	25,064	76.78	21,708	65.79	12,486	61.99	18,754	66.11
Labour costs	5,757	12.39	2,852	8.74	4,819	14.60	3,199	15.88	4,650	16.39
Overhead costs	3,872	8.33	4,726	14.48	6,471	19.61	4,457	22.13	4,963	17.50
Total	**46,466**	**100.00**	**32,642**	**100.00**	**32,998**	**100.00**	**20,142**	**100.00**	**28,367**	**100.00**

Our cost of sales comprises 3 main components, namely material costs, labour costs and overhead costs. During the Financial Periods Under Review, the fluctuation in cost of sales was in tandem with the revenue trend of our Group.

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(a) Material costs

Material costs, comprising mainly semi-finished machining parts, fabricated sheet metal parts, aluminium and surface treatment costs, accounted for approximately 79.28%, 76.78%, 65.79%, 61.99% and 66.11% of our Group's total cost of sales for FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively. Please refer to Section 7.8 of this Prospectus for further details of the raw materials or inputs purchased by our Group for the Financial Periods Under Review.

We source the raw materials or inputs used in our Group's business operations mainly from local suppliers, accounting for approximately 91.63%, 97.92%, 96.54%, 95.89% and 94.74% of our Group's total purchases for the FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively. We will obtain quotations for raw materials or inputs from our suppliers before we proceed to submit our quotations to our customers; hence, actual purchases of raw materials or inputs will normally be made upon confirmation of orders from our customers.

Due to the nature of our Group's business where our products are customised according to our customers' specifications and requirements, the raw materials or inputs consumed for each product may vary in terms of type of materials, shape, size and thickness as specified by our customers. As such, despite similar measurement unit in terms of quantity being used, the material costs vary from one product to another depending on our customers' specifications and requirements.

Comparison between the FYE 2022 and the FYE 2023

Our Group's material costs decreased by RM11.78 million or 31.98% from RM36.84 million in FYE 2022 to RM25.06 million in FYE 2023 which was primarily attributable to the following:

(i) lower purchases of semi-finished machining parts (decreased by RM6.12 million), aluminium (decreased by RM3.28 million) and other materials (decreased by RM2.81 million) used in our precision machining business segment, in tandem with the decrease in revenue from our precision machining business segment in FYE 2023;

which was partially offset by:

(ii) higher purchases of fabricated sheet metal parts amounting to RM0.18 million, in line with the increase in revenue from our sheet metal fabrication business segment in FYE 2023.

Comparison between the FYE 2023 and the FYE 2024

Our Group's material costs decreased by RM3.35 million or 13.37% from RM25.06 million in FYE 2023 to RM21.71 million in FYE 2024 which was primarily attributable to the following:

(i) lower purchases of semi-finished machining parts amounting to RM4.11 million, as higher level of precision machining processes are undertaken in-house by our Group in line with the additions of machinery and higher number of foreign workers employed; and

(ii) lower purchases of fabricated sheet metal parts amounting to RM0.92 million, in line with the decrease in revenue from our sheet metal fabrication business segment in FYE 2024;

(iii) increase in inventories amounting to RM3.73 million for FYE 2024 (where the purchase costs of the corresponding raw materials or inputs are deducted from the material costs and to be expensed off only upon delivery of sales), mainly due to higher finished goods maintained to cater for delivery of sales in subsequent financial year.

which was partially offset by:

(iv) higher purchases of aluminium amounting to RM5.34 million, as higher level of precision machining processes are

Comparison between the FPE 2024 and the FPE 2025

Our Group's material costs increased by RM6.26 million or 50.12% from RM12.49 million in FPE 2024 to RM18.75 million in FPE 2025 which was primarily attributable to the following:

(i) higher purchases of aluminium (increased by RM3.89 million) and other materials (increased by RM0.11 million), due to a higher level of precision machining processes being undertaken in-house by our Group, in line with the increase in revenue from precision machining business segment in FPE 2025;

(ii) higher purchases of fabricated sheet metal parts amounting to RM1.16 million, in line with the increase in revenue from our sheet metal fabrication business segment in FPE 2025;

(iii) higher purchases of surface treatment services amounting to RM0.69 million in FPE 2025; and

(iv) lower increase in inventories amounting to RM1.48 million for FPE 2025 (where the purchase costs of the corresponding raw materials or inputs are deducted from the material costs and to be expensed off only upon delivery of sales), mainly due to higher utilisation of raw materials or inputs in line with the revenue growth during FPE 2025;

which was partially offset by:

(v) lower purchases of semi-finished machining parts amounting to RM1.13 million in FPE 2025, as higher level of precision machining processes are undertaken in-house by our Group.

(b) Labour costs

Labour costs accounted for approximately 12.39%, 8,74%, 14.60%, 15.88% and 16.39% of our Group's total cost of sales for FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively.

Labour costs comprise mainly salaries, allowances, incentives, bonuses, statutory contributions, wages and overtime for workers and employees deployed in the production and production-related functions/departments.

Comparison between the FYE 2022 and the FYE 2023

For FYE 2023, our Group's labour costs decreased by RM2.91 million or 50.52%, from RM5.76 million in FYE 2022 to RM2.85 million in FYE 2023, which was primarily attributable to the following:

(i) lower wages for workers involved in production amounting to RM1.78 million, mainly due to the reduction of foreign labour headcount from 66 as at end of FYE 2022 to 17 as at end of FYE 2023, where foreign workers who are unable to obtain the permit under the Program Rekalibrasi Tenaga Kerja ("**RTK**") 2.0 have been discontinued taking into consideration the uncertainties and slowdown in the global semiconductor industry and in line with the decrease in revenue from our precision machining business segment for FYE 2023; and

(ii) net decrease in incentives and bonuses incurred amounting to RM1.13 million, in line with the decrease in revenue from our precision machining business segment for FYE 2023.

Comparison between the FYE 2023 and the FYE 2024

For FYE 2024, our Group's labour costs increased by RM1.97 million or 69.12% from RM2.85 million in FYE 2023 to RM4.82 million in FYE 2024, which was primarily attributable to the following:

(i) higher wages for workers involved in production amounting to RM0.99 million, mainly due to increase in foreign labour headcount from 17 as at end of FYE 2023 to 61 as at end of FYE 2024, where new foreign workers with valid working permit are being recruited in line with the revenue growth for our precision machining business segment during FYE 2024. For avoidance of doubt, all foreign workers employed by our Group as at the LPD are in possession of valid working permit;

(ii) increase in bonuses incurred amounting to RM0.40 million, in line with the improved financial performance during FYE 2024; and

(iii) increase in salaries for employees involved in production amounting to RM0.33 million, mainly due to increase in headcount from 53 as at end of FYE 2023 to 59 as at end of FYE 2024 in line with the revenue growth for our precision machining business segment during FYE 2024.

(iv) higher overtime incurred amounting to RM0.19 million, in line with the increase in production activities for our precision machining business segment in tandem with the revenue growth during FYE 2024.

Comparison between the FPE 2024 and the FPE 2025

For FPE 2025, our Group's labour costs increased by RM1.45 million or 45.31% from RM3.20 million in FPE 2024 to RM4.65 million in FPE 2025, which was primarily attributable to the following:

(i) higher wages for workers involved in production amounting to RM0.67 million, mainly due to increase in foreign labour headcount from monthly average of 48 for FPE 2024 to monthly average of 60 for FPE 2025 as well as the revision to minimum monthly wage (from RM1,500 increased to RM1,700) implemented by the Government effective from 1 February 2025;

(ii) increase in salaries for employees involved in production amounting to RM0.46 million, mainly due to increase in headcount from monthly average of 54 for FPE 2024 to monthly average of 68 for FPE 2025, in line with the revenue growth for our precision machining business segment during FPE 2025; and

(iii) higher overtime incurred amounting to RM0.16 million, in line with the increase in production activities for our precision machining business segment in tandem with the revenue growth during FPE 2025.

(c) Overhead costs

Overhead costs accounted for 8.33%, 14.48%, 19.61%, 22.13% and 17.50% of our Group's total cost of sales for FYE 2022, FYE 2023, FYE 2024, FPE 2024 and FPE 2025 respectively.

Overhead costs mainly consist of depreciation charges on machineries and equipment, costs of tools and equipment, forwarding and freight charges, utilities costs and upkeep and maintenance costs relating to production activities.

<u>Comparison between the FYE 2022 and the FYE 2023</u>

For FYE 2023, our Group's overhead costs increased by RM0.86 million or 22.22% from RM3.87 million in FYE 2022 to RM4.73 million in FYE 2023. This was mainly attributable to the following:

(i) higher costs incurred for tools and equipment amounting to RM0.92 million, mainly due to purchase of additional jigs and fixtures in line with our Group's efforts to secure orders for new products from our customers; and

(ii) higher depreciation charges amounting to RM0.92 million, mainly due to additions of new machineries during FYE 2023, as well as the full year effect of depreciation charges on machineries acquired from Amco Technology (where lower depreciation charges were recorded during FYE 2022 as the said acquisition took place only in second half of 2022);

which was partially offset by:

(iii) lower upkeep and maintenance costs amounting to RM0.66 million; and

(iv) decrease in commission payable to our employees (who are involved in sales and business development) amounting to RM0.20 million, in line with the decrease in revenue during FYE 2023.

<u>Comparison between the FYE 2023 and the FYE 2024</u>

For the FYE 2024, our Group's overhead costs increased by RM1.74 million or 36.79% from RM4.73 million in FYE 2023 to RM6.47 million in FYE 2024. This was mainly attributable to the following:

(i) higher costs incurred for tools and equipment amounting to RM1.13 million, mainly due to purchase of additional jigs and fixtures in line with our Group's efforts to secure orders for new products from our customers;

(ii) higher depreciation charges amounting to RM0.61 million, in line with additions of new machineries during FYE 2024; and

(iii) higher electricity expenses incurred amounting to RM0.17 million, in line with the increase in production activities for our precision machining business segment in tandem with the revenue growth during FYE 2024;

which was partially offset by the decrease in upkeep and maintenance costs amounting to RM0.14 million.

Comparison between the FPE 2024 and the FPE 2025

For the FPE 2025, our Group's overhead costs increased by RM0.50 million or 11.21% from RM4.46 million in FPE 2024 to RM4.96 million in FPE 2025. This was mainly attributable to the following:

(i) higher depreciation charges amounting to RM0.65 million, in line with the additions of new machineries during FPE 2025 as well as the full-period effect of depreciation charges on machineries acquired after FPE 2024 (between October 2024 to December 2024);

(ii) higher electricity charges amounting to RM0.11 million, in line with the increase in production activities for our precision machining business segment in tandem with the revenue growth during FPE 2025;

(iii) higher costs incurred for packaging materials amounting to RM0.08 million, in line with the increase in production activities for our precision machining business segment in tandem with the revenue growth during FPE 2025; and

(iv) higher commission payable to our employees (who are involved in sales and business development) amounting to RM0.07 million, in line with the increase in revenue during FPE 2025;

which was partially offset by:

(v) lower costs incurred for tools and equipment amounting to RM0.47 million, mainly due to lower purchases of additional jigs and fixtures during FPE 2025.

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12.2.4 GP and GP margin

(i) GP by business segment

	Audited						Unaudited		Audited	
	FYE 2022		**FYE 2023**		**FYE 2024**		**FPE 2024**		**FPE 2025**	
	RM'000	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%**
Precision machining	8,252	63.92	7,119	54.27	10,047	70.45	6,279	66.01	8,265	72.39
Sheet metal fabrication	4,658	36.08	5,999	45.73	4,215	29.55	3,233	33.99	3,153	27.61
Total	**12,910**	**100.00**	**13,118**	**100.00**	**14,262**	**100.00**	**9,512**	**100.00**	**11,418**	**100.00**

(ii) GP margin by business segment

	Audited			Unaudited	Audited
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2024**	**FPE 2025**
	%	**%**	**%**	**%**	**%**
Precision machining	16.81	20.96	26.33	27.47	25.90
Sheet metal fabrication(1)	45.31	50.83	46.34	47.59	40.05
Overall GP margin	**21.74**	**28.67**	**30.18**	**32.08**	**28.70**

Note:

(1) The GP margin from the sheet metal fabrication business segment is relatively higher during the Financial Periods Under Review as we managed to secure competitive pricing from our sub-contractors to whom we outsource our sheet metal fabrication processes. In addition, the sheet metal fabrication business segment is not subject to labour costs and fixed overhead costs as we do not produce in-house. As the approved vendor to our customers particularly those from the precision-machining business segment, we are able to serve as a one-stop centre offering additional services which include sheet metal fabrication to these customers from the precision-machining business segment. As such, we are able to demand a higher margin for the sheet metal fabrication service provided.

(a) Comparison between the FYE 2022 and the FYE 2023

For FYE 2023, our Group's GP increased by RM0.21 million or 1.63% to RM13.12 million (FYE 2022: RM12.91 million). The increase was primarily attributable to the higher GP contribution from sheet metal fabrication business segment by RM1.34 million, in line with the higher sales from sheet metal fabrication business segment during the year; which was partially offset by lower GP contribution from precision machining business segment by RM1.13 million in tandem with the decrease in revenue during the year.

The overall GP margin of our Group increased by 6.93% from 21.74% in FYE 2022 to 28.67% in FYE 2023, mainly due to:

(i) higher GP margin for the precision machining business segment, which increased from 16.81% in FYE 2022 to 20.96% in FYE 2023, mainly due to overall decrease in material costs and labour costs as elaborated in Sections 12.2.3(ii)(a) and 12.2.3(ii)(b) of this Prospectus; and

(ii) higher GP margin from sheet metal fabrication business segment, which increased from 45.31% in FYE 2022 to 50.83% in FYE 2023, mainly due to changes in product mix where additional higher-margin fabricated sheet metal products (due to more complicated processes) were sold to Customer A during the year as compared to FYE 2022.

Our Group does not practice fixed pricing policy. The selling prices, and correspondingly GP margin, of our products are determined and negotiated on a case-to-case basis, and may vary according to various factors such as, among others, design, specifications, complexity of the manufacturing process, setup time, volume of order, raw material prices and delivery lead time.

(b) Comparison between the FYE 2023 and the FYE 2024

For FYE 2024, our Group's GP increased by RM1.14 million or 8.69% to RM14.26 million (FYE 2023: RM13.12 million). The increase was primarily attributable to higher GP contribution from precision machining business segment by RM2.93 million, in line with the higher sales from precision machining business segment during the year; which was partially offset by lower GP contribution from sheet metal fabrication business segment by RM1.78 million, in tandem with the decrease in revenue from sheet metal fabrication business segment during the year.

The overall GP margin of our Group increased by 1.51% from 28.67% in FYE 2023 to 30.18% in FYE 2024, mainly due to higher GP margin for the precision machining business segment which increased from 20.96% in FYE 2023 to 26.33% in FYE 2024, mainly due to changes in product mix where higher-margin precision-machined parts and components (due to more complicated processes) were sold during the year as compared to FYE 2024. The improvement in GP margin for the precision machining business segment was partially offset by lower GP margin for sheet metal fabrication business segment which decreased from 50.83% in FYE 2023 to 46.34% in FYE 2024, mainly due to reduced sales of higher-margin fabricated sheet metal products.

Our Group does not practice fixed pricing policy. The selling prices, and correspondingly GP margin, of our products are determined and negotiated on a case-to-case basis, and may vary according to various factors such as, among others, design, specifications, complexity of the manufacturing process, setup time, volume of order, raw material prices and delivery lead time.

(c) Comparison between the FPE 2024 and the FPE 2025

For FPE 2025, our Group's GP increased by RM1.91 million or 20.08% to RM11.42 million (FPE 2024: RM9.51 million). The increase was primarily attributable to higher GP contribution from the precision machining business segment by RM1.99 million, in line with higher sales from precision machining business segment during FPE 2025; which was partially offset by lower GP contribution from sheet metal fabrication business segment by RM0.08 million due to lower GP margin from sheet metal fabrication business segment during FPE 2025 as further explained below.

The overall GP margin of our Group decreased by 3.38% from 32.08% in FPE 2024 to 28.70% in FPE 2025, mainly due to:

(i) lower GP margin for our precision machining business segment, which decreased from 27.47% in FPE 2024 to 25.90% in FPE 2025, mainly due to overall increase in overhead costs as elaborated in Section 12.2.3(ii)(c) of this Prospectus; and

(ii) lower GP margin for our sheet metal fabrication business segment, which decreased from 47.59% in FPE 2024 to 40.05% in FPE 2025, mainly due to reduced sales of higher-margin fabricated sheet metal products.

Our Group does not practice fixed pricing policy. The selling prices, and correspondingly GP margin, of our products are determined and negotiated on a case-to-case basis, and may vary according to various factors such as, among others, design, specifications, complexity of the manufacturing process, setup time, volume of order, raw material prices and delivery lead time.

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12.2.5 Other income

The following table sets out the breakdown of our Group's other income during the Financial Periods Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Gain on foreign exchange	605	100.00	405	98.06	303	93.81	-	-	179	81.36
Scrap metals	-	-	3	0.73	20	6.19	10	100.00	41	18.64
Gain on disposal of PPE			5	1.21	-	-	-	-	-	-
Total	**605**	**100.00**	**413**	**100.00**	**323**	**100.00**	**10**	**100.00**	**220**	**100.00**

(a) Comparison between the FYE 2022 and the FYE 2023

Our Group's other income decreased by approximately RM0.20 million or 32.79% from RM0.61 million for FYE 2022 to RM0.41 million for FYE 2023; mainly due to lower gain on foreign exchange amounting to approximately RM0.20 million.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's other income decreased by approximately RM0.09 million or 21.95% from RM0.41 million for FYE 2023 to RM0.32 million for FYE 2024; mainly due to lower gain on foreign exchange amounting to approximately RM0.10 million.

(c) Comparison between the FPE 2024 and the FPE 2025

Our Group's other income increased by approximately RM0.21 million or 2,100.00% from RM0.01 million for FPE 2024 to RM0.22 million for FPE 2025; mainly due to higher gain on foreign exchange amounting to approximately RM0.18 million.

12.2.6 Administrative expenses

The following table sets out the breakdown of our Group's administrative expenses during the Financial Periods Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Amortisation of intangible assets	57	1.44	80	1.95	100	1.91	70	1.90	120	2.71
Depreciation charges	120	3.04	564	13.77	974	18.65	719	19.55	804	18.18
Directors' remuneration	1,508	38.18	1,144	27.92	1,333	25.53	909	24.72	1,055	23.86
Loss on foreign exchange	248	6.28	-	-	380	7.28	354	9.63	448	10.13
License fee	*	-	91	2.22	90	1.72	68	1.85	93	2.10
PPE written off	4	0.10	384	9.37	2	-	-	-	*	-
Printing, courier and stationery	25	0.63	24	0.59	29	0.56	17	0.46	24	0.54
Road tax and insurance	15	0.38	57	1.39	58	1.10	54	1.47	67	1.52
Staff costs	1,341	33.95	917	22.38	1,298	24.86	844	22.95	1,023	23.14
Staff welfare	51	1.29	21	0.51	28	0.54	21	0.57	13	0.29

12. FINANCIAL INFORMATION *(CONT'D)*

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Staff welfare	51	1.29	21	0.51	28	0.54	21	0.57	13	0.29
Travelling and accommodation	2	0.05	29	0.71	84	1.61	89	2.42	26	0.59
Upkeep expenses	79	2.00	179	4.37	185	3.54	84	2.29	108	2.44
Utilities costs	9	0.23	11	0.27	15	0.29	9	0.25	17	0.39
Professional fees	163	4.13	250	6.10	236	4.52	121	3.29	187	4.23
Rentals	26	0.66	40	0.98	13	0.25	10	0.27	9	0.20
Others (1)	302	7.64	306	7.47	397	7.60	308	8.38	428	9.68
Total	**3,950**	**100.00**	**4,097**	**100.00**	**5,222**	**100.00**	**3,677**	**100.00**	**4,422**	**100.00**

Notes:

* *Less than RM1,000.*

(1) *Comprise advertisement, assessment, bank charges, deposit forfeited, entertainment, gift and donation, levy fee, membership fee, subscription fee, sundry expenses, stamp duty, quit rent, workers' recruitment expense, loss on disposal of PPE and directors' fee.*

(a) Comparison between the FYE 2022 and the FYE 2023

Our Group's administrative expenses increased by approximately RM0.15 million or 3.80% from RM3.95 million in FYE 2022 to RM4.10 million in FYE 2023.

The increase in administrative expenses was mainly due to the following:

(i) higher depreciation charges amounting to RM0.44 million; primarily attributable to the costs incurred for renovation, office equipment, furniture and fittings in conjunction with the relocation of our Group's operations to Facility No. 9 and Office and Factory No. 11;

(ii) higher PPE written off amounting to RM0.38 million, primarily in relation to renovation, office equipment, furniture and fittings of the Previous Premises No. 5 which were no longer in use following the relocation of our Group's operations to Facility No. 9 and Office and Factory No. 11; and

(iii) higher upkeep expenses amounting to RM0.10 million incurred during FYE 2023;

which was partially offset by the decrease in staff costs and directors' remuneration amounting to RM0.42 million and RM0.36 million respectively, primarily attributable to net decrease in incentives and bonuses incurred, in line with the decrease in revenue from our precision machining business segment for FYE 2023.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's administrative expenses increased by approximately RM1.12 million or 27.32% from RM4.10 million in FYE 2023 to RM5.22 million in FYE 2024.

The increase in administrative expenses was mainly due to the following:

(i) higher depreciation charges amounting to RM0.41 million, primarily due to the costs incurred for the acquisition of Facility 42A, Hostel No. 1 and office equipment, furniture and fittings to be used in our Group's operations;

(ii) higher loss on foreign exchange amounting to RM0.38 million;

(iii) higher staff costs amounting to RM0.38 million, primarily resulting from overall increase in headcount, higher bonuses and salary increment, in line with the increase in revenue for FYE 2024; and

(iv) higher directors' remuneration amounting to RM0.19 million, primarily resulting from higher bonuses and salary increments for FYE 2024 in line with the increase in revenue for FYE 2024.

(c) Comparison between the FPE 2024 and the FPE 2025

Our Group's administrative expenses increased by approximately RM0.74 million or 20.11% from RM3.68 million in FPE 2024 to RM4.42 million in FPE 2025.

The increase in administrative expenses was mainly due to the following:

(i) higher staff costs amounting to RM0.18 million, primarily resulting from overall increase in headcount and salary increment, in line with the increase in revenue for FPE 2025;

(ii) higher director's remuneration amounting to RM0.15 million, primarily resulting from salary increment for FPE 2025, in line with the increase in revenue for FPE 2025;

(iii) higher other costs amounting to RM0.12 million, primarily due expenses incurred for the renewal of foreign workers' permits during FPE 2025;

(iv) higher loss on foreign exchange amounting to RM0.09 million;

(v) higher depreciation charges amounting to RM0.09 million, primarily due to the costs incurred for the renovation of Facility 42A and acquisition of office equipment, furniture and fittings to be used in our Group's operations; and

(vi) higher professional fees amounting to RM0.07 million, primarily due to overall increase in fees payable to auditors and tax agent as well as additional costs incurred for preparation of corporate video.

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12.2.7 Finance costs

The following table sets out the breakdown of our Group's finance costs during the Financial Periods Under Review:

	Audited						Unaudited		Audited	
	FYE 2022		FYE 2023		FYE 2024		FPE 2024		FPE 2025	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Accretion of interest on lease liability	-	-	48	9.8	57	4.50	45	5.14	31	2.27
Interest expenses on hire purchases	113	100.00	226	46.12	220	17.38	153	17.46	289	21.13
Interest expenses on term loans	-	-	216	44.08	989	78.12	678	77.40	902	65.94
Interest on revolving credit	-	-	-	-	-	-	-	-	99	7.23
Interest on banker's acceptance	-	-	-	-	-	-	-	-	47	3.43
Total	**113**	**100.00**	**490**	**100.00**	**1,266**	**100.00**	**876**	**100.00**	**1,368**	**100.00**

(a) Comparison between the FYE 2022 and the FYE 2023

For FYE 2023, our Group's finance costs increased by RM0.38 million or 345.45% to RM0.49 million (FYE 2022: RM0.11 million). The increase was primarily attributable to the following:

(i) higher interest expenses on hire purchases amounting to approximately RM0.11 million, mainly due to additional hire purchases obtained to finance the acquisition of machineries used in our Group's operations; and

(ii) additional interest expenses on term loans amounting to approximately RM0.22 million, mainly due to higher portion of borrowing costs arising from term loans borrowed specifically for the purpose of the construction of Facility No. 9 being expensed off during FYE 2023 as compared to FYE 2022 (where the borrowing costs were being capitalised as part of the PPE).

(b) Comparison between the FYE 2023 and the FYE 2024

For FYE 2024, our Group's finance costs increased by RM0.78 million or 159.18% to RM1.27 million (FYE 2023: RM0.49 million). The increase was primarily due to additional interest expenses on term loans amounting to RM0.77 million, in line with new term loan being drawn down during FYE 2024 to finance the acquisition of Facility 42A. The acquisition of Facility 42A was undertaken to cater for future expansion and to house new and additional CNC machinery, as there is limited factory space within Facility No. 9 and Office and Factory No. 11 for further expansion. This is in line with our Group's expansion strategy, in order to demonstrate to customers that our Group is capable of handling new and additional orders.

(c) Comparison between the FPE 2024 and the FPE 2025

For FPE 2025, our Group's finance costs increased by RM0.49 million or 55.68% to RM1.37 million (FPE 2024: RM0.88 million). The increase was primarily attributable to the following:

(i) additional interest expenses on term loans amounting to approximately RM0.22 million, mainly due to the full-period effect for term loan interest in relation to Facility 42A (of which lower interest expenses were recorded in FPE 2024 as the term loan was fully drawn down only in April 2024);

(ii) higher interest expenses on hire purchases amounting to approximately RM0.14 million, mainly due to additional hire purchases obtained to finance the acquisition of machineries used in our Group's operations; and

(iii) additional interest expenses on revolving credit and banker's acceptance aggregating to approximately RM0.15 million, which were utilised for working capital purposes.

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12.2.8 Taxation

The following table sets out our Group's taxation during the Financial Periods Under Review:

	FYE 2022 RM'000	Audited FYE 2023 RM'000	FYE 2024 RM'000	Unaudited FPE 2024 RM'000	Audited FPE 2025 RM'000
PBT	**9,464**	**9,044**	**8,167**	**5,037**	**5,856**
Income tax					
Current year provision	(2,220)	(2,000)	(1,568)	(968)	(785)
Over/(Under) provision in prior year	50	(178)	331	331	122
	(2,170)	(2,178)	(1,237)	(637)	(663)
Deferred tax					
Relating to the origination and reversal of temporary differences	(117)	(180)	69	160	34
Over/(Under) provision in prior year	8	123	59	59	(7)
	(109)	(57)	128	219	27
Overall tax expenses	**(2,279)**	**(2,235)**	**(1,109)**	**(418)**	**(636)**
Effective tax rate (%)	**24.08**	**24.71**	**13.58**	**8.30**	**10.86**

(a) FYE 2022

For FYE 2022, our Group's overall tax expenses stood at RM2.28 million, representing an effective tax rate of 24.08%, which was slightly higher than the statutory tax rate applicable in Malaysia of 24.00%; mainly attributable to the following:

(i) tax effect of expenses not deductible for tax purpose amounting to RM0.11 million;

which was partially offset by the following:

(ii) over provision of income tax and deferred tax in prior year aggregating to approximately RM0.06 million accounted for during FYE 2022; and

(iii) reduced tax rate on the first RM600,000 chargeable income of Ambest Technology, resulting in lower tax expense by RM0.04 million.

(b) FYE 2023

For FYE 2023, our Group's overall tax expenses stood at RM2.24 million, representing an effective tax rate of 24.71%, which was slightly higher than the statutory tax rate applicable in Malaysia of 24.00%; mainly attributable to the following:

(i) tax effect of expenses not deductible for tax purpose amounting to RM0.24 million; and

(ii) under provision of income tax in prior year amounting to RM0.18 million accounted for during FYE 2023;

which was partially offset by the following:

(iii) tax effect of reinvestment allowance claimed during FYE 2023 amounting to RM0.23 million in relation to qualifying capital expenditures pertaining to building costs of Facility No. 9 and machinery costs; and

(iv) over provision of deferred tax in prior year amounting to RM0.12 million accounted for during FYE 2023.

(c) FYE 2024

For FYE 2024, our Group's overall tax expenses stood at RM1.11 million, representing an effective tax rate of 13.58%, which was lower than the statutory tax rate applicable in Malaysia of 24.00%; mainly attributable to the following:

(i) tax effect of reinvestment allowance claimed during FYE 2024 amounting to RM0.82 million in relation to qualifying capital expenditures pertaining to building costs of Facility 42A and machinery costs;

(ii) over provision of income tax and deferred tax in prior year aggregating to approximately RM0.39 million accounted for during FYE 2024; and

(iii) reduced tax rate on the first RM600,000 chargeable income of Ambest Technology, resulting in lower tax expense by RM0.04 million;

which was partially offset by the following:

(iv) tax effect of expenses not deductible for tax purpose amounting to RM0.41 million.

(d) FPE 2025

For FPE 2025, our Group's overall tax expenses stood at RM0.64 million, representing an effective tax rate of 10.86%, which was lower than the statutory tax rate applicable in Malaysia of 24.00%; mainly attributable to the following:

(i) tax effect of reinvestment allowance claimed during FPE 2025 amounting to RM0.66 million in relation to qualifying capital expenditures pertaining to machinery costs;

(ii) over provision of income tax in prior year amounting to approximately RM0.12 million accounted for during FPE 2025; and

(iii) reduced tax rate on the first RM600,000 chargeable income of Ambest Technology, resulting in lower tax expense by RM0.04 million;

which was partially offset by the following:

(iv) tax effect of expenses not deductible for tax purpose amounting to RM0.05 million; and

(v) under provision of deferred tax in prior year amounting to approximately RM0.01 million accounted for during FPE 2025.

12.2.9 PBT, PBT margin, PAT and PAT margin

The following table sets out our Group's PBT, PBT margin, PAT and PAT margin for the Financial Periods Under Review:

	FYE 2022	Audited FYE 2023	FYE 2024	Unaudited FPE 2024	Audited FPE 2025
PBT (RM'000)	9,464	9,044	8,167	5,037	5,856
PBT margin (%)	15.94	19.76	17.28	16.99	14.72
PAT (RM'000)	7,185	6,809	7,058	4,619	5,220
PAT margin (%)	12.10	14.88	14.93	15.58	13.12

(a) Comparison between the FYE 2022 and the FYE 2023

For FYE 2023, notwithstanding the overall increase in our Group's GP, our Group's PBT decreased by RM0.42 million or 4.44% from RM9.46 million in FYE 2022 to RM9.04 million in FYE 2023, mainly due to the following:

(i) overall decrease in other income, the details of which as discussed in Section 12.2.5(a) of this Prospectus;

(ii) overall increase in administrative expenses, the details of which as discussed in Section 12.2.6(a) of this Prospectus; and

(iii) overall increase in finance costs, the details of which as discussed in Section 12.2.7(a) of this Prospectus.

Our Group's PBT margin increased by 3.82% from 15.94% in FYE 2022 to 19.76% in FYE 2023, mainly contributed by the improved GP margin for FYE 2023 as discussed in Section 12.2.4(a) of this Prospectus.

Our Group's PAT decreased by RM0.38 million or 5.29% from RM7.19 million in FYE 2022 to RM6.81 million in FYE 2023, mainly due to lower PBT achieved for FYE 2023 as discussed above in this section.

Our Group's PAT margin increased by 2.78% from 12.10% in FYE 2022 to 14.88% in FYE 2023, in line with the improved PBT margin achieved for FYE 2023 as discussed above in this section.

(b) Comparison between the FYE 2023 and the FYE 2024

For FYE 2024, notwithstanding the overall increase in our Group's GP, our Group's PBT decreased by RM0.87 million or 9.62% from RM9.04 million in FYE 2023 to RM8.17 million in FYE 2024, mainly due to the following: -

(i) overall decrease in other income, the details of which as discussed in Section 12.2.5(b) of this Prospectus;

(ii) overall increase in administrative expenses, the details of which as discussed in Section 12.2.6(b) of this Prospectus; and

(iii) overall increase in finance costs, the details of which as discussed in Section 12.2.7(b) of this Prospectus.

For FYE 2024, notwithstanding the improvement in our Group's GP margin, our Group's PBT margin decreased by 2.48% from 19.76% in FYE 2023 to 17.28% in FYE 2024; mainly due to higher finance costs and administrative expenses incurred during FYE 2024.

For FYE 2024, notwithstanding the overall decrease in our Group's PBT, our Group's PAT increased by RM0.25 million or 3.67% from RM6.81 million in FYE 2023 to RM7.06 million in FYE 2024; mainly due to lower tax expenses and effective tax rate for FYE 2024, the details of which as discussed in Section 12.2.8(c) of this Prospectus.

For FYE 2024, notwithstanding the lower PBT margin, our Group's PAT margin increased by 0.05% from 14.88% in FYE 2023 to 14.93% in FYE 2024; mainly due to lower tax expenses and effective tax rate for FYE 2024, the details of which as discussed in Section 12.2.8(c) of this Prospectus.

(c) Comparison between the FPE 2024 and the FPE 2025

For FPE 2025, our Group's PBT increased by RM0.82 million or 16.27% from RM5.04 million in FPE 2024 to RM5.86 million in FPE 2025, mainly due to the following: -

(i) overall increase in GP in tandem with the revenue growth, the details of which as discussed in Section 12.2.4(c) of this Prospectus; and

(ii) overall increase in other income, the details of which as discussed in Section 12.2.5(c) of this Prospectus;

which was partially offset by:

(iii) overall increase in administrative expenses, the details of which as discussed in Section 12.2.6(c) of this Prospectus; and

(iv) overall increase in finance costs, the details of which as discussed in Section 12.2.7(c) of this Prospectus.

For FPE 2025, our Group's PBT margin decreased by 2.27% from 16.99% in FPE 2024 to 14.72% in FPE 2025; mainly due to:

(i) overall decrease in GP margin, the details of which as discussed in Section 12.2.4(c) of this Prospectus;

(ii) overall increase in administrative expenses, the details of which as discussed in Section 12.2.6(c) of this Prospectus; and

(iii) overall increase in finance costs, the details of which as discussed in Section 12.2.7(c) of this Prospectus;

which was partially offset by overall increase in other income, the details of which as discussed in Section 12.2.5(c) of this Prospectus.

For FPE 2025, our Group's PAT increased by RM0.60 million or 12.99% from RM4.62 million in FPE 2024 to RM5.22 million in FPE 2025; in line with higher PBT achieved for FPE 2025 as discussed above in this section, which was partially offset by higher tax expenses and effective tax rate for FPE 2025, the details of which as discussed in Section 12.2.8(d) of this Prospectus.

For FPE 2025, our Group's PAT margin decreased by 2.46% from 15.58% in FPE 2024 to 13.12% in FPE 2025; in line with lower PBT margin recorded for FPE 2025 as discussed above in this section, as well as higher tax expenses and effective tax rate for FPE 2025, the details of which as discussed in Section 12.2.8(d) of this Prospectus.

12.2.10 Review of financial positions

(i) Assets

Our Group's assets are as follows:

	Audited As at 31 December			Audited As at 30 September
	2022 RM'000	**2023 RM'000**	**2024 RM'000**	**2025 RM'000**
ASSETS				
Non-current assets				
PPE	14,470	18,002	50,676	51,213
Right-of-use asset	-	1,304	913	619
Intangible asset	301	278	292	483
	14,771	**19,584**	**51,881**	**52,315**
Current assets				
Inventories	1,896	1,697	5,426	7,231
Trade receivables	15,062	12,616	20,849	12,204
Other receivables, deposits and prepayments	593	3,209	2,585	3,689
Current tax assets	-	-	596	1,433
Cash and bank balances	3,005	4,908	822	1,323
	20,556	**22,430**	**30,278**	**25,880**
TOTAL ASSETS	**35,327**	**42,014**	**82,159**	**78,195**

(a) Comparison between the FYE 2022 and the FYE 2023

Our Group's total assets increased by approximately RM6.68 million or 18.91% to RM42.01 million as at 31 December 2023 (31 December 2022: RM35.33 million), mainly due to:

(i) overall increase in PPE amounting to approximately RM3.53 million, mainly attributable to:

(aa) additions of machineries used in our Group's operations amounting to RM2.28 million;

(bb) costs aggregating to RM2.08 million incurred for renovation, office equipment, furniture and fittings in conjunction with the relocation of our Group's operations to Facility No. 9 and Office and Factory No. 11; and

(cc) acquisition of Bungalow No. 32A amounting to RM1.25 million;

which was partially offset by depreciation charges amounting to RM2.19 million;

(ii) overall increase in cash and bank balances amounting to approximately RM1.90 million, primarily resulting from higher net cash from operating activities generated in FYE 2023 and proceeds from issuance of shares by Ambest Technology;

(iii) overall increase in right-of-use asset amounting to approximately RM1.30 million, resulting from the lease of Office and Factory No. 11; and

(iv) overall increase in other receivables, deposits and prepayments amounting to approximately RM2.62 million, mainly due to higher deposits paid for the acquisition of PPE particularly in relation to Facility 42A and Hostel No. 1.

which was partially offset by the decrease in trade receivables amounting to RM2.45 million in tandem with the decrease in revenue during FYE 2023.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's total assets increased by approximately RM40.15 million or 95.57% to RM82.16 million as at 31 December 2024 (31 December 2023: RM42.01 million), mainly due to:

(i) overall increase in PPE amounting to approximately RM32.67 million, mainly attributable to:

(aa) additions of machineries used in our Group's operations amounting to RM6.91 million;

(bb) acquisition of Facility 42A amounting to RM25.79 million. The acquisition of Facility 42A was undertaken to cater for future expansion and to house new and additional CNC machinery, as there is limited factory space within Facility No. 9 and Office and Factory No. 11 for further expansion. This is in line with our Group's expansion strategy, in order to demonstrate to customers that our Group is capable of handling new and additional orders; and

(cc) acquisition of Hostel No. 1 amounting to RM1.96 million;

which was partially offset by depreciation charges amounting to RM3.08 million; and

(ii) overall increase in trade receivables and inventories amounting to approximately RM8.23 million and RM3.73 million respectively, in tandem with the increase in revenue during FYE 2024, and slower collections from trade receivables;

which was partially offset by overall decrease in cash and bank balances amounting to approximately RM4.09 million primarily resulting from lower net cash from operating activities recorded for FYE 2024.

(c) Comparison between the FYE 2024 and the FPE 2025

Our Group's total assets decreased by approximately RM3.96 million or 4.82% to RM78.20 million as at 30 September 2025 (31 December 2024: RM82.16 million), mainly due to:

(i) overall decrease in trade receivables amounting to approximately RM8.65 million due to good collections from trade receivables during FPE 2025;

which was partially offset by:

(ii) overall increase in inventories amounting to RM1.81 million, mainly due to higher raw materials, work in progress and finished goods maintained to cater for delivery of sales after FPE 2025;

(iii) overall increase in other receivables, deposits and prepayments amounting to RM1.10 million, mainly due to additional deposits paid in relation to acquisition of new machineries and prepayments in relation to listing expenses;

(iv) overall increase in current tax assets amounting to RM0.84 million, mainly due to lower income tax provision made for FPE 2025 as compared to the monthly income tax (CP204) instalment payments made during FPE 2025;

(v) overall increase in PPE amounting to approximately RM0.54 million, mainly attributable to:

(aa) additions of machineries used in our Group's operations amounting to RM2.84 million; and

(bb) costs aggregating to RM0.49 million incurred for renovation mainly in relation to Facility 42A;

which was partially offset by depreciation charges amounting to RM2.88 million; and

(vi) overall increase in cash and bank balances amounting to approximately RM0.50 million, primarily resulting from higher net cash from operating activities recorded for FPE 2025; and

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(ii) Liabilities

Our Group's liabilities are as follows:

	Audited As at 31 December			Audited As at 30 September
	2022 RM'000	**2023 RM'000**	**2024 RM'000**	**2025 RM'000**
LIABILITIES				
Non-current liabilities				
Borrowings	7,688	9,535	31,563	32,477
Lease liability	-	950	556	248
Deferred tax liabilities	186	243	115	88
	7,874	**10,728**	**32,234**	**32,813**
Current liabilities				
Trade payables	9,394	6,199	9,163	3,967
Other payables and accruals	1,988	784	3,379	1,067
Borrowings	1,845	2,230	7,400	5,130
Lease liability	-	375	394	409
Current tax liabilities	504	167	-	-
	13,731	**9,755**	**20,336**	**10,573**
TOTAL LIABILITIES	**21,605**	**20,483**	**52,570**	**43,386**

(a) Comparison between the FYE 2022 and the FYE 2023

Our Group's total liabilities decreased by approximately RM1.13 million or 5.23% to RM20.48 million as at 31 December 2023 (31 December 2022: RM21.61 million), mainly due to:

(i) decrease in trade payables amounting to approximately RM3.20 million, primarily resulting from lower purchases made in tandem with the decrease in revenue during FYE 2023; and

(ii) decrease in other payables and accruals amounting to approximately RM1.20 million, primarily resulting from lower sum of accruals for bonuses in tandem with the decrease in revenue during FYE 2023.

which was partially offset by:

(iii) overall increase in borrowings amounting to approximately RM2.23 million, mainly resulting from additional term loans drawn down to finance the acquisition of Hostel No. 1[(1)] and Bungalow No. 32A; and

(iv) overall increase in lease liability amounting to approximately RM1.33 million, resulting from the lease of Office and Factory No. 11;

Note:

(1) A portion of the term loan was drawn down in December 2023 for partial payment of the consideration payable for the acquisition of Hostel No. 1. The acquisition of Hostel No. 1 was completed in January 2024.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's total liabilities increased by approximately RM32.09 million or 156.69% to RM52.57 million as at 31 December 2024 (31 December 2023: RM20.48 million), mainly due to:

(i) overall increase in borrowings amounting to approximately RM27.20 million, mainly resulting from new term loan drawn down to finance the acquisition of Facility 42A; and

(ii) overall increase in trade payables amounting to approximately RM2.96 million, primarily resulting from higher purchases made in tandem with the increase in revenue during FYE 2024; and

(iii) overall increase in other payables and accruals amounting to approximately RM2.60 million, primarily due to outstanding balances owing to suppliers in relation to the acquisition of machineries.

(c) Comparison between the FYE 2024 and the FPE 2025

Our Group's total liabilities decreased by approximately RM9.18 million or 17.46% to RM43.39 million as at 30 September 2025 (31 December 2024: RM52.57 million), mainly due to:

(i) overall decrease in trade payables amounting to approximately RM5.20 million, in line with prompt payments to trade payables during FPE 2025;

(ii) overall decrease in other payables and accruals by approximately RM2.31 million, primarily attributable to settlements made for outstanding balances owing to suppliers in relation to the acquisition of machineries (brought forward from FYE 2024) during FPE 2025;

(iii) overall decrease in borrowings amounting to RM1.36 million, mainly due to:

(aa) decrease in revolving credit amounting to RM3.00 million due to net repayments made during FPE 2025; and

(bb) decrease in term loans amounting to RM0.58 million, primarily due to net repayments made during FPE 2025;

which was partially offset by:

(cc) increase in hire purchases amounting to RM1.63 million; mainly due to net drawdown of hire purchases during FPE 2025 to finance the acquisition of machineries used in our Group's operations; and

(dd) increase in banker's acceptance amounting to RM0.59 million, mainly due to additional sum utilised for working capital purposes; and

(iv) overall decrease in lease liability amounting to RM0.29 million, due to payments made for the lease of Office and Factory No.11 during FPE 2025.

12.2.11 Key financial ratios

The key financial ratios of our Group are as follows:

	Audited			
	FYE 2022	**FYE 2023**	**FYE 2024**	**FPE 2025**
Trade receivables turnover period (days)	83	110	129	113
Trade payables turnover period (days)	71	87	85	63
Inventories turnover period (days)	13	20	39	61
Current ratio (times)	1.50	2.30	1.49	2.45
Gearing ratio (times)	0.69	0.55	1.32	1.08

(iii) Trade receivables turnover period

	Audited			
	FYE 2022 RM'000	**FYE 2023 RM'000**	**FYE 2024 RM'000**	**FPE 2025 RM'000**
Trade receivables as at the beginning of the financial year	11,888	15,062	12,616	20,849
Trade receivables as at the end of the financial year	15,062	12,616	20,849	12,204
Average trade receivables balance (1)	13,475	13,839	16,733	16,527
Revenue for the financial year	59,376	45,760	47,260	39,785
Number of days	365	365	365	273
Trade receivables turnover period (2) (days)	**83**	**110**	**129**	**113**

Notes:

(1) Computed based on the average of the trade receivables balance at the beginning and end of the respective financial year.

(2) Computed based on the formula:

$$\frac{\textit{Average trade receivables balance}}{\textit{Revenue for the respective financial year}} \quad x \quad \textit{Number of days}$$

The normal credit periods granted to our Group's customers range from 30 to 90 days. The credit periods granted are mainly assessed and approved on a case-to-case basis taking into consideration various factors such as relationship, payment history, credit worthiness, transaction volume, financial background, market reputation as well as customer's ability to pay. Considering the increase in the trade receivables turnover period, our Group maintains close communication with our Group's customers (through calls and emails) to follow up on payment for overdue balances as well as to request for payment on balances that are falling due. Notwithstanding the increase in the trade receivables turnover period, our Group has not experienced any significant bad debts for the Financial Periods Under Review and up to the LPD.

(a) Comparison between the FYE 2022 and the FYE 2023

The Group's trade receivables turnover period increased from 83 days in FYE 2022 to 110 days in FYE 2023, mainly due to slower collections from customers in the semiconductor industry. In addition, the Group recorded higher sales billings during the fourth quarter of FYE 2023.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's trade receivables turnover period increased from 110 days in the FYE 2023 to 129 days in FYE 2024, mainly due to slower collections from customers in the semiconductor industry. In addition, the Group recorded higher sales billings during the fourth quarter of FYE 2024.

(c) Comparison between the FYE 2024 and the FPE 2025

Our Group's trade receivables turnover period decreased from 129 days in the FYE 2024 to 113 days in FPE 2025, mainly due to good collections from customers during FPE 2025.

(d) Ageing analysis of trade receivables as at 30 September 2025

		Exceeding credit period			
	Within credit period RM'000	**1 – 30 days RM'000**	**31 – 90 days RM'000**	**> 90 days RM'000**	**Total RM'000**
30 September 2025					
Trade receivables	11,529	524	127	24	12,204
% of total trade receivables (%)	94.47	4.29	1.04	0.20	100.00
Collections up to the LPD	10,449	509	118	21	11,097
Balance outstanding trade receivables as at the LPD	**1,080**	**15**	**9**	**3**	**1,107**

The trade receivables of our Group as at 30 September 2025 stood at RM12.20 million, of which RM0.68 million or 5.57% had exceeded our normal credit period.

As at the LPD, our Group has collected RM11.10 million or 90.98% of our Group's total trade receivables which were outstanding as at 30 September 2025.

The balance outstanding trade receivables yet to be collected as at the LPD is mainly due to outstanding balances amounting to RM0.97 million due from one (1) of our major customers, namely Customer A. The outstanding balances are expected to be collected in the foreseeable future.

Our Board is of the opinion that the remaining outstanding trade receivables are recoverable, after taking into consideration the customers' historical payment trends throughout the Financial Periods Under Review and up to the LPD, where our Group has not experienced any significant bad debts for the Financial Periods Under Review and up to the LPD.

(iv) Trade payables turnover period

	Audited			
	FYE 2022 RM'000	**FYE 2023 RM'000**	**FYE 2024 RM'000**	**FPE 2025 RM'000**
Trade payables as at the beginning of the financial year	8,615	9,394	6,199	9,163
Trade payables as at the end of the financial year	9,394	6,199	9,163	3,967
Average trade payables balance [(1)]	9,005	7,797	7,681	6,565
Cost of sales for the financial year	46,466	32,642	32,998	28,367
Number of days	365	365	365	273
Trade payables turnover period [(2)] (days)	**71**	**87**	**85**	**63**

Notes:

(1) Computed based on the average of trade payables balance at the beginning and end of the respective financial year.

(2) Computed based on the formula:

$$\frac{\textit{Average trade payables balance}}{\textit{Cost of sales for the respective financial year}} \quad x \quad \textit{Number of days}$$

The normal credit period granted to our Group by our suppliers range from 30 days to 120 days. It is our Group's practice to pay our suppliers promptly to maintain good business relationships and ensure a steady supply at competitive rates.

(a) Comparison between the FYE 2022 and the FYE 2023

Our Group's trade payables turnover period increased from 71 days in FYE 2022 to 87 days in FYE 2023, mainly due to our Group took longer time to settle payments to our suppliers in line with slower collections from customers. In addition, the Group recorded higher purchases during the fourth quarter of FYE 2023.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's trade payables turnover period remained relatively consistent at 85 days in FYE 2024, as compared to 87 days in FYE 2023.

(c) Comparison between the FYE 2024 and the FPE 2025

Our Group's trade payables turnover period decreased from 85 days in FYE 2024 to 63 days in FPE 2025, mainly due to prompt payments to our suppliers.

(d) Ageing analysis of trade payables as at 30 September 2025

	Within credit period RM'000	Exceeding credit period 1 – 30 days RM'000	31 – 90 days RM'000	> 90 days RM'000	Total RM'000
30 September 2025					
Trade payables	3,144	453	294	76	3,967
% of total trade payables (%)	79.25	11.42	7.41	1.92	100.00
Payments up to the LPD	2,284	155	264	76	2,779
Balance outstanding trade payables as at the LPD	**860**	**298**	**30**	**-**	**1,188**

The trade payables of our Group as at 30 September 2025 stood at RM3.97 million, of which RM0.82 million or 20.75% had exceeded normal credit period.

As at the LPD, our Group has settled RM2.78 million or 70.03% of the total trade payables which were outstanding as at 30 September 2025. The outstanding balances are expected to be settled in the foreseeable future. There is no legal action initiated by our trade payables/suppliers to demand for payment from our Group as at the LPD.

(v) Inventories turnover period

	FYE 2022 RM'000	FYE 2023 RM'000	FYE 2024 RM'000	FPE 2025 RM'000
Inventories as at the beginning of the financial year	1,410	1,896	1,697	5,426
Inventories as at the end of the financial year	1,896	1,697	5,426[(3)]	7,231
Average inventories balance [(1)]	1,653	1,797	3,562	6,329
Cost of sales for the financial year	46,466	32,642	32,998	28,367
Number of days	365	365	365	273
Inventories turnover period [(2)] (days)	**13**	**20**	**39**	**61**

Notes:

(1) Computed based on the average of inventories balance at the beginning and end of the respective financial year.

(2) Computed based on the formula:

$$\frac{\textit{Average inventories balance}}{\textit{Cost of sales for the respective financial year}} \quad x \quad \textit{Number of days}$$

(3) After inventories written down of approximately RM1.11 million.

Our operations are primarily on "supply-to-order" basis, where our products are subject to confirmed orders from our customers and customised in accordance with our customers' specifications and requirements. The selling prices of our products are negotiated on a case-to-case basis and may vary according to various factors such as, among others, design, specifications, complexity of the manufacturing process, setup time, volume of order, raw material prices and delivery lead time. We may be required by our major customers to reduce the unit selling price for certain products if the actual volume of orders is higher than originally quoted. In such circumstances, we may need to write down the carrying values of the relevant finished goods due to revision of standard costing and reallocation of fixed costs. For FYE 2024, we recorded inventories written down of approximately RM1.11 million.

(a) Comparison between the FYE 2022 and the FYE 2023

Our Group's inventories turnover period increased from 13 days in FYE 2022 to 20 days in FYE 2023, in line with the higher average inventories balance in FYE 2023, mainly in relation to finished goods maintained to cater for delivery of future sales after the financial year-end where delivery of certain finished goods was deferred at the request of our major customers.

(b) Comparison between the FYE 2023 and the FYE 2024

Our Group's inventories turnover period increased from 20 days in FYE 2023 to 39 days in FYE 2024, mainly in relation to finished goods maintained to cater for delivery of future sales after the financial year-end as additional buffer stocks are being maintained to meet the anticipated orders from our major customers.

(c) Comparison between the FYE 2024 and the FPE 2025

Our Group's inventories turnover period increased from 39 days in FYE 2024 to 61 days in FPE 2025, mainly in relation to raw materials, work in progress and finished goods maintained to cater for delivery of future sales after the FPE 2025, as additional buffer stocks are being maintained to meet the anticipated orders from our major customers.

(vi) Current ratio

	Audited As at 31 December			**Audited As at 30 September**
	2022 RM'000	**2023 RM'000**	**2024 RM'000**	**2025 RM'000**
Current assets	20,556	22,430	30,278	25,880
Current liabilities	13,731	9,755	20,336	10,573
Current ratio (1) (times)	**1.50**	**2.30**	**1.49**	**2.45**

Note:

(1) Computed based on current assets over current liabilities.

Our Group's current ratio maintained between a low of 1.49 times to a high of 2.45 times during the Financial Periods Under Review, indicating that our Group has sufficient working capital and is capable of meeting its current obligations as its current assets such as inventories and trade receivables, which can be readily converted to cash, together with its cash and bank balances and short-term funds are more than enough to meet its current liabilities for the next 12 months.

(a) Comparison between the FYE 2022 and the FYE 2023

For FYE 2023, our Group's current ratio stood at 2.30 times (FYE 2022: 1.50 times). The increase in current ratio was mainly due to:

(i) increase in other receivables, deposits and prepayments, primarily resulting from higher deposits paid for the acquisition of PPE particularly in relation to Facility 42A and Hostel No. 1; and

(ii) decrease in trade payables, primarily resulting from lower purchases made in tandem with the decrease in revenue during FYE 2023;

which was partially offset by decrease in trade receivables in line with the decrease in revenue during FYE 2023.

(b) Comparison between the FYE 2023 and the FYE 2024

For FYE 2024, our Group's current ratio stood at 1.49 times (FYE 2023: 2.30 times). The decrease in current ratio was mainly due to:

(i) increase in current portion of borrowings, in line with additional hire purchases and term loans drawn down mainly to finance the acquisition of machineries and Facility 42A;

(ii) increase in trade payables, primarily resulting from higher purchases made in tandem with the increase in revenue during FYE 2024;

(iii) increase in other payables, primarily due to outstanding balances owing to suppliers in relation to the acquisition of machineries;

(iv) decrease in cash and bank balances, primarily resulting from lower net cash from operating activities recorded for FYE 2024;

which was partially offset by the increase in inventories and trade receivables in tandem with the increase in revenue during FYE 2024.

(c) Comparison between the FYE 2024 and the FPE 2025

For the FPE 2025, our Group's current ratio stood at 2.45 times (FYE 2024:1.49 times). The increase in current ratio was mainly due to:

(i) decrease in trade payables due to prompt payments to trade payables during FPE 2025;

(ii) decrease in other payables and accruals primarily attributable to settlements made for outstanding balances owing to suppliers in relation to the acquisition of machineries (brought forward from FYE 2024) during FPE 2025; and

(iii) decrease in current portion of borrowings, in line with the repayments of revolving credit utilised for working capital purposes and net repayments of term loans;

which was partially offset by the decrease in trade receivables due to good collections from trade receivables during FPE 2025.

(vii) Gearing ratio

	Audited As at 31 December			Audited As at 30 September
	2022	**2023**	**2024**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Total borrowings	9,533[(1)]	11,765[(1)]	38,963[(2)]	37,607[(3)]
Less: Cash and bank balances	(3,005)	(4,908)	(822)	(1,323)
Net debts	6,528	6,857	38,141	36,284
Total equity	13,722	21,531	29,589	34,809
Gearing ratio [(4)] (times)	**0.69**	**0.55**	**1.32**	**1.08**
Net gearing ratio [(5)] (times)	**0.48**	**0.32**	**1.29**	**1.04**

Notes:

(1) Comprise hire purchases and term loans.

(2) Comprise hire purchases, bankers' acceptance, revolving credit and term loans.

(3) Comprise hire purchases, bankers' acceptance and term loans.

(4) Computed based on total borrowings divided by total equity.

(5) Computed based on net debts divided by total equity.

(a) Comparison between the FYE 2022 and the FYE 2023

For FYE 2023, our Group's gearing ratio decreased from 0.69 times as at 31 December 2022 to 0.55 times as at 31 December 2023. This was mainly due to overall increase in total equity, resulting from the PAT recorded by our Group for FYE 2023 and increase in share capital of Ambest Technology.

(b) Comparison between the FYE 2023 and the FYE 2024

For FYE 2024, our Group's gearing ratio increased from 0.55 times as at 31 December 2023 to 1.32 times as at 31 December 2024. This was mainly due to overall increase in total borrowings, resulting primarily from new term loan being drawn down during FYE 2024 to finance the acquisition of Facility 42A. The acquisition of Facility 42A was undertaken to cater for future expansion and to house new and additional CNC machinery, as there is limited factory space within Facility No. 9 and Office and Factory No. 11 for further expansion. This is in line with our Group's expansion strategy, in order to demonstrate to customers that our Group is capable of handling new and additional orders.

(c) Comparison between the FYE 2024 and the FPE 2025

For FPE 2025, our Group's gearing ratio decreased from 1.32 times as at 31 December 2024 to 1.08 times as at 30 September 2025. This was mainly due to overall increase in total equity, resulting from the PAT recorded by our Group for FPE 2025.

12.3 SIGNIFICANT FACTORS AFFECTING OUR OPERATIONS AND FINANCIAL PERFORMANCE

12.3.1 Significant factors affecting our operations and financial performance over the Financial Periods Under Review

Our Group's operations and financial performance have been and will continue to be affected by various factors including, but not limited to the following:

(a) Reliance on the end-user markets of our customers

Our Group's business is dependent on the end-user markets of our customers which may be adversely affected by factors such as political, economic, and regulatory risks; changes in technology; and decrease in demand for their products. For the Financial Years Under Review, our customers were solely involved in the semiconductor industry.

A downturn in the semiconductor industry or negative performance in the end-user markets of our customers may affect the demand for our products and may lead to an adverse impact on our business operations and financial performance.

(b) Production capacity and space

Over the Financial Periods Under Review, we have been increasing our production capacity by purchasing new machineries and equipment. Please refer to Section 7.22 of this Prospectus for the material investments made by our Group during the Financial Periods Under Review and Section 7.13 of this Prospectus for the production capacity of our Group for the FYE 2024.

We have also actively expanded our production facilities. We have relocated to Facility No. 9 (owned premises) and Office and Factory No. 11 (rented premises) in FYE 2023 as part of our efforts to increase the production space. In addition, we have acquired Facility 42A in FYE 2024, which was undertaken to cater for future expansion and to house new and additional CNC machinery, as there is limited factory space within Facility No. 9 and Office and Factory No. 11 for further expansion. This is in line with our Group's expansion strategy, in order to demonstrate to customers that our Group is capable of handling new and additional orders. Please refer to Section 7.16.1 of this Prospectus for further information on Facility 42A.

Our capital expansion plans may involve various risks such as uncertainties relating to market demands, and we cannot guarantee that our expansion plans will be carried out without failure or delay, nor can we provide the assurance that the demand for our precision machining products will increase in line with the increase in production capacity and space in the future. If we cannot recoup the increased costs for the capital expansion, our business, results of operations and financial condition could be affected.

(c) Fluctuations in foreign currency exchange rates

A portion of our sales are denominated in USD and SGD, whereas a portion of our purchases are denominated in USD, SGD and RMB. We are exposed to foreign exchange gains or losses in the conversion of foreign currencies into RM, mainly arising from the timing difference between our billings and actual receipt of payments from our customers and/or conversion for transactions which are conducted in currencies other than RM. As such, any unfavourable fluctuations in the foreign exchange rates may have an adverse impact on our financial performance and profitability.

Currently, we do not maintain any foreign currency accounts for sales proceeds or payments in foreign currencies. We also do not enter any formal financial instruments to hedge against foreign exchange rate fluctuations. Nevertheless, we will continue to monitor and review exchange rate fluctuations and take steps to protect ourselves if the risk becomes more significant to our Group. However, there can be no assurance that fluctuations in foreign currency will not affect our Group's future earnings and financial performance.

Please refer to Section 9.1.4 of this Prospectus and Note 24.6 of the Accountant's Report as set out in Section 13 of this Prospectus for further details on our exposure to foreign currency risks for the Financial Periods Under Review.

(d) Fluctuations in interest rates

Our Group's financial performance for the Financial Periods under Review has not been materially affected by fluctuations in interest rates. However, any significant increase in interest rates would raise the cost of borrowings and our finance costs, which may have an adverse impact on our Group's financial performance.

Please refer to Section 9.1.10 of this Prospectus and Note 24.5 of the Accountant's Report as set out in Section 13 of this Prospectus for our exposure to interest rate risks for the Financial Periods Under Review.

(e) Fluctuations in raw materials/inputs and commodity prices

Our Group's profitability may be adversely affected by a significant increase in raw materials/inputs and commodity prices. While our Group's financial performance for the Financial Periods Under Review were not materially affected by the fluctuations in raw materials/inputs and commodity prices, there can be no assurance that any major adverse future fluctuations in raw materials/inputs and commodity prices would not have an impact on our Group's operations, financial performance and financial position.

(f) Implication of inflation

Our Group's financial performance for the Financial Periods Under Review has not been materially affected by the impacts of inflation. However, any significant rise in inflation in the future may have an adverse impact on our Group's financial performance.

(g) Changes in Government, economic, fiscal, monetary policies, regulatory risk and occurrence of force majeure events

Our Group's financial performance has not been materially affected by any government, economic, fiscal or monetary policies throughout the Financial Periods Under Review and the period up to the LPD. However, moving forward, there is no assurance that our financial performance will not be adversely affected by the impact of future changes in Government, economic, fiscal or monetary policies.

Please refer to Section 9.2.4 of this Prospectus for risks relating to changes in economic, political, and regulatory in Malaysia and the markets that we serve which may affect our business and operations.

12.3.2 Significant changes on the financial position

Saved as disclosed in Section 12.3.1 of this Prospectus above, there are no other significant changes which have occurred, which may have a material effect on our financial position and results since 30 September 2025 up to the LPD.

12.4 LIQUIDITY AND CAPITAL RESOURCES

12.4.1 Working capital

Our Group's working capital is financed through cash generated from our operating activities, credit extended by our suppliers, various credit facilities extended to us by financial institutions as well as our existing cash and bank balances.

As at 30 November 2025, we have:

(i) cash and bank balances of RM2.78 million;

(ii) working capital of RM15.63 million, being the surplus of our current assets (excluding cash and bank balances) in excess our current liabilities; and

(iii) banking facilities, which consists of banker's acceptance, revolving credit, letter of credit, trust receipts, trade financing and cash line facility with a total facility limit of RM8.30 million, of which RM7.51 million has yet to be utilised.

After taking into consideration our existing level of cash and bank balances, expected cash flows to be generated from our operations, unutilised banking facilities available and the estimated gross proceeds from the Public Issue of RM27.50 million, our Board is of the view that our Group will have sufficient working capital for at least 12 months from the date of this Prospectus.

12.4.2 Material litigation/arbitration, contingent liabilities and material commitment for capital expenditure

(i) Material litigation/arbitration

As at the LPD and in the twelve (12) months immediately preceding the date of this Prospectus, neither our Company nor our Subsidiary is involved in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability. We are not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which may materially and adversely affect our Group's operations, financial performance and financial position.

(ii) Material contingent liabilities

As at the LPD, there are no contingent liabilities incurred by us nor our Subsidiary, which upon becoming enforceable, may have a material adverse effect on our Group's operations, financial performance and financial position.

(iii) Material commitment for capital expenditure

Please refer to Section 7.23.4 of this Prospectus on the material commitment for capital expenditure of our Group as at the LPD.

12.4.3 Summary of statements of cash flows

The following table sets out a summary of our statements of cash flows for the Financial Periods Under Review and should be read in conjunction with the Management's Discussion and Analysis of Financial Condition and Results of Operations as set out in Section 12.2 of this Prospectus.

	Audited			
	FYE 2022 RM'000	**FYE 2023 RM'000**	**FYE 2024 RM'000**	**FPE 2025 RM'000**
Net cash from operating activities	3,969	7,912	3,346	7,540
Net cash used in investing activities	(2,686)	(6,532)	(6,794)	(2,656)
Net cash from/(used in) financing activities	993	(508)	393	(4,382)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**2,276**	**872**	**(3,055)**	**502**
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**-**	**-**	*****	**(1)**
CASH AND CASH EQUIVALENTS AT BEGINNING	**729**	**3,005**	**3,877**	**822**
CASH AND CASH EQUIVALENTS AT END	**3,005**	**3,877**	**822**	**1,323**
Cash and cash equivalents are represented by:				
Cash and bank balances	3,005	1,869	791	1,291
Fixed deposits with a licensed bank	-	3,039	31	32
	3,005	4,908	822	1,323
Less: Fixed deposits with maturity more than 3 months	-	(1,031)	-	-
	3,005	**3,877**	**822**	**1,323**

Note:

* *Represents a figure below RM1,000*

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(i) Net cash movement for operating activities

(a) FYE 2022

For FYE 2022, the net cash flows from operating activities stood at RM3.97 million, which was lower than the PBT of RM9.46 million by an amount of RM5.49 million. The outflows were primarily attributable to the following:

(i) increase in receivables amounting to approximately RM3.48 million, mainly due to higher sales in FYE 2022 which resulted in higher billings and balances due from customers;

(ii) decrease in payables amounting to approximately RM0.80 million, in line with prompt payments made to our suppliers and creditors to maintain good business relationships;

(iii) increase in inventories amounting to approximately RM0.48 million, in line with the growth in revenue; and

(iv) income tax paid during the year, amounting to approximately RM2.24 million;

which was partially offset by non-cash and non-operating items in the PBT, amounting to RM1.51 million, comprising mainly depreciation charges.

(b) FYE 2023

For FYE 2023, the net cash flows from operating activities stood at RM7.91 million, which was lower than the PBT of RM9.04 million by an amount of RM1.13 million. The outflows were primarily attributable to the following:

(i) decrease in payables amounting to approximately RM4.40 million, in line with prompt payments made to our suppliers and creditors to maintain good business relationships; and

(ii) income tax paid during the year, amounting to RM2.52 million;

which was partially offset by:

(iii) inflows attributable to decrease in receivables amounting to approximately RM2.18 million, mainly due to collections from our customers in relation to outstanding balances and lower sales during FYE 2023;

(iv) inflows attributable to decrease in inventories amounting to approximately RM0.20 million, in line with the lower sales during FYE 2023; and

(v) non-cash and non-operating items in the PBT, amounting to RM3.40 million, comprising mainly depreciation charges, interest expenses and PPE written off.

(c) FYE 2024

For FYE 2024, the net cash flows from operating activities stood at RM3.35 million, which was lower than the PBT of RM8.17 million by an amount of RM4.82 million. The outflows were primarily attributable to the following:

(i) increase in receivables amounting to approximately RM9.20 million, mainly due to higher sales in FYE 2024 which resulted in higher billings and balances due from customers;

(ii) increase in inventories amounting to approximately RM4.84 million, in line with higher sales in FYE 2024 and to cater for future sales delivery after the financial year-end;

(iii) income tax paid during the year, amounting to RM2.00 million;

which was partially offset by:

(iv) inflows attributable to increase in payables amounting to RM5.56 million, mainly due to increase in trade payables in line with higher purchases made during FYE 2024 and other payables primarily resulting from outstanding balances owing to suppliers in relation to the acquisition of machineries; and

(v) non-cash and non-operating items in the PBT, amounting to RM5.67 million, comprising mainly depreciation charges, interest expenses and inventories written down.

(d) FPE 2025

For FPE 2025, the net cash flows from operating activities stood at RM7.54 million, which was higher than the PBT of RM5.86 million by an amount of RM1.68 million. The inflows were primarily attributable to the following:

(i) decrease in receivables amounting to approximately RM7.77 million, mainly due to good collections from our customers during FPE 2025; and

(ii) non-cash and non-operating items in the PBT, amounting to RM4.72 million, comprising mainly depreciation charges and interest expenses;

which was partially offset by the outflows primarily attributable to the following:

(iii) increase in inventories amounting to RM1.81 million, due to higher raw materials, work in progress and finished goods maintained to cater for delivery of future sales after FPE 2025, as additional buffer stocks are being maintained to meet the anticipated orders from our major customers;

(iv) decrease in payables amounting to RM7.50 million, primarily attributable to prompt payments to trade payables and settlements made for outstanding balances owing to suppliers in relation to the acquisition of machineries (brought forward from FYE 2024) during FPE 2025; and

(v) income tax paid during FPE 2025, amounting to RM1.50 million.

(ii) Net cash movement for investing activities

(a) FYE 2022

For FYE 2022, our Group recorded net cash used in investing activities of RM2.69 million, which was attributable to the following:

(i) outflows for the purchase of PPE amounting to RM2.50 million, primarily in relation to additions of machineries used in our Group's operations; and

(ii) outflows for the purchase of intangible asset amounting to RM0.19 million, in relation to addition of computer software.

(b) FYE 2023

For FYE 2023, our Group recorded net cash used in investing activities of RM6.53 million, which was mainly attributable to the following:

(i) deposits for acquisition of PPE amounting to RM2.35 million, primarily in relation to acquisition of Facility 42A and Hostel No. 1;

(ii) placement of fixed deposits with licensed bank amounting to RM1.03 million with maturity more than three (3) months; and

(iii) purchase of PPE amounting to RM3.15 million, primarily in relation to additions of machineries used in our Group's operations and costs incurred for the renovation of Facility No. 9 and Office and Factory No. 11 in conjunction with the relocation of our Group's operations to the said premises.

(c) FYE 2024

For FYE 2024, our Group recorded net cash used in investing activities of RM6.79 million, which was mainly attributable to the following:

(i) purchase of PPE amounting to RM7.36 million, primarily in relation to acquisition of Facility 42A, acquisition of Hostel No. 1, additions of machineries used in our Group's operations, and renovation costs for Facility No. 9 and Office and Factory No. 11; and

(ii) deposits paid for acquisition of PPE amounting to RM0.45 million, in relation to machineries;

which was partially offset by the withdrawal of fixed deposits with licensed bank amounting to RM1.03 million.

(d) FPE 2025

For the FPE 2025, our Group recorded net cash used in investing activities of RM2.66 million, which was mainly attributable to the following:

(i) purchase of PPE amounting to 1.60 million, primarily in relation to additions of machineries used in our Group's operations and renovations costs for Facility 42A;

(ii) deposits paid for acquisition of PPE amounting to RM0.75 million, in relation to machineries; and

(iii) purchase of intangible assets amounting to RM0.31 million, in relation computer software.

(iii) Net cash movement for financing activities

(a) FYE 2022

For FYE 2022, our Group recorded net cash flows from financing activities of RM0.99 million, mainly due to new drawdown of term loan amounting to RM1.96 million to part-finance the acquisition of Facility No. 9; which was partially offset by repayment of hire purchases (primarily in relation to machineries) amounting to RM0.97 million.

(b) FYE 2023

For FYE 2023, our Group recorded net cash used in financing activities of RM0.51 million, mainly attributable to following:

(i) repayment of hire purchases (primarily in relation to machineries) amounting to RM2.20 million; and

(ii) repayment of lease liability amounting to RM0.29 million in relation to Office and Factory No. 11;

which was partially offset by the following:

(iii) proceeds from issuance of shares by Ambest Technology amounting to RM1.00 million; and

(iv) net drawdown of term loans amounting to RM0.98 million during the year.

(c) FYE 2024

For FYE 2024, our Group recorded net cash flows from financing activities of RM0.39 million, mainly attributable to the following:

(i) inflows arising from the utilisation of revolving credit and bankers' acceptance amounting to RM3.00 million and RM0.93 million respectively for working capital purposes; and

(ii) proceeds from issuance of shares by Ambest Technology amounting to RM1.00 million;

which was partially offset by the following:

(i) repayment of hire purchases (primarily in relation to machineries) amounting to RM2.61 million;

(ii) repayment of lease liability amounting to RM0.43 million in relation to Office and Factory No. 11; and

(iii) net repayment of term loans amounting to RM1.50 million.

(d) FPE 2025

For FPE 2025, our Group recorded net cash used in financing activities of RM4.38 million, mainly attributable to the following:

(i) net repayment of revolving credit used for working capital purposes amounting to RM3.10 million;

(ii) net repayment of term loans amounting to RM1.48 million; and

(iii) repayment of lease liability amounting to RM0.32 million in relation to Office and Factory No. 11;

which was partially offset by:

(iv) net drawdown of banker's acceptance for working capital purposes amounting to RM0.55 million;

12.4.4 Borrowings

Our Group's total outstanding interest-bearing borrowings (excluding lease liability) as at 30 September 2025 amounting to RM37.61 million, details of which are as set out below:

Type of borrowings	Purpose	Tenure of the facility	Effective interest rates per annum	Payable within 1 year RM'000	Payable after 1 year RM'000	As at 30 September 2025 RM'000
Term loans	Purchase of properties	10 to 25 years	3.83% to 6.69%	792	28,415	29,207
Hire purchases	Purchase of machineries and motor vehicles	3 to 5 years	2.90% to 5.08%	2,816	4,061	6,877
Banker's acceptance	Purchase of raw materials/ inputs	30 days to 120 days	3.19% to 5.41%	1,523	-	1,523
Total borrowings				**5,131**	**32,476**	**37,607**
Gearing ratio * (times)						1.08

Note:

* *Computed based on total borrowings divided by total equity of our Group as at 30 September 2025.*

As at 30 September 2025, our Group's floating and fixed rate borrowings are set out below:

30 September 2025	Floating rate RM'000	Fixed rate RM'000	Total RM'000
Term loans	29,207	-	29,207
Hire purchases	-	6,877	6,877
Bankers' acceptance	-	1,523	1,523
Total	**29,207**	**8,400**	**37,607**

As at the LPD, we do not have any borrowings (excluding lease liability) which are non-interest bearing.

Our borrowings are secured by charge over our properties and corresponding assets under the hire purchase arrangements (further details of which as disclosed in Notes 4(i), 4(ii) and 13 of the Accountant's Report as set out in Section 13 of this Prospectus), as well as joint and several guarantee by our Directors. Our Group has not defaulted on the payments on principal sums and interests in respect of any of our borrowings, as well as lease liability relating to the rental of property during the Financial Periods Under Review and for the period up to the LPD.

As at the LPD, our Group was not in breach of any terms and conditions or covenants associated with our credit facilities and borrowings which can materially affect our financial position and results or business operations or the investments by the holders of our Shares. Our Group has not encountered any seasonality trend in our borrowings and there are no restrictions on our committed borrowing facilities.

As at the LPD, we have obtained consents for the release of the personal guarantees provided by our Directors in relation to all our financing facilities, which are conditional upon our successful Listing and corporate guarantee to be issued by our Company in lieu of the existing directors' personal guarantees.

12.4.5 Financial instruments, treasury policies and objectives

As at the LPD, save for our borrowings as set out in Section 12.4.4 of this Prospectus, we do not utilise any other financial instruments. We do not maintain any foreign currency accounts for sales proceeds or payments in foreign currencies. We also have not entered any formal financial instruments to hedge against foreign exchange rate fluctuations. We may utilise suitable hedging instruments such as derivative contracts available in the financial markets for hedging purpose should the need arise.

Our main treasury policy is to maintain sufficient working capital to finance our business and operations, coupled with adequate credit facilities to meet estimated commitments arising from our operational expenditure and financial liabilities. Our combination of internal and external sources of funds include cash generated from operations and bank borrowings. The primary objective is to have sustainable shareholders' equity to ensure that we could continue as a going concern and grow our business to optimise the shareholders' value. We review and manage our capital structure to maintain the debt-to-equity ratio at an optimal level based on our business requirements and prevailing economic conditions.

12.5 Dividend policy

It is our Company's intention to recommend dividends to allow our shareholders to participate in the profits of our Group. Nonetheless, our Company does not have any formal dividend policy. Our ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as actual profits registered for the year and the availability of funds in excess of working capital requirements for our businesses.

Our Directors will take into consideration, among others, the following factors when recommending final dividends for approval by our shareholders or when declaring any interim dividends:

(i) the availability of adequate reserves and cash flows;

(ii) our operating cash flow requirements and financing commitments;

(iii) our anticipated future operating conditions, as well as future expansion, capital expenditure and investment plans;

(iv) our Company remains solvent;

(v) any material impact of tax laws and other regulatory requirements; and

(vi) prior written consent from our lenders, where required.

Investors should note that the intention to recommend dividends should not be treated as a legal obligation on our Directors or our Company to do so. The level of dividends previously declared or paid should not be treated as an indication of our Company's future dividend policy. There can be no assurance that our Company will be in the position to declare and pay consistent dividends in the future nor can there be any certainty on timing of any dividend payments in the future.

As at the LPD, save for any applicable financial covenants and the Act, and subject to the availability of distributable profits and reserves, there are no dividend restrictions imposed on our Subsidiary. The existing financial covenants would not affect the future dividend payments of our Company.

There were no dividends declared and paid by our Group during the Financial Periods Under Review and up to the LPD. Furthermore, our Group does not intend to declare or pay any dividends prior to, and until, the completion of our Listing.

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12.6 Capitalisation and indebtedness

The following table sets out our Group's capitalisation and indebtedness based on the historical financial information of our Group as at 30 November 2025 and after adjusting for the effects of the Public Issue and utilisation of proceeds from Public Issue.

	Unaudited as at 30 November 2025 RM'000	Pro Forma I After Pre-Listing Exercise and Public Issue RM'000	Pro Forma II After I and Utilisation of Proceeds RM'000
Capitalisation			
Equity	8,288	35,788	30,988
Total capitalisation	**8,288**	**35,788**	**30,988**
Indebtedness			
Current			
Secured and guaranteed			
Term loans	781	781	781
Hire purchases	2,647	2,647	2,647
Banker's acceptance	790	790	790
Non-current			
Secured and guaranteed			
Term loans	28,288	28,288	16,288
Hire purchases	3,673	3,673	3,673
Total indebtedness(i)	**36,179**	**36,179**	**24,179**
Total capitalisation and indebtedness	**44,467**	**71,967**	**55,167**
Gearing ratio(ii) (times)	**4.37**	**1.01**	**0.78**

Notes:

(i) The total indebtedness above excludes the lease liability pertaining to rental of property amounting to RM589,828.

(ii) Computed based on total indebtedness (excluding lease liability relating to the rental of property) divided by total capitalisation.

12.7 Trend information

Based on our track record for the Financial Periods Under Review, the following trends may continue to affect our business and operations:

(i) we will continue to grow our revenue from our existing customers, solely in the semiconductor industry at present and we will continue to grow our sales by expanding our product range and securing new customers (from semiconductor industry as well other industries if opportunity arises);

(ii) the main component of our cost of sales is material costs comprising mainly semi-finished machining parts, fabricated sheet metal parts, aluminium and surface treatment costs; and we expect this trend to continue; and

(iii) our sales are primarily based on purchase orders from our customers and our order book for our business varies from time to time and generally short term in nature depending on the purchase orders from our customers. As at the LPD, our purchase orders which have yet to be fulfilled stood at RM15.25 million.

As at the LPD, after all reasonable enquiries, our Board has confirmed that there are no:

(i) trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's revenue, income from operations, profitability, liquidity and capital resources, save as those discussed in Sections 7, 8, 9 and 12 of this Prospectus;

(ii) known factors that are likely to have a material effect on the financial condition and results of operation of our Group or that are reasonably likely to cause our Group's historical financial statements not necessarily indicative of our future financial performance and financial position, save as those discussed in Sections 7, 8, 9 and 12 of this Prospectus;

(iii) material contracts or commitments for capital expenditure, save as disclosed in Section 7.23.4 of this Prospectus; and

(iv) unusual, infrequent events or transactions or any significant economic changes that have materially affected our Group's operations, financial performance, financial position, liquidity and capital resources, save as disclosed in Sections 9 and 12 of this Prospectus.

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AMBEST GROUP BERHAD
(Registration No.: 202301005265 (1499184-T))
(Incorporated in Malaysia)

ACCOUNTANTS' REPORT ON THE
COMBINED FINANCIAL STATEMENTS

GRANT THORNTON MALAYSIA PLT

CHARTERED ACCOUNTANT'S

Member Firm of Grant Thornton International Ltd.

GrantThornton

Date: 22 December 2025

The Board of Directors
Ambest Group Berhad
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Dear Sirs,

Reporting Accountants' Opinion On The Combined Financial Statements Contained In The Accountants' Report of Ambest Group Berhad ("the Company" or "Ambest")

Opinion

We have audited the accompanying combined financial statements of the Company and its combining entity, Ambest Technology Sdn. Bhd. (collectively known as "the Group"), which comprises the combined statements of financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025, and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for the financial year ended 31 December 2022, 31 December 2023 and 31 December 2024 and the financial period ended 30 September 2025 and notes to the combined financial statements, including material accounting policy information, as set out on pages 4 to 47.

The combined financial statements of the Group have been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion into the Prospectus of the Company in connection with the listing of and quotation of the entire enlarged share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and for no other purposes.

In our opinion, the accompanying combined financial statements give a true and fair view of the combined statements of financial position of the Group as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025, and of their combined financial performance and combined cash flows for the financial year ended 31 December 2022, 31 December 2023 and 31 December 2024 and the financial period ended 30 September 2025 in accordance with MFRS Accounting Standards and IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws* (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Audit | Tax | Advisory

Chartered Accountants
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Responsibilities of the Directors for the Combined Financial Statements

The Directors of the Company are responsible for the preparation of the combined financial statements of the Group that give a true and fair view in accordance with the MFRS Accounting Standards and IFRS Accounting Standards. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements of the Group, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a reporting accountants' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the combined financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our reporting accountants' report to the related disclosures in the combined financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd):

- Evaluate the overall presentation, structure and content of the combined financial statements of the Group, including the disclosures, and whether the combined financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the combined financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicated with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Other Matter

The comparative information for the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows, and notes to the combined financial statements of the Group for the financial period ended 30 September 2024 has not been audited.

Restriction on Distribution and Use

This report is made solely to the Company for inclusion in the Prospectus in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad and should not be relied upon for any other purposes. We do not assume responsibility to any other person for the content of this report.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Yeap Bee Har
No. 03715/02/2027 J
Chartered Accountant

Penang

Date: 22 December 2025

AMBEST GROUP BERHAD
Registration No.: 202301005265 (1499184-T)
(Incorporated in Malaysia)

COMBINED STATEMENTS OF FINANCIAL POSITION

		Audited			
	Note	**30.9.2025 RM**	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
ASSETS					
Non-current assets					
Property, plant and equipment	4	51,213,181	50,676,016	18,001,795	14,470,457
Right-of-use asset	5	619,295	912,645	1,303,778	-
Intangible asset	6	483,286	292,213	278,373	301,295
		52,315,762	51,880,874	19,583,946	14,771,752
Current assets					
Inventories	7	7,230,772	5,426,137	1,696,886	1,895,235
Trade receivables	8	12,203,525	20,848,816	12,616,376	15,061,847
Other receivables, deposits and prepayments	9	3,689,206	2,584,442	3,208,803	593,166
Current tax assets		1,433,429	596,136	-	-
Cash and bank balances	10	1,322,576	822,121	4,907,791	3,005,418
		25,879,508	30,277,652	22,429,856	20,555,666
TOTAL ASSETS		78,195,270	82,158,526	42,013,802	35,327,418
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	11.1	2	2	2	-
Invested equity	11.2	2,500,000	2,500,000	1,500,000	500,000
Retained profits	12	32,309,735	27,089,143	20,030,853	13,222,043
Total equity		34,809,737	29,589,145	21,530,855	13,722,043
Non-current liabilities					
Borrowings	13	32,476,633	31,563,168	9,535,194	7,688,372
Lease liability	5	247,887	556,265	950,034	-
Deferred tax liabilities	14	88,000	115,000	243,000	185,696
		32,812,520	32,234,433	10,728,228	7,874,068
Current liabilities					
Trade payables	15	3,966,571	9,162,644	6,198,773	9,394,113
Other payables and accruals	16	1,067,406	3,378,592	784,469	1,988,095
Borrowings	13	5,130,382	7,399,943	2,230,147	1,844,680
Lease liability	5	408,654	393,769	374,763	-
Current tax liabilities		-	-	166,567	504,419
		10,573,013	20,334,948	9,754,719	13,731,307
TOTAL LIABILITIES		43,385,533	52,569,381	20,482,947	21,605,375
TOTAL EQUITY AND LIABILITIES		78,195,270	82,158,526	42,013,802	35,327,418

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COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	Audited 1.1.2024 to 31.12.2024 (12 months) RM	Audited 1.1.2023 to 31.12.2023 (12 months) RM	Audited 1.1.2022 to 31.12.2022 (12 months) RM
Revenue	17	39,785,318	29,653,909	47,259,950	45,760,177	59,375,860
Cost of sales		(28,367,449)	(20,141,919)	(32,998,239)	(32,642,469)	(46,466,134)
Gross profit		11,417,869	9,511,990	14,261,711	13,117,708	12,909,726
Other income		220,116	9,921	323,394	413,180	604,642
Administrative expenses		(4,421,981)	(3,677,201)	(5,221,861)	(4,097,154)	(3,949,998)
Operating profit		7,216,004	5,844,710	9,363,244	9,433,734	9,564,370
Finance costs		(1,367,500)	(876,082)	(1,266,408)	(489,731)	(113,018)
Finance income		7,798	68,304	70,751	99,737	12,523
Profit before tax	18	5,856,302	5,036,932	8,167,587	9,043,740	9,463,875
Taxation	19	(635,710)	(418,297)	(1,109,297)	(2,234,930)	(2,278,787)
Profit for the financial period/year, representing total comprehensive income for the financial period/year		5,220,592	4,618,635	7,058,290	6,808,810	7,185,088
Basic earnings per ordinary shares	20	2.09	1.89	2.87	12.57	16.42

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COMBINED STATEMENTS OF CHANGES IN EQUITY

Audited	**Note**	**Share Capital * RM**	**Invested Equity RM**	**Retained Profits RM**	**Total RM**
Balance as at 1 January 2022		-	200,000	6,036,955	6,236,955
Total comprehensive income for the financial year		-	-	7,185,088	7,185,088
Transaction with owners:					
Issuance of shares	11.2	-	300,000	-	300,000
Balance as at 31 December 2022/1 January 2023		-	500,000	13,222,043	13,722,043
Total comprehensive income for the financial year		-	-	6,808,810	6,808,810
Transaction with owners:					
Issuance of shares	11.1 and 11.2	2	1,000,000	-	1,000,002
Balance as at 31 December 2023/1 January 2024		2	1,500,000	20,030,853	21,530,855
Total comprehensive income for the financial year		-	-	7,058,290	7,058,290
Transaction with owners:					
Issuance of shares	11.2	-	1,000,000	-	1,000,000
Balance as at 31 December 2024/1 January 2025		2	2,500,000	27,089,143	29,589,145
Total comprehensive income for the financial period		-	-	5,220,592	5,220,592
Balance as at 30 September 2025		2	2,500,000	32,309,735	34,809,737
Unaudited					
Balance as at 1 January 2024		2	1,500,000	20,030,853	21,530,855
Total comprehensive income for the financial period		-	-	4,618,635	4,618,635
Transaction with owners:					
Issuance of shares	11.2	-	1,000,000	-	1,000,000
Balance as at 30 September 2024		2	2,500,000	24,649,488	27,149,490

***** *Issuance of shares pursuant to the incorporation of Ambest.*

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COMBINED STATEMENTS OF CASH FLOWS

	Note	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	Audited 1.1.2024 to 31.12.2024 (12 months) RM	Audited 1.1.2023 to 31.12.2023 (12 months) RM	Audited 1.1.2022 to 31.12.2022 (12 months) RM
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		5,856,302	5,036,932	8,167,587	9,043,740	9,463,875
Adjustments for:						
Accretion of interest on lease liability		30,507	44,673	57,237	48,263	-
Amortisation of intangible asset		120,435	69,846	99,533	79,743	57,096
Depreciation of property, plant and equipment		2,875,185	2,138,130	3,083,374	2,194,845	1,088,527
Depreciation of right-of-use asset		293,350	293,350	391,133	260,756	-
Intangible assets written off		-	-	1,902	-	-
Interest expenses		1,336,993	831,409	1,209,171	441,468	113,018
Interest income		(7,798)	(68,304)	(70,751)	(99,737)	(12,523)
Inventories written down		-	-	1,111,649	-	-
Loss/(Gain) on disposal of property, plant and equipment		-	16,533	16,533	(5,333)	-
Property, plant and equipment written off		1	-	-	384,039	4,311
Unrealised loss/(gain) on foreign exchange		68,835	129,854	(302,738)	(3,953)	247,857
Operating profit before working capital changes		10,573,810	8,492,423	13,764,630	12,343,831	10,962,161
Net changes in:						
Inventories		(1,804,635)	(3,298,311)	(4,840,900)	198,349	(484,986)
Receivables		7,768,028	(918,484)	(9,203,584)	2,184,997	(3,476,033)
Payables		(7,504,740)	1,857,751	5,555,475	(4,398,966)	(804,123)
Cash generated from operations		9,032,463	6,133,379	5,275,621	10,328,211	6,197,019
Income tax paid		(1,500,003)	(1,500,003)	(2,000,000)	(2,515,478)	(2,240,119)
Interest income		7,798	68,304	70,751	99,737	12,523
Net cash from operating activities		7,540,258	4,701,680	3,346,372	7,912,470	3,969,423
CASH FLOWS FROM INVESTING ACTIVITIES						
Deposits paid for acquisition of property, plant and equipment		(747,485)	(450,335)	(450,335)	(2,351,210)	-
Net changes in fixed deposits with licensed banks		-	1,030,416	1,030,416	(1,030,416)	-
Proceed from disposal of property, plant and equipment		-	100,000	100,000	60,000	-
Purchase of property, plant and equipment	B	(1,596,961)	(4,755,832)	(7,359,270)	(3,153,240)	(2,498,480)
Purchase of intangible asset		(311,508)	(115,275)	(115,275)	(56,821)	(187,662)
Net cash used in investing activities		(2,655,954)	(4,191,026)	(6,794,464)	(6,531,687)	(2,686,142)
Balance carried forward		4,884,304	510,654	(3,448,092)	1,380,783	1,283,281

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COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	Audited 1.1.2024 to 31.12.2024 (12 months) RM	Audited 1.1.2023 to 31.12.2023 (12 months) RM	Audited 1.1.2022 to 31.12.2022 (12 months) RM
Balance brought forward		4,884,304	510,654	(3,448,092)	1,380,783	1,283,281
CASH FLOWS FROM FINANCING ACTIVITIES						
Net change in bankers' acceptance	C	547,306	-	928,000	-	-
Net change in revolving credit	C	(3,099,088)	-	3,000,000	-	-
Drawdown of hire purchase		2,939,945	-	-	-	-
Proceeds from issuance of shares		-	1,000,000	1,000,000	1,000,002	-
Repayment of hire purchases	C	(2,962,461)	(1,892,397)	(2,604,562)	(2,204,523)	(971,895)
Repayment of lease liability	C	(324,000)	(324,000)	(432,000)	(288,000)	-
Net (repayment)/drawdown of term loans	C	(1,483,846)	(1,012,631)	(1,498,487)	983,695	1,965,201
Net cash (used in)/from financing activities		(4,382,144)	(2,229,028)	392,951	(508,826)	993,306
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		502,160	(1,718,374)	(3,055,141)	871,957	2,276,587
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(1,705)	(1,818)	(113)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING		822,121	3,877,375	3,877,375	3,005,418	728,831
CASH AND CASH EQUIVALENTS AT END	A	1,322,576	2,157,183	822,121	3,877,375	3,005,418

	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	Audited 1.1.2024 to 31.12.2024 (12 months) RM	Audited 1.1.2023 to 31.12.2023 (12 months) RM	Audited 1.1.2022 to 31.12.2022 (12 months) RM
A. Cash and cash equivalents are represented by:					
Cash and bank balances	1,322,576	2,157,183	822,121	4,907,791	3,005,418
Less: Fixed deposits with maturity more than 3 months	-	-	-	(1,030,416)	-
	1,322,576	2,157,183	822,121	3,877,375	3,005,418

B. Purchase of property, plant and equipment

	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	Audited 1.1.2024 to 31.12.2024 (12 months) RM	Audited 1.1.2023 to 31.12.2023 (12 months) RM	Audited 1.1.2022 to 31.12.2022 (12 months) RM
Total addition	3,412,351	30,704,199	35,874,128	6,164,889	9,152,429
Less: Acquired under hire purchases	(1,365,055)	(1,217,610)	(3,784,101)	(1,756,844)	(3,153,949)
Acquired under term loans	-	(22,379,547)	(22,379,547)	(1,254,805)	(3,500,000)
Deposits paid in prior year	(450,335)	(2,351,210)	(2,351,210)	-	-
	(1,596,961)	4,755,832	7,359,270	3,153,240	2,498,480

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COMBINED STATEMENTS OF CASH FLOWS (CONT'D)

C. Liabilities arising from financing activities

Reconciliation between the opening and closing balances in the combined statements of financial position for liabilities arising from financing activities is as follows:

	Balance at beginning RM	Net cash flows RM	Others [1] RM	Balance at end RM
Audited				
30.9.2025				
Borrowings	38,963,111	(3,911,766)	2,555,670	37,607,015
Lease liability	950,034	(324,000)	30,507	656,541
Total liabilities arising from financing activities	39,913,145	(4,235,766)	2,586,177	38,263,556
31.12.2024				
Borrowings	11,765,341	(175,049)	27,372,819	38,963,111
Lease liability	1,324,797	(432,000)	57,237	950,034
Total liabilities arising from financing activities	13,090,138	(607,049)	27,430,056	39,913,145
31.12.2023				
Borrowings	9,533,052	(1,220,828)	3,453,117	11,765,341
Lease liability	-	(288,000)	1,612,797	1,324,797
Total liabilities arising from financing activities	9,533,052	(1,508,828)	5,065,914	13,090,138
31.12.2022				
Borrowings, representing total liabilities arising from financing activities	1,772,779	993,306	6,766,967	9,533,052
Unaudited				
30.9.2024				
Borrowings	11,765,341	(2,905,028)	24,428,566	33,288,879
Lease liability	1,324,797	(324,000)	44,673	1,045,470
Total liabilities arising from financing activities	13,090,138	(3,229,028)	24,473,239	34,334,349

[1] **Others consist of non-cash movement as follows:**

	Audited	Unaudited	Audited		
	1.1.2025 to 30.9.2025 (9 months) RM	1.1.2024 to 30.9.2024 (9 months) RM	1.1.2024 to 31.12.2024 (12 months) RM	1.1.2023 to 31.12.2023 (12 months) RM	1.1.2022 to 31.12.2022 (12 months) RM
Accretion of interest on lease liability	30,507	44,673	57,237	48,263	-
Acquisition of property, plant and equipment usings borrowings	1,365,055	23,597,157	26,163,648	3,011,649	6,653,949
Addition of lease liability	-	-	-	1,564,534	-
Interest expense on hire purchases and term loans	1,190,615	831,409	1,209,171	441,468	113,018
	2,586,177	24,473,239	27,430,056	5,065,914	6,766,967

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NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

1.1 Introduction

This report has been prepared solely to comply with the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the prospectus of Ambest Group Berhad ("the Company" or "Ambest") in connection with the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") (hereinafter defined as "the Listing"), via an initial public offering ("IPO") by the Company.

1.2 Background

The Company was incorporated on 16 February 2023 under the Companies Act 2016 in Malaysia as a private limited company and subsequently converted into a public limited company on 12 June 2025 and change its name from Ambest Group Sdn. Bhd. to Ambest Group Berhad with effect from 12 June 2025. The Company was incorporated as a special purpose vehicle for the purpose of acquiring Ambest Technology Sdn. Bhd. ("Ambest Technology") as disclosed in Note 1.5 below, pursuant to the listing.

The registered office of the Company is located at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang.

The principal place of business of the Company is located at No. 9, 11 & 42A, Jalan Damar, 11960 Batu Maung, Pulau Pinang.

1.3 Principal activities

The Company's principal activity consists of activities of holding companies. The details of the combining entity of Ambest as at the date of report are as follows:

Name of company	Country of incorporation/Principal place of business	Date of incorporation	Effective equity interest	Principal activities
Ambest Technology	Malaysia	11.05.2011	100%	Manufacturer of precision machining parts and components.

There was no significant change in the nature of these activities during the financial year/period under review.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

1. **GENERAL INFORMATION (CONT'D)**

1.4 **Movement of Share Capital of Ambest**

The share capital of Ambest as at the latest practicable date 22 December 2025 ("LPD") is RM 2 comprising 2 ordinary shares.

As at the LPD, Ambest does not has any outstanding warrant, option, convertible securities and uncalled capital. In addition, there are no discounts, special terms or instalment payment terms applicable to the payment of the consideration for the allotment of shares.

Upon completion of the IPO, the enlarged share capital of Ambest will increase to RM57,100,002 comprising 510,000,002 ordinary shares.

1.5 **Internal restructuring**

On 9 June 2025, Ambest entered into a conditional share sale agreement with Lim Eng Guan and Tan Beng Beng to acquire the entire equity interest in Ambest Technology comprising 2,500,000 ordinary shares for a purchase consideration of RM29,600,000. The purchase consideration was satisfied by the issuance of 400,000,000 new ordinary shares in the Company at an issue price of RM0.074 per ordinary share as follows:

	No. of Shares	**RM**
Lim Eng Guan	200,000,000	14,800,000
Tan Beng Beng	200,000,000	14,800,000
	400,000,000	29,600,000

The total purchase consideration of RM29,600,000 was arrived on a "willing-buyer willing-seller" basis after taking into consideration the audited net assets ("NA") of Ambest Technology as at 31 December 2024 of RM29,610,168.

The transaction was completed on 1 December 2025.

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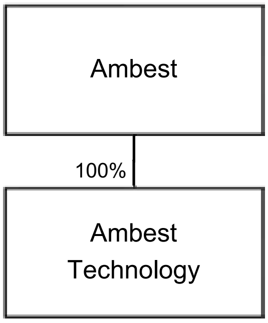
NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

1. **GENERAL INFORMATION (CONT'D)**

1.5 **Internal restructuring (cont'd)**

Following the completion of the abovementioned acquisition, the group structure of Ambest Group is as follows:



1.6 **IPO Listing Scheme**

(i) **Public Issue**

A total of 110,000,000 new Ambest ordinary shares ("Issue Shares"), representing 21.57% of the enlarged share capital of Ambest, at an indicative issue price of RM0.25 per share and shall be allocated in the following manner:

(a) 25,500,000 Issue Shares, representing 5.00% of the enlarged share capital are made available for application by the Malaysian Public;

(b) 12,750,000 Issue Shares, representing 2.50% of the enlarged share capital for eligible Directors and employees and persons who have contributed to the success of the Group;

(c) 63,750,000 Issue Shares, representing 12.50% of the enlarged share capital for private placement to identified Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia ("MITI"); and

(d) 8,000,000 Issue Shares, representing 1.57% of the enlarged share capital for private placement to selected investors.

(ii) **Offer for Sale**

The Offer for Sale comprises an offer for sale of 40,953,000 shares by the existing shareholders of Ambest ("Selling Shareholders"), representing 8.03% of the enlarged share capital of Ambest, at an indicative price of RM0.25 per share.

The Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of RM10,238,250 will accrue entirely to the Selling Shareholders.

(iii) **Listing**

Subsequent to the above, the Company's entire enlarged share capital of RM57,100,002 comprising of 510,000,002 ordinary shares shall be listed on the ACE Market of Bursa Securities.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2. **BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS**

The combined entities are Ambest and Ambest Technology (collectively known as the "Group"). The combined financial statements of the Group have been prepared as if the Group has been operating as a single economic entity throughout the financial years ended ("FYE(s)") 31 December 2022, 31 December 2023, 31 December 2024 and financial period ended ("FPE") 30 September 2025, since the combined entities are under common control throughout the financial years/period under review.

The statutory auditors of the combining entities of the Group are as follows:

Company	**Relevant Financial Years** FYE/FPE	**Auditors**
Ambest	FPE 31 December 2023	Grant Thornton Malaysia PLT
	FYE 31 December 2024	Grant Thornton Malaysia PLT
	FPE 30 September 2025	Grant Thornton Malaysia PLT
Ambest Technology	FYE 31 December 2022	Grant Thornton Malaysia PLT
	FYE 31 December 2023	Grant Thornton Malaysia PLT
	FYE 31 December 2024	Grant Thornton Malaysia PLT
	FPE 30 September 2025	Grant Thornton Malaysia PLT

^ There was no audited financial statements for Ambest for FYE 31 December 2022 as the entity was incorporated on 16 February 2023.

The audited financial statements of the Group for the relevant years reported above were not subject to any qualification or modification.

2.1 **Statement of Compliance**

For the purpose of preparing this Accountants' Report, the combined financial statements of the Group for the financial years ended 31 December 2022, 31 December 2023, 31 December 2024 and the financial period ended 30 September 2025 have been prepared in accordance with MFRS Accounting Standards and IFRS Accounting Standards and in compliance with the Guidance Note on "Combined Financial Statements" issued by the Malaysian Institute of Accountant as well as Chapter 10, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia.

2.2 **Basis of Measurement**

The combined financial statements of the Group are prepared under the historical cost convention, except for certain financial instruments that are measured at fair values at the end of each reporting period as indicated in the material accounting policy information as set out in the notes to the combined financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 **Functional and Presentation Currency**

The combined financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency and its combining entity's functional currency.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

2. **BASIS OF PREPARATION OF THE COMBINED FINANCIAL STATEMENTS (CONT'D)**

2.4 **Standards/Amendments to MFRSs Issued But Not Yet Effective**

The following are accounting standards/amendments to MFRSs that have been issued by the Malaysian Accounting Standard Board ("MASB") but are not yet effective for the Group:

Effective for annual period beginning on or after 1 January 2026
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Amendments of the Classification and Measurement of Financial Instruments
Annual Improvements to MFRS Accounting Standards - Volume II
Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

Effective for annual period beginning on or after 1 January 2027
MFRS 18 Presentation and Disclosure in Financial Statements
MFRS 19 Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19 Subsidiaries without Public Accountability: Disclosures

Effective date yet to be confirmed
Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above standards/amendments to MFRSs is not expected to have any material impact to the combined financial statements of the Group upon adoption, except for MFRS 18 Presentation and Disclosure in Financial Statements.

MFRS 18 introduces new requirements on presentation within the statements of profit or loss, including specified totals and subtotals. It also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, there are consequential amendments to *MFRS 107 Statement of Cash Flows* and *MFRS 134 Interim Financial Reporting*.

The amendments will have an impact on the Group's presentation of combined statements of comprehensive income, combined statements of cash flows and additional disclosures in the notes to the financial statements but not on the measurement or recognition of any items in the Group's financial statements.

The Group are currently assessing the impact of *MFRS 18* and plans to adopt the new standard on the required effective date.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of combined financial statements require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the combined financial statements.

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has a lease contract that includes an extension and termination option. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew or to terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has included the extension option period as part of the lease term for lease of factory building as it is reasonably certain that the extension option will be exercised. The periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Inventories**

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the time the estimate is made. Possible changes in these estimates could result in revisions to the valuations of inventories.

The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 7 to the combined financial statements.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

3. **SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

3.2 **Key sources of estimation uncertainty (cont'd)**

(ii) **Provision for expected credit losses ("ECL") of receivables**

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECL on the Group's trade receivables is disclosed in Note 24.3.1 to the combined financial statements.

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4. **PROPERTY, PLANT AND EQUIPMENT**

	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Renovation RM	Solar equipment RM	Capital work-in-progress RM	Total RM
Audited									
Cost									
At 1 January 2022	-	-	3,203,261	138,451	44,800	422,340	-	3,150,000	6,958,852
Additions	-	-	5,236,963	86,706	199,482	700	-	3,628,578	9,152,429
Written off	-	-	-	(8,878)	-	-	-	-	(8,878)
At 31 December 2022/ 1 January 2023	-	-	8,440,224	216,279	244,282	423,040	-	6,778,578	16,102,403
Additions	800,000	592,805	2,281,645	702,299	-	1,380,506	-	407,634	6,164,889
Disposal	-	-	(80,000)	-	-	-	-	-	(80,000)
Written off	-	-	-	(91,533)	-	(431,710)	-	-	(523,243)
Reclassification	4,916,177	2,270,035	-	-	-	-	-	(7,186,212)	-
At 31 December 2023/ 1 January 2024	5,716,177	2,862,840	10,641,869	827,045	244,282	1,371,836	-	-	21,664,049
Additions	21,873,234	6,174,384	6,906,939	57,055	83,000	419,516	360,000	-	35,874,128
Disposal	-	-	(224,000)	-	-	-	-	-	(224,000)
At 31 December 2024/ 1 January 2025	27,589,411	9,037,224	17,324,808	884,100	327,282	1,791,352	360,000	-	57,314,177
Additions	-	-	2,841,912	84,882	-	485,557	-	-	3,412,351
Written off	-	-	-	(899)	-	-	-	-	(899)
At 30 September 2025	27,589,411	9,037,224	20,166,720	968,083	327,282	2,276,909	360,000	-	60,725,629

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4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Freehold land RM	Buildings RM	Plant and machinery RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Renovation RM	Solar equipment RM	Capital work-in-progress RM	Total RM
Audited									
Accumulated depreciation									
At 1 January 2022	-	-	455,017	37,366	12,693	42,910	-	-	547,986
Current charge	-	-	968,650	47,996	29,606	42,275	-	-	1,088,527
Written off	-	-	-	(4,567)	-	-	-	-	(4,567)
At 31 December 2022/ 1 January 2023	-	-	1,423,667	80,795	42,299	85,185	-	-	1,631,946
Current charge	-	52,831	1,891,686	121,621	48,856	79,851	-	-	2,194,845
Disposal	-	-	(25,333)	-	-	-	-	-	(25,333)
Written off	-	-	-	(32,869)	-	(106,335)	-	-	(139,204)
At 31 December 2023/ 1 January 2024	-	52,831	3,290,020	169,547	91,155	58,701	-	-	3,662,254
Current charge	-	169,987	2,500,347	176,830	64,073	170,137	2,000	-	3,083,374
Disposal	-	-	(107,467)	-	-	-	-	-	(107,467)
At 31 December 2024/ 1 January 2025	-	222,818	5,682,900	346,377	155,228	228,838	2,000	-	6,638,161
Current charge	-	143,838	2,364,055	145,073	47,598	156,621	18,000	-	2,875,185
Written off	-	-	-	(898)	-	-	-	-	(898)
As 30 September 2025	-	366,656	8,046,955	490,552	202,826	385,459	20,000	-	9,512,448

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Audited	**Freehold land RM**	**Buildings RM**	**Plant and machinery RM**	**Office equipment, furniture and fittings RM**	**Motor vehicles RM**	**Renovation RM**	**Solar equipment RM**	**Capital work-in-progress RM**	**Total RM**
Net carrying amount									
As at 31 December 2022	-	-	7,016,557	135,484	201,983	337,855	-	6,778,578	14,470,457
As at 31 December 2023	5,716,177	2,810,009	7,351,849	657,498	153,127	1,313,135	-	-	18,001,795
As at 31 December 2024	27,589,411	8,814,406	11,641,908	537,723	172,054	1,562,514	358,000	-	50,676,016
As at 30 September 2025	27,589,411	8,670,568	12,119,765	477,531	124,456	1,891,450	340,000	-	51,213,181

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(i) The carrying amount of property, plant and equipment of the Group which are acquired under hire purchase arrangements are as follows:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Plant and machinery	9,387,234	6,084,702	4,854,802	4,345,362
Motor vehicles	-	46,305	66,885	110,611
Solar Equipment	340,000	358,000	-	-
	9,727,234	6,489,007	4,921,687	4,455,973

(ii) The carrying amount of property, plant and equipment which are pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 13 to the combined financial statements are as follows:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Freehold land	27,589,411	27,589,411	5,716,177	-
Buildings	8,562,468	8,695,956	2,677,759	-
Capital work-in progress	-	-	-	6,778,578
	36,151,879	36,285,367	8,393,936	6,778,578

(iii) The Group's capital work-in-progress includes borrowing costs arising from term loans borrowed specifically for the purpose of the construction of a factory building. During the financial period/year, the borrowing costs capitalised as cost of capital work-in-progress amounted to **RM Nil** (31.12.2024: RM Nil; 31.12.2023: RM57,635; 31.12.2022: RM128,578).

Material accounting policy information

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment are depreciated on the straight-line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:

Buildings	2% - 10%
Plant and machinery	20%
Office equipment, furniture and fittings	10% - 33%
Motor vehicles	20%
Renovation	10% - 20%
Solar Equipment	15 years

Freehold land is not depreciated as it has an infinite life.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

4. **PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

Material accounting policy information (cont'd)

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

5. **RIGHT-OF-USE ASSET AND LEASE LIABILITY**

Group as a lessee

The Group has a lease contract for factory building used in its operations that has lease term of three years, with option to extend the lease for another one year. The Group expects that it is reasonably certain that it will exercise the option to extend the lease and has factored the extension option as part of the lease term for the lease. The lease contract restricts the Group from assigning and subleasing the leased asset.

The Group also has certain leases of premises with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use asset

Set out below are the carrying amount of right-of-use asset recognised and the movement during the financial period/year:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Factory building				
Balance at beginning	912,645	1,303,778	-	-
Addition	-	-	1,564,534	-
Depreciation	(293,350)	(391,133)	(260,756)	-
Balance at end	619,295	912,645	1,303,778	-

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

5. **RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)**

Lease liability

Set out below are the carrying amount of lease liability and the movement during the financial period/year:

	Audited			
	30.9.2025 **RM**	**31.12.2024** **RM**	**31.12.2023** **RM**	**31.12.2022** **RM**
Balance at beginning	950,034	1,324,797	-	-
Addition	-	-	1,564,534	-
Accretion of interest	30,507	57,237	48,263	-
Payment	(324,000)	(432,000)	(288,000)	-
Balance at end	656,541	950,034	1,324,797	-
Represented by:				
Non-current liabilities	247,887	556,265	950,034	-
Current liabilities	408,654	393,769	374,763	-
	656,541	950,034	1,324,797	-

The maturity analysis of lease liability is disclosed in Note 24.4 to the combined financial statements.

The following are the amounts recognised in profit or loss:

	Audited			
	30.9.2025 **RM**	**31.12.2024** **RM**	**31.12.2023** **RM**	**31.12.2022** **RM**
Accretion on interest	30,507	57,237	48,263	-
Depreciation expense of right-of-use asset	293,350	391,133	260,756	-
Expense relating to short-term leases	-	3,000	38,400	34,800
Expense relating to lease of low value assets	9,311	9,860	10,249	7,617
Total amount recognised in profit or loss	333,168	461,230	357,668	42,417

Total cash outflows for leases during the financial period/year are amounting to **RM333,311** (31.12.2024: RM444,860; 31.12.2023: RM336,649; 31.12.2022: RM42,417).

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

5. **RIGHT-OF-USE ASSET AND LEASE LIABILITY (CONT'D)**

Material accounting policy information

Right-of-use asset

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset as follow:

Factory building	4 years

6. **INTANGIBLE ASSET**

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Computer software				
At cost				
Balance at beginning	551,295	438,946	382,125	194,463
Additions	311,508	115,275	56,821	187,662
Written off	-	(2,926)	-	-
Balance at end	862,803	551,295	438,946	382,125
Accumulated amortisation				
Balance at beginning	259,082	160,573	80,830	23,734
Current charge	120,435	99,533	79,743	57,096
Written off	-	(1,024)	-	-
Balance at end	379,517	259,082	160,573	80,830
Carrying amount	483,286	292,213	278,373	301,295

Material accounting policy information

Acquired computer software has finite useful lives and is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of computer software over its estimated useful lives of 5 years.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

7. INVENTORIES

	Audited			
	30.9.2025 **RM**	**31.12.2024** **RM**	**31.12.2023** **RM**	**31.12.2022** **RM**
Raw materials	1,872,632	888,162	236,745	323,853
Work in progress	676,413	-	-	-
Finished goods	4,681,727	4,537,975	1,460,141	1,571,382
	7,230,772	5,426,137	1,696,886	1,895,235
Recognised in profit or loss:				
Inventories recognised as cost of sales	28,367,449	31,886,590	32,642,469	46,466,134
Inventories write-down	-	1,111,649	-	-

Material accounting policy information

Inventories are stated at the lower of cost and net realisable value.

Costs of all inventories are determined on the first-in, first-out basis.

8. TRADE RECEIVABLES

The currency profile of trade receivables is as follows:

	Audited			
	30.9.2025 **RM**	**31.12.2024** **RM**	**31.12.2023** **RM**	**31.12.2022** **RM**
Ringgit Malaysia	9,469,696	11,035,814	4,219,266	8,733,309
United States Dollar	2,733,829	3,654,887	8,397,110	6,328,538
Singapore Dollar	-	6,158,115	-	-
	12,203,525	20,848,816	12,616,376	15,061,847

The trade receivables are non-interest bearing and generally on **30 to 90 days** (31.12.2024: 30 to 90 days; 31.12.2023: 30 to 90 days; 31.12.2022: 30 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

9. **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Other receivables	215,355	204,555	1,388	12,932
Deposits	344,466	318,798	145,560	2,000
Non-refundable deposit	747,485	450,335	984,266	-
Prepayments	2,381,900	1,610,754	2,077,589	578,234
	3,689,206	2,584,442	3,208,803	593,166

(i) Included in other receivables and deposits are amount of **RM44,000** (31.12.2024: RM99,497; 31.12.2023: RM45,563; 31.12.2022: RM1,563) due from companies in which the directors of the Group have substantial financial interests. It is unsecured, non-interest bearing and repayable on demand.

(ii) Included in deposits are refundable deposits amounting to **RM1,460** (31.12.2024: RM1,460; 31.12.2023: RM1,460; 31.12.2022: RM Nil) paid to a director of the Group. It is unsecured, non-interest bearing and repayable on demand.

(iii) Included in prepayments is an amount of **RM Nil** (31.12.2024: RM Nil; 31.12.2023: RM1,273,444; 31.12.2022: RM Nil) representing consideration paid for the acquisition of a building which pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 13 to the combined financial statements.

(iv) The currency profile of other receivables, deposits and prepayments is as follows:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Ringgit Malaysia	3,487,726	2,265,176	2,926,437	593,166
United States Dollar	201,480	91,027	-	-
Singapore Dollar	-	404	282,366	-
Euro Dollar	-	227,835	-	-
	3,689,206	2,584,442	3,208,803	593,166

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

10. **CASH AND BANK BALANCES**

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Cash and bank balances	1,290,778	790,884	1,868,805	3,005,418
Fixed deposits with a licensed bank	31,798	31,237	3,038,986	-
	1,322,576	822,121	4,907,791	3,005,418

The currency profile of cash and bank balances is as follows:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Ringgit Malaysia	1,186,835	817,385	4,901,000	3,002,465
United States Dollar	135,342	4,241	6,053	2,085
Euro Dollar	399	495	738	868
	1,322,576	822,121	4,907,791	3,005,418

The effective interest rate and maturity of the fixed deposits with a licensed bank as at the end of the reporting period are **2.10%** (31.12.2024: 2.45%; 31.12.2023: 2.75% to 4.00%; 31.12.2022: Nil) per annum and **1 month** (31.12.2024: 1 month; 31.12.2023: 1 month to 9 months; 31.12.2022: Nil) respectively.

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11. SHARE CAPITAL AND INVESTED EQUITY

11.1 Share capital

	Audited							
	Amount 30.9.2025 RM	**Number of shares 30.9.2025**	**Amount 31.12.2024 RM**	**Number of shares 31.12.2024**	**Amount 31.12.2023 RM**	**Number of shares 31.12.2023**	**Amount 31.12.2022 RM**	**Number of shares 31.12.2022**
Issued and fully paid shares with no par value								
At Incorporate / Balance at end	2	2	2	2	2	2	-	-

11.2 Invested equity

	Audited							
	Amount 30.9.2025 RM	**Number of shares 30.9.2025**	**Amount 31.12.2024 RM**	**Number of shares 31.12.2024**	**Amount 31.12.2023 RM**	**Number of shares 31.12.2023**	**Amount 31.12.2022 RM**	**Number of shares 31.12.2022**
Issued and fully paid shares with no par value:								
Balance at beginning	2,500,000	2,500,000	1,500,000	1,500,000	500,000	500,000	200,000	200,000
Issuance of shares	-	-	1,000,000	1,000,000	1,000,000	1,000,000	300,000	300,000
Balance at end	2,500,000	2,500,000	2,500,000	2,500,000	1,500,000	1,500,000	500,000	500,000

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

11. **SHARE CAPITAL AND INVESTED EQUITY (CONT'D)**

2024

In 2024, Ambest Technology has issued 1,000,000 new ordinary shares at an issue price of RM1 per ordinary share for a total cash consideration of RM1,000,000 for working capital purpose.

2023

In 2023, Ambest Technology had issued 1,000,000 new ordinary shares at an issue price of RM1 per ordinary share for a total cash consideration of RM1,000,000 for working capital purpose.

2022

In 2022, Ambest Technology had issued 300,000 new ordinary shares at an issue price of RM1 per ordinary share by way of conversion of amount due to directors amounting to RM300,000.

The new ordinary shares issued during the financial year rank *pari passu* in all respects with the existing ordinary shares of the Company.

12. **RETAINED PROFITS**

The franking of dividends is under the single tier system and therefore there is no restriction to distribute dividends subject to the availability of retained profits.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

13. **BORROWINGS**

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Non-current liabilities				
Secured:				
Hire purchases				
Minimum payments:				
Within one year	3,129,452	2,938,568	2,166,345	1,897,897
More than one year and less than two years	2,380,146	1,700,540	1,567,820	1,521,760
More than two years and less than five years	1,983,207	932,504	329,792	939,541
	7,492,805	5,571,612	4,063,957	4,359,198
Future finance charges	(615,855)	(326,434)	(218,024)	(291,347)
	6,876,950	5,245,178	3,845,933	4,067,851
Amount due within one year under current liabilities	(2,815,750)	(2,723,863)	(2,010,548)	(1,716,586)
	4,061,200	2,521,315	1,835,385	2,351,265
Term loans				
Total amount repayable	29,207,469	29,789,933	7,919,408	5,465,201
Amount due within one year under current liabilities	(792,036)	(748,080)	(219,599)	(128,094)
	28,415,433	29,041,853	7,699,809	5,337,107
	32,476,633	31,563,168	9,535,194	7,688,372
Current liabilities				
Secured:				
Bankers' acceptance	1,522,596	928,000	-	-
Revolving credit	-	3,000,000	-	-
Hire purchases	2,815,750	2,723,863	2,010,548	1,716,586
Term loans	792,036	748,080	219,599	128,094
	5,130,382	7,399,943	2,230,147	1,844,680
Total borrowings	37,607,015	38,963,111	11,765,341	9,533,052

The borrowings (except for hire purchases) are secured by way of:

(i) Legal charge over the property, plant and equipment of the Group as disclosed in Note 4 to the financial statements; and
(ii) Jointly and severally guarantee by the directors of the Group.

The hire purchases are secured over the leased assets as disclosed in the Note 4 to the financial statements.

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13. **BORROWINGS (CONT'D)**

A summary of the effective interest rate and the maturity of the borrowings are as follows:

	Effective interest rates per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
30.09.2025						
Bankers' acceptance	3.19 to 5.41	1,522,596	1,522,596	-	-	-
Hire purchases	2.90 to 5.08	6,876,950	2,815,750	2,209,956	1,851,244	-
Term loans	3.83 to 6.69	29,207,469	792,036	825,022	2,680,567	24,909,844
31.12.2024						
Bankers' acceptance	3.76	928,000	928,000	-	-	-
Revolving credit	5.03 to 5.20	3,000,000	3,000,000	-	-	-
Hire purchases	2.90 to 3.62	5,245,178	2,723,863	1,608,690	912,625	-
Term loans	4.05 to 6.94	29,789,933	748,080	779,752	2,536,813	25,725,288
31.12.2023						
Hire purchases	2.91 to 4.11	3,845,933	2,010,548	1,510,730	324,655	-
Term loans	4.10 to 6.94	7,919,408	219,599	229,437	745,908	6,724,464
31.12.2022						
Hire purchases	2.91 to 4.26	4,067,851	1,716,586	1,434,916	916,349	-
Term loans	4.42 to 6.94	5,465,201	128,094	128,305	422,797	4,786,005

14. **DEFERRED TAX LIABILITIES**

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Balance at beginning	115,000	243,000	185,696	76,696
Recognised in profit or loss	(34,000)	(69,000)	180,000	117,000
	81,000	174,000	365,696	193,696
Under/(Over) provision in prior year	7,000	(59,000)	(122,696)	(8,000)
Balance at end	88,000	115,000	243,000	185,696

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14. **DEFERRED TAX LIABILITIES (CONT'D)**

The deferred tax liabilities as at the end of the reporting period are represented by the temporary differences arising from:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Property, plant and equipment	138,000	161,000	324,000	185,696
Others	(50,000)	(46,000)	(81,000)	-
	88,000	115,000	243,000	185,696

15. **TRADE PAYABLES**

The currency profile of trade payables is as follows:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Ringgit Malaysia	3,818,586	8,960,758	6,161,625	9,019,158
United States Dollar	147,985	201,886	37,148	23,808
Chinese Renminbi	-	-	-	351,147
	3,966,571	9,162,644	6,198,773	9,394,113

The normal credit terms granted by trade payables range from **30 to 120 days** (31.12.2024: 30 to 120 days; 31.12.2023: 30 to 120 days; 31.12.2022: 30 to 120 days).

16. **OTHER PAYABLES AND ACCRUALS**

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Other payables	357,674	2,451,928	230,423	175,000
Accruals	709,732	926,664	554,046	1,813,095
	1,067,406	3,378,592	784,469	1,988,095

The currency profile of other payables and accrual is as follows:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Ringgit Malaysia	1,067,406	3,365,589	784,469	1,988,095
Euro Dollar	-	13,003	-	-
	1,067,406	3,378,592	784,469	1,988,095

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17. REVENUE

	Audited	Unaudited	|------------	Audited	------------|
	1.1.2025 to 30.9.2025 (9 months) RM	1.1.2024 to 30.9.2024 (9 months) RM	1.1.2024 to 31.12.2024 (12 months) RM	1.1.2023 to 31.12.2023 (12 months) RM	1.1.2022 to 31.12.2022 (12 months) RM
Sales of fabricated engineering parts and products recognised at a point in time, representing total revenue from contracts with customers	39,785,318	29,653,909	47,259,950	45,760,177	59,375,860

	Audited	Unaudited	|------------	Audited	------------|
	1.1.2025 to 30.9.2025 (9 months) RM	1.1.2024 to 30.9.2024 (9 months) RM	1.1.2024 to 31.12.2024 (12 months) RM	1.1.2023 to 31.12.2023 (12 months) RM	1.1.2022 to 31.12.2022 (12 months) RM
Geographical markets:					
Malaysia	39,535,230	25,791,903	39,643,149	37,812,692	59,349,355
Singapore	144,218	3,796,611	7,532,742	7,904,959	19,672
Sri Lanka	65,845	53,274	53,480	42,526	1,180
Japan	-	-	-	-	5,653
Others	40,025	12,121	30,579	-	-
	39,785,318	29,653,909	47,259,950	45,760,177	59,375,860

Performance obligations and material accounting policy information

Sales of fabrication of engineering parts and products

Revenue from sale of fabrication of engineering parts and products, consists of sales of precision-machined parts and components and fabricated sheet metal. The sale of the customised engineering parts and products or sales of fabricated sheet metal are considered as one performance obligation because the promises to transfer customised engineering parts and products are not capable of being distinct and they are highly interrelated.

The performance obligation for sale of engineering parts and products is satisfied at a point in time because the customer does not control the engineering parts and products or fabricated sheet metal and customer does not simultaneously receive and consume the benefits from the engineering parts and products or fabricated sheet metal manufactured by the Group.

Revenue is recognised upon shipment or at delivery destination point, provided that the product meets the performance acceptance criteria which is normally carried out prior to shipment. Under certain circumstances, customer acceptance is conducted at customer's site i.e., to ensure that the engineering parts and products purchased can be integrated with the customer's existing production flow. Under such circumstance, revenue is only recognised once customer acceptance has been received at customer's site.

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18. **PROFIT BEFORE TAX**

This is arrived at:

	Audited	Unaudited	|-----------------------------Audited	--------------------------	|
	1.1.2025 to 30.9.2025 (9 months) RM	1.1.2024 to 30.9.2024 (9 months) RM	1.1.2024 to 31.12.2024 (12 months) RM	1.1.2023 to 31.12.2023 (12 months) RM	1.1.2022 to 31.12.2022 (12 months) RM
After charging:					
Accretion of interest on lease liability	30,507	44,673	57,237	48,263	-
Amortisation of intangible asset	120,435	69,846	99,533	79,743	57,096
Deposit forfeited	-	-	-	2,000	-
Depreciation on property, plant and equipment	2,875,185	2,138,130	3,083,374	2,194,845	1,088,527
Depreciation on right-of-use asset	293,350	293,350	391,133	260,756	-
Intangible asset written off	-	-	1,902	-	-
Directors' fee	-	-	-	-	129,000
Interest expenses on:					
- Hire purchases	289,233	152,807	219,705	225,762	113,018
- Term loans	901,382	678,602	989,466	215,706	-
- Revolving credit	99,088	-	-	-	-
- Banker acceptance	47,290	-	-	-	-
Inventories written off	-	-	1,111,649	-	-
Loss on disposal of property, plant and equipment	-	16,533	16,533	-	-
Property, plant and equipment written off	1	-	-	384,039	4,311
*Staff costs	6,728,101	4,951,767	7,449,842	4,914,099	8,606,475
Realised loss on foreign exchange	200,942	223,755	379,859	-	-
Unrealised loss on foreign exchange	68,835	129,854	-	-	247,857
And crediting:					
Gain on disposal of property, plant and equipment	-	-	-	5,333	-
Interest income	7,798	68,304	70,751	99,737	12,523
Realised gain on foreign exchange	-	-	-	401,158	604,448
Unrealised gain on foreign exchange	-	-	302,738	3,953	-

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18. **PROFIT BEFORE TAX (CONT'D)**

	Audited	Unaudited	|-----------------------Audited	-----------------------|	
	1.1.2025 to 30.9.2025 (9 months) RM	1.1.2024 to 30.9.2024 (9 months) RM	1.1.2024 to 31.12.2024 (12 months) RM	1.1.2023 to 31.12.2023 (12 months) RM	1.1.2022 to 31.12.2022 (12 months) RM
***Staff costs**					
- Salaries, allowances, incentives, overtimes and bonuses	6,175,245	4,520,341	6,796,418	4,337,358	8,168,447
Defined contribution plans ("EPF")	468,606	379,127	576,009	529,947	396,960
Employment insurance ("EIS")	5,645	4,003	5,603	4,194	3,915
Social security contributions ("SOCSO")	78,605	48,296	71,812	42,600	37,153
	6,728,101	4,951,767	7,449,842	4,914,099	8,606,475

Included in the staff costs is directors' emoluments as shown below:

	Audited	Unaudited	|-----------------------Audited	-----------------------|	
	1.1.2025 to 30.9.2025 (9 months) RM	1.1.2024 to 30.9.2024 (9 months) RM	1.1.2024 to 31.12.2024 (12 months) RM	1.1.2023 to 31.12.2023 (12 months) RM	1.1.2022 to 31.12.2022 (12 months) RM
Directors' emoluments					
- Salaries, incentives and bonuses	945,000	810,000	1,188,000	978,000	1,377,000
- EPF	108,000	97,200	142,560	163,800	129,120
- EIS	214	178	250	237	206
- SOCSO	1,875	1,560	2,184	2,080	1,798
	1,055,089	908,938	1,332,994	1,144,117	1,508,124

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19. TAXATION

	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	Audited 1.1.2024 to 31.12.2024 (12 months) RM	Audited 1.1.2023 to 31.12.2023 (12 months) RM	Audited 1.1.2022 to 31.12.2022 (12 months) RM
Malaysia income tax: Based on results for the financial year					
Current tax	(785,000)	(968,000)	(1,568,000)	(2,000,000)	(2,220,000)
- Deferred tax relating to the origination and reversal of temporary differences	34,000	160,000	69,000	(180,000)	(117,000)
	(751,000)	(808,000)	(1,499,000)	(2,180,000)	(2,337,000)
Over/(Under) provision in prior year					
- Current tax	122,290	330,703	330,703	(177,626)	50,213
- Deferred tax	(7,000)	59,000	59,000	122,696	8,000
	115,290	389,703	389,703	(54,930)	58,213
	(635,710)	(418,297)	(1,109,297)	(2,234,930)	(2,278,787)

The reconciliation of taxation of the Group is as follows:

	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	Audited 1.1.2024 to 31.12.2024 (12 months) RM	Audited 1.1.2023 to 31.12.2023 (12 months) RM	Audited 1.1.2022 to 31.12.2022 (12 months) RM
Profit before tax	5,856,302	5,036,932	8,167,587	9,043,740	9,463,875
Income tax at Malaysia statutory tax rate of 24%	(1,405,512)	(1,208,864)	(1,960,221)	(2,170,498)	(2,271,330)
Expenses not deductible for tax purpose	(48,274)	(247,623)	(408,612)	(242,132)	(107,670)
Reinvestment allowance claimed during the financial year	657,786	603,487	824,833	232,630	-
Reduced tax rate on the first RM600,000 chargeable income	45,000	45,000	45,000	-	42,000
	(751,000)	(808,000)	(1,499,000)	(2,180,000)	(2,337,000)
Over/(Under) provision in prior year	115,290	389,703	389,703	(54,930)	58,213
	(635,710)	(418,297)	(1,109,297)	(2,234,930)	(2,278,787)

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

19. **TAXATION (CONT'D)**

Effective from year of assessment 2023, a Malaysian resident company with a paid-up capital of RM2.5 million or less and having gross business income from one or more sources not more than RM50 million qualifies for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act, 1967 as follows:

On the first RM150,000 of chargeable income: 15%
From RM150,000 to RM600,000 of chargeable income: 17%

In excess of RM600,000 of chargeable income: Malaysian corporate statutory tax rate of 24%

20. **EARNINGS PER SHARE**

Basic earnings per share

The calculation of basic earnings per share for the financial period/years ended was based on the profit attributable to owners of the Company and weighted average of ordinary shares outstanding during the financial period/year.

	Audited	**Unaudited**	**|------------Audited**	**-------------**	**------------|**
	1.1.2025 to 30.9.2025 (9 months) RM	**1.1.2024 to 30.9.2024 (9 months) RM**	**1.1.2024 to 31.12.2024 (12 months) RM**	**1.1.2023 to 31.12.2023 (12 months) RM**	**1.1.2022 to 31.12.2022 (12 months) RM**
Profit attributable to owners of the Company	5,220,592	4,618,635	7,058,290	6,808,810	7,185,088
Weighted average number of shares (units)	2,500,002	2,444,446	2,458,335	541,669	437,500
Basic earnings per share	2.09	1.89	2.87	12.57	16.42

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

21. CAPITAL COMMITMENTS

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Contracted but not provided for:				
- Property, plant and equipment	2,997,250	2,590,853	25,358,478	1,430,000

22. SEGMENTAL INFORMATION

Business segments

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group has only one reportable business segment of manufacturing which relates principally to the sale of fabrication of engineering parts and products. Accordingly, no business segmental information is presented.

Geographical segments

Revenue information based on the geographical location of the customers are disclosed in Note 17 to the financial statements.

Location of assets

The Group's non-current assets are maintained entirely in Malaysia.

Information of major customers

The following are major customers from the Group's manufacturing segment which individually contributed to more than 10% of the Group's total revenue:

	Audited	**Unaudited**	Audited		
	1.1.2025 to 30.9.2025 (9 months) RM	**1.1.2024 to 30.9.2024 (9 months) RM**	**1.1.2024 to 31.12.2024 (12 months) RM**	**1.1.2023 to 31.12.2023 (12 months) RM**	**1.1.2022 to 31.12.2022 (12 months) RM**
Customer A	7,730,668	7,070,459	10,503,206	21,323,518	29,481,480
Customer B	25,228,935	13,333,260	22,255,197	11,876,291	19,372,082
Customer C	-	3,700,947	7,396,165	7,856,682	-
	32,959,603	24,104,666	40,154,568	41,056,491	48,853,562

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

23. RELATED PARTY TRANSACTIONS

(i) Identity of related parties

The Group has related party relationship with following companies:

Related parties	Relationship
Yomax Sdn. Bhd. Amex Marketing Sdn. Bhd. Amco Technology Sdn. Bhd.	Companies in which the directors of the Company have substantial financial interests.

(ii) Related party transactions

Related party transactions have been entered into at terms agreed between the parties during the financial period/year.

	Audited 1.1.2025 to 30.9.2025 (9 months) RM	Unaudited 1.1.2024 to 30.9.2024 (9 months) RM	|----------Audited 1.1.2024 to 31.12.2024 (12 months) RM	---------- 1.1.2023 to 31.12.2023 (12 months) RM	----------| 1.1.2022 to 31.12.2022 (12 months) RM
Purchases from:					
- Yomax Sdn. Bhd.	-	-	-	-	(220,964)
- Amex Marketing Sdn. Bhd.	-	-	-	-	(27,568)
- Amco Technology Sdn. Bhd.	-	-	-	-	(4,664,929)
Rental expenses charged by:					
- Yomax Sdn. Bhd.	-	-	-	-	(5,916)
- Amco Technology Sdn. Bhd.	(324,000)	(324,000)	(432,000)	(288,000)	-
- Director	-	-	-	(8,400)	(16,800)
Electricity expenses charged by:					
- Amco Technology Sdn. Bhd.	-	-	-	223,253	464,416
Advance rental paid to:					
- Amco Technology Sdn. Bhd.	-	-	(36,000)	-	-

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

23. RELATED PARTY TRANSACTIONS (CONT'D)

(ii) **Related party transactions**

	Audited	**Unaudited**	**|-----------------------**	**Audited**	**-----------------------|**
	1.1.2025 to 30.9.2025 (9 months) RM	**1.1.2024 to 30.9.2024 (9 months) RM**	**1.1.2024 to 31.12.2024 (12 months) RM**	**1.1.2023 to 31.12.2023 (12 months) RM**	**1.1.2022 to 31.12.2022 (12 months) RM**
Rental deposit paid to:					
- Amco Technology Sdn. Bhd.	-	-	-	(44,000)	-
Payment on behalf by:					
- Amco Technology Sdn. Bhd.	-	-	-	-	(16,337)
Purchase of property, plant and equipment from:					
- Amco Technology Sdn. Bhd.	-	-	-	-	(1,844,500)
Advances from a director	-	-	-	-	1,100,000

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

23. RELATED PARTY TRANSACTIONS (CONT'D)

(iii) **Compensation of key management personnel**

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The remuneration of the directors and other members of key management during the financial period/year is as follows:

	Audited	Unaudited	|---------Audited---------		|
	1.1.2025 to 30.9.2025 (9 months)	1.1.2024 to 30.9.2024 (9 months)	1.1.2024 to 31.12.2024 (12 months)	1.1.2023 to 31.12.2023 (12 months)	1.1.2022 to 31.12.2022 (12 months)
Directors' fee	-	-	-	-	129,000
Salaries, allowances, incentives, overtimes and bonuses	1,568,689	1,378,962	1,970,434	1,927,000	2,550,081
EPF	51,378	155,430	235,099	233,317	178,430
EIS	321	553	725	594	475
SOCSO	3,482	4,837	6,344	5,942	4,792
	1,623,870	1,539,782	2,212,602	2,166,853	2,862,778
Analysed as:					
- Directors	1,055,089	908,938	1,332,994	1,144,117	1,637,124
- Key management personnel	568,781	630,844	879,608	1,022,736	1,225,654
	1,623,870	1,539,782	2,212,602	2,166,853	2,862,778

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24. **FINANCIAL INSTRUMENTS**

24.1 **Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities at amortised cost ("AC").

	Audited							
	30.09.2025		**31.12.2024**		**31.12.2023**		**31.12.2022**	
	Carrying amount RM	**AC RM**	**Carrying amount RM**	**AC RM**	**Carrying amount RM**	**AC RM**	**Carrying amount RM**	**AC RM**
Financial assets								
Trade receivables	12,203,525	12,203,525	20,848,816	20,848,816	12,616,376	12,616,376	15,061,847	15,061,847
Other receivables and refundable deposits	559,821	559,821	523,353	523,353	146,948	146,948	14,932	14,932
Cash and bank balances	1,322,576	1,322,576	822,121	822,121	4,907,791	4,907,791	3,005,418	3,005,418
	14,085,922	14,085,922	22,194,290	22,194,290	17,671,115	17,671,115	18,082,197	18,082,197
Financial liabilities								
Trade payables	3,966,571	3,966,571	9,162,644	9,162,644	6,198,773	6,198,773	9,394,113	9,394,113
Other payables and accruals	1,067,406	1,067,406	3,378,592	3,378,592	784,469	784,469	1,988,095	1,988,095
Borrowings	37,607,015	37,607,015	38,963,111	38,963,111	11,765,341	11,765,341	9,533,052	9,533,052
	42,640,992	42,640,992	51,504,347	51,504,347	18,748,583	18,748,583	20,915,260	20,915,260

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. **FINANCIAL INSTRUMENTS (CONT'D)**

24.2 **Financial risk management**

The Group is exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

24.3 **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises principally from its trade receivables.

24.3.1 **Trade receivables**

The Group is generally **30 to 90 days** (31.12.2024: 30 to 90 days; 31.12.2023: 30 to 90 days; 31.12.2022: 30 to 90 days) credit terms. Receivables are monitored on an ongoing basis via Group's management reporting procedures and action will be taken for long outstanding debts.

The maximum exposure to credit risk arising from trade receivables is represented by carrying amount in the combined statements of financial position.

The ageing analysis of trade receivables of the Group as at the end of the reporting period is as follows:

	Audited			
	30.9.2025	**31.12.2024**	**31.12.2023**	**31.12.2022**
	RM	**RM**	**RM**	**RM**
Not past due	11,528,733	12,633,072	9,935,563	11,986,304
Past due 1 to 30 days	523,590	5,410,851	162,958	2,191,188
Past due 31 to 60 days	111,747	212,791	1,684,308	642,793
Past due 61 to 90 days	15,277	1,952,412	810,091	75,264
Past due more than 90 days	24,178	639,690	23,456	166,298
	674,792	8,215,744	2,680,813	3,075,543
	12,203,525	20,848,816	12,616,376	15,061,847

Trade receivables that are neither past due but not impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due but not impaired have been renegotiated during the financial period/year.

The Group has trade receivables amounting to **RM674,792** (31.12.2024: RM8,215,744; 31.12.2023: RM2,680,813; 31.12.2022: RM3,075,543) that are past due at the end of the reporting period but management is of the view that these past due amounts will be collected in due course and no impairment is necessary.

The Group has significant concentration of credit risk in the form of outstanding balance due from **3 customers** (31.12.2024: 3 customers; 31.12.2023: 3 customers; 31.12.2022: 2 customers) representing **95%** (31.12.2024: 85%; 2023: 83%; 31.12.2022: 75%) of the total trade receivables.

AMBEST GROUP BERHAD
Registration No.: 202301005265 (1499184-T)
(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. **FINANCIAL INSTRUMENTS (CONT'D)**

24.3 **Credit risk (cont'd)**

24.3.1 **Trade receivables (cont'd)**

Maximum exposure to credit risk

The Group regards the entire trade receivables to be low risk.

In managing the credit risk of the trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. The Group measures the allowance for ECL of trade receivables at an amount equal to lifetime ECL using a simplified approach. The ECL on trade receivables are estimated based on past default experience and an analysis of the trade receivables' current financial position, adjusted for factors that are specific to the trade receivables such as liquidation and bankruptcy. Forward-looking information such as gross domestic products ("GDP") rate has been incorporated in determining the expected credit losses.

The Group has not provided any lifetime expected credit losses for trade receivables based on the above assessment as the impact of the Group's combined financial statements is not material.

24.4 **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash and cash equivalents to meet its working capital requirements.

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Audited					
	Carrying amount RM	**Contractual cash flows RM**	**Within one year RM**	**More than one year and less than two years RM**	**More than two years and less than five years RM**	**More than five years RM**
30.9.2025						
Non-derivative financial liabilities						
Trade payables	3,966,571	3,966,571	3,966,571	-	-	-
Other payables and accruals	1,067,406	1,067,406	1,067,406	-	-	-
Borrowings	37,607,015	54,664,181	6,623,852	4,351,950	7,891,291	35,797,088
Lease liability	656,541	684,000	432,000	252,000	-	-
	43,297,533	60,382,158	12,089,829	4,603,950	7,891,291	35,797,088

AMBEST GROUP BERHAD
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(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. **FINANCIAL INSTRUMENTS (CONT'D)**

24.4 **Liquidity risk (cont'd)**

	Audited					
	Carrying amount RM	**Contractual cash flows RM**	**Within one year RM**	**More than one year and less than two years RM**	**More than two years and less than five years RM**	**More than five years RM**
31.12.2024						
Non-derivative financial liabilities						
Trade payables	9,162,644	9,162,644	9,162,644	-	-	-
Other payables and accruals	3,378,592	3,378,592	3,378,592	-	-	-
Borrowings	38,963,111	57,030,693	8,838,372	3,672,344	6,840,588	37,679,389
Lease liability	950,034	1,008,000	432,000	432,000	144,000	-
	52,454,381	70,579,929	21,811,608	4,104,344	6,984,588	37,679,389
31.12.2023						
Non-derivative financial liabilities						
Trade payables	6,198,773	6,198,773	6,198,773	-	-	-
Other payables and accruals	784,469	784,469	784,469	-	-	-
Borrowings	11,765,341	14,638,008	2,529,249	1,930,724	1,418,504	8,759,531
Lease liability	1,324,797	1,440,000	432,000	432,000	576,000	-
	20,073,380	23,061,250	9,944,491	2,362,724	1,994,504	8,759,531
31.12.2022						
Non-derivative financial liabilities						
Trade payables	9,394,113	9,394,113	9,394,113	-	-	-
Other payables and accruals	1,988,095	1,988,095	1,988,095	-	-	-
Borrowings	9,533,052	13,555,703	2,260,801	1,892,817	2,020,166	7,381,919
	20,915,260	24,937,911	13,643,009	1,892,817	2,020,166	7,381,919

24.5 **Interest rate risk**

The Group's fixed rate instruments are exposed to a risk of change in its fair values due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. **FINANCIAL INSTRUMENTS (CONT'D)**

24.5 **Interest rate risk (cont'd)**

The interest rate profile of the Group's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period is as follows:

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
Fixed rate instruments				
Financial assets	31,798	31,237	3,038,986	-
Financial liabilities	8,399,546	6,173,178	3,845,933	4,067,851
Floating rate instrument				
Financial liabilities	29,207,469	32,789,933	7,919,408	5,465,201

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial instruments at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased the Group's profit before tax and equity by **RM73,019** (31.12.2024: RM81,975; 31.12.2023: RM19,799; 31.12.2022: RM13,663) and **RM55,494** (31.12.2024: RM62,301; 31.12.2023: RM15,047; 31.12.2022: RM10,384) respectively and a corresponding decrease would have an equal but opposite effect. These changes are considered to be reasonably possible based on observation of current market condition. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

24.6 **Foreign currency risk**

The objectives of the Group's foreign exchange policies are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in currencies other than the functional currency of the Group. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Renminbi ("RMB") and Euro Dollar ("EURO").

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AMBEST GROUP BERHAD
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(Incorporated in Malaysia)

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONT'D)

24. **FINANCIAL INSTRUMENTS (CONT'D)**

24.6 **Foreign currency risk (cont'd)**

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax and equity. A 10% strengthening of RM against the following currencies at the end of the reporting period would have decreased profit before tax and equity by the amount shown below and a corresponding weakening would have an equal but opposite effect. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

	Audited			
	30.9.2025 RM	**31.12.2024 RM**	**31.12.2023 RM**	**31.12.2022 RM**
USD	292,266	354,827	836,601	630,682
SGD	-	615,852	28,237	-
RMB	-	-	-	(35,115)
EURO	40	(24,034)	-	-
Decrease in profit before tax	292,306	946,645	864,838	595,567
Decrease in equity	222,153	719,450	657,277	452,631

25. **FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS**

The carrying amounts of the Group's financial assets and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rate on or near the end of the reporting period.

The carrying amounts of the non-current portion of hire purchases are reasonable approximation of fair values due to the insignificant impact of discounting.

26. **CAPITAL MANAGEMENT**

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its business and to maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders, adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial years under review as compared to the previous financial year.

27. **SUBSEQUENT EVENT**

There is no other subsequent event since the end of the reporting period to the date of the report save for the implementation of the IPO as disclosed in the Note 1 to the combined financial statements

AMBEST GROUP BERHAD
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STATEMENT BY DIRECTORS

We, the undersigned, being the Directors of the Group, do hereby state that, in our opinion, the accompanying combined financial statements set out on pages 4 to 46 are drawn up in accordance with MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the combined financial position as at 31 December 2022, 31 December 2023, 31 December 2024 and 30 September 2025 and of its financial performance and cash flows for the financial year ended 31 December 2022, 31 December 2023, 31 December 2024 and financial period ended 30 September 2025.

Signed on behalf of the Directors in accordance with a resolution of the Board of Directors:

....	....
Tan Beng Beng	**Lim Eng Guan**

Penang,

Date: 22 December 2025

14. REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION

AMBEST GROUP BERHAD
(Registration No.: 202301005265 (1499184-T))
(Incorporated in Malaysia)

PRO FORMA CONSOLIDATED
STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member Firm of Grant Thornton International Ltd.

GrantThornton

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REPORTING ACCOUNTANTS' REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Prepared for inclusion in the Prospectus)

Date: 22 December 2025

The Board of Directors
Ambest Group Berhad
No. 9, 11 & 42A
Jalan Damar
11960 Batu Maung
Pulau Pinang

Dear Sirs,

AMBEST GROUP BERHAD ("Ambest" or the "Company") and its combining entity (the "Group")

REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2025

We have completed our assurance engagement to report on the compilation of the Pro Forma Consolidated Statements of Financial Position of Ambest Group Berhad ("Ambest" or "Company") and its combining entity, Ambest Technology Sdn. Bhd. (collectively known as "the Group") as at 30 September 2025, together with the notes and assumptions thereto (which we have stamped for the purpose of identification), which have been compiled and prepared by the Directors of the Company ("Directors") for inclusion in the prospectus of the Company ("Prospectus") in connection with the initial public offering ("IPO") and the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("the Listing").

The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are in accordance with the Chapter 9, Part II Division I: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines") and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants ("Applicable Criteria") and described in Note 1 to the Pro Forma Consolidated Statements of Financial Position.

The Pro Forma Consolidated Statements of Financial Position as at 30 September 2025 have been compiled by the Directors, for illustrative purposes only, to show the effects of the Listing on the Consolidated Statement of Financial Position presented had the Listing been effected and completed on that date. As part of this process, financial information about the Group's Consolidated Statement of Financial Position has been extracted by the Directors from the relevant audited financial statements for the financial period ended 30 September 2025, on which the audit reports have been issued without modification.

Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors of the Company are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria.

Audit | Tax | Advisory

Chartered Accountants
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Reporting Accountants' Independence and Quality Management

We are independent of the Group in accordance with the *By-Laws* (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements and accordingly, the firm is required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Consolidated Statements of Financial Position have been properly compiled, in all material respect, by the Directors on the basis of the Applicable Criteria.

We conducted our engagement in accordance with *International Standard on Assurance Engagements ("ISAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus"*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria.

For the purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of the Pro Forma Consolidated Statements of Financial Position included in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the Group as if the events have occurred or the transactions have been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the events or transactions enumerated in the notes thereto, and to obtain sufficient appropriate evidence about whether:-

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

GrantThornton

Reporting Accountants' Responsibility (Cont'd)

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Consolidated Statements of Financial Position have been compiled, in all material respects, on the basis of the Applicable Criteria as set out in the Notes thereon to the Pro Forma Consolidated Statements of Financial Position.

Other Matter

This report has been prepared solely for inclusion in the Prospectus in connection with the IPO and the Listing. It is not intended to be used for any other purposes. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this report contrary to the aforesaid purpose.

Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants

Yeap Bee Har
No. 03715/02/2027 J
Chartered Accountant

Penang

Date: 22 December 2025

14. REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION *(CONT'D)*

AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025

The Pro Forma Consolidated Statements of Financial Position of Ambest Group Berhad ("Ambest" or "Company") and its combining entity (collectively known as "the Group") as at 30 September 2025 as set out below are provided for illustrative purposes only to show the effects of the events and transactions as disclosed in Note 2 to the Pro Forma Consolidated Statements of Financial Position, had the events and transactions took place on 30 September 2025, and should be read in conjunction with the accompanying notes.

		Audited	Pro Forma I	Pro Forma II	Pro Forma III
	Note	As at 30 September 2025	After Internal Restructuring Exercise	After Pro Forma I and IPO	After Pro Forma II and Utilisation of Proceeds from Public Issue
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment		-	51,213,181	51,213,181	51,213,181
Right-of-use asset		-	619,295	619,295	619,295
Intangible asset		-	483,286	483,286	483,286
		-	**52,315,762**	**52,315,762**	**52,315,762**
Current assets					
Inventories		-	7,230,772	7,230,772	7,230,772
Trade receivables		-	12,203,525	12,203,525	12,203,525
Other receivables, deposits and prepayments	**3.1**	260,312	3,689,206	3,689,206	2,086,699
Current tax assets		-	1,433,429	1,433,429	1,433,429
Cash and bank balances	**3.2**	2	1,322,576	28,822,576	13,625,083
		260,314	**25,879,508**	**53,379,508**	**36,579,508**
TOTAL ASSETS		**260,314**	**78,195,270**	**105,695,270**	**88,895,270**
EQUITY AND LIABILITIES					
Equity					
Share capital	**3.3**	2	29,600,002	57,100,002	55,734,335
(Accumulated losses)/ Retained profits	**3.4**	(51,352)	32,309,735	32,309,735	28,875,402
Merger reserve		-	(27,100,000)	(27,100,000)	(27,100,000)
TOTAL EQUITY		**(51,350)**	**34,809,737**	**62,309,737**	**57,509,737**

GRANT THORNTON MALAYSIA PLT
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14. REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION *(CONT'D)*

AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (CONT'D)

The Pro Forma Consolidated Statements of Financial Position of Ambest Group Berhad ("Ambest" or "Company") and its combining entity (collectively known as "the Group") as at 30 September 2025 as set out below are provided for illustrative purposes only to show the effects of the events and transactions as disclosed in Note 2 to the Pro Forma Consolidated Statements of Financial Position, had the events and transactions took place on 30 September 2025, and should be read in conjunction with the accompanying notes. (cont'd)

	Note	Audited	Pro Forma I	Pro Forma II	Pro Forma III
		As at 30 September 2025	After Internal Restructuring Exercise	After Pro Forma I and IPO	After Pro Forma II and Utilisation of Proceeds from Public Issue
		RM	RM	RM	RM
Non-current liabilities					
Borrowings	3.5	-	32,476,633	32,476,633	20,476,633
Lease liability		-	247,887	247,887	247,887
Deferred tax liabilities		-	88,000	88,000	88,000
		-	**32,812,520**	**32,812,520**	**20,812,520**
Current liabilities					
Trade payables		-	3,966,571	3,966,571	3,966,571
Other payables and accruals		311,664	1,067,406	1,067,406	1,067,406
Borrowings		-	5,130,382	5,130,382	5,130,382
Lease liability		-	408,654	408,654	408,654
		311,664	**10,573,013**	**10,573,013**	**10,573,013**
TOTAL LIABILITIES		**311,664**	**43,385,533**	**43,385,533**	**31,385,533**
TOTAL EQUITY AND LIABILITIES		**260,314**	**78,195,270**	**105,695,270**	**88,895,270**
Issued ordinary share (unit)		2	400,000,002	510,000,002	510,000,002
Net (liabilities)/assets per share (RM)		(25,675)	0.09	0.12	0.11
Borrowings (RM)		-	37,607,015	37,607,015	25,607,015
Gearing ratio (Times) #		-	1.08	0.60	0.45

Computed based on the total borrowings of the Group over total equity attributable to owners of the Company.

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AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (CONT'D)

1. **BASIS OF PREPARATION**

The applicable criteria in the preparation of the Pro Forma Consolidated Statements of Financial Position is in accordance with Chapter 9, Division I – Part II of the Prospectus Guidelines issued by the Securities Commission Malaysia and the Guidance Note for Issuers of Pro Forma Financial Information issued by the Malaysian Institute of Accountants.

The Pro Forma Consolidated Statements of Financial Position of the Group as at 30 September 2025 together with the notes thereon, for which the Directors is solely responsible, have been prepared for illustrative purpose only for the purpose of inclusion in the Prospectus of the Company in connection with the IPO and the Listing and quotation of the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") ("the Proposed Listing").

The Pro Forma Consolidated Statements of Financial Position has been prepared based on the audited consolidated financial statements of the Company for the financial year ended 30 September 2025 as contained in the Accountants' Report, which were prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and in a manner consistent with the format of financial statements and the accounting policies of the Group, and adjusted for the impacts of the events and transactions as set out in Note 2 to the Pro Forma Consolidated Statements of Financial Position had the events occurred or the transactions been undertaken on 30 September 2025. The Pro Forma Consolidated Statements of Financial Position may not, because of their nature, give a true picture of the Group and such information does not purport to predict the future financial position of Group.

2. **LISTING SCHEME**

In conjunction with, and as an integral part of the Listing, the Company undertook the following:

(i) **Pro Forma I: Internal Restructuring Exercise**

On 9 June 2025, Ambest entered into a conditional share sale agreement with Lim Eng Guan and Tan Beng Beng to acquire the entire equity interest in Ambest Technology comprising 2,500,000 ordinary shares for a purchase consideration of RM29,600,000. The purchase consideration was satisfied by the issuance of 400,000,000 new ordinary shares in the Company at an issue price of RM0.074 per ordinary share.

The total purchase consideration of RM29,600,000 was arrived on a "willing-buyer willing-seller" basis after taking into consideration the audited net assets ("NA") of Ambest Technology as at 31 December 2024 of RM29,610,168.

The acquisition was completed on 1 December 2025.

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GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (CONT'D)

2. **LISTING SCHEME (CONT'D)**

(ii) **Pro Forma I: Internal Restructuring Exercise (cont'd)**

Merger method of accounting

For the purpose of accounting for the acquisition of its subsidiary, Ambest Technology Sdn. Bhd. ("Ambest Tech"), the Company has adopted the merger accounting principles as the consolidated entity is under common control by the same party before and after the IPO. Under the merger method of accounting, the difference between the cost of investment recorded by the Company (i.e., the consideration for the acquisition of Ambest Tech) and the share capital of Ambest Tech is accounted for as merger reserve, computed as follows:

	RM
Consideration for the acquisition of Ambest Tech	29,600,000
Less: Issued share capital of Ambest Tech as at 30 September 2025	(2,500,000)
Merger reserve	27,100,000

(ii) **Pro Forma II: IPO**

(a) **Public Issue**

A total of 110,000,000 new Ambest ordinary shares ("Issue Shares"), representing 21.57% of the enlarged share capital of Ambest, at an indicative issue price of RM0.25 per share and shall be allocated in the following manner:

- 25,500,000 Issue Shares, representing 5.00% of the enlarged share capital are made available for application by the Malaysian Public;

- 12,750,000 Issue Shares, representing 2.50% of the enlarged share capital for eligible Directors and employees and persons who have contributed to the success of the Group;

- 63,750,000 Issue Shares, representing 12.50% of the enlarged share capital for private placement to identified Bumiputera investors approved by the Ministry of Investment, Trade and Industry of Malaysia ("MITI"); and

- 8,000,000 Issue Shares, representing 1.57% of the enlarged share capital for private placement to selected investors.

(b) **Offer for Sale**

The Offer for Sale comprises an offer for sale of 40,953,000 shares by the existing shareholders of Ambest ("Selling Shareholders"), representing 8.03% of the enlarged share capital of Ambest, at an indicative price of RM0.25 per share.

The Company will not receive any proceeds from the Offer for Sale. The total gross proceeds from the Offer for Sale of RM10,238,250 will accrue entirely to the Selling Shareholders.

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (CONT'D)

2. **LISTING SCHEME (CONT'D)**

(iii) **Pro Forma II: IPO (cont'd)**

(c) **Listing**

Subsequent to the above, the Company's entire enlarged share capital of RM57,100,002 comprising 510,000,002 ordinary shares shall be listed on the ACE Market of Bursa Securities.

(iii) **Pro Forma III: Utilisation of Proceeds from Public Issue**

The total gross proceeds from the Public Issue of RM27,500,000 is expected to be utilised as follows:

	Estimated timeframe for use from the date of the Listing	RM	% of total proceeds from the Public Issue
Details of use of proceeds			
Repayment of bank borrowings [(b)]	Within 3 months	12,000,000	43.64
Purchase of new machinery and equipment[(a)]	Within 24 months	3,900,000	14.18
Working capital	Within 18 months	6,800,000	24.73
Estimated listing expenses [(c)]	Within 1 months	4,800,000	17.45
Total		27,500,000	100.00

Notes:

(a) As at 22 December 2025, being the latest practicable date ("LPD"), the Group has not issued any purchase order for the purchase of new machinery and equipment.

Accordingly, the utilisation of proceeds earmarked for the aforementioned are not reflected in the pro forma consolidated statements of financial position but will remain under cash and bank balances.

(b) Included in the repayment of bank borrowings is early settlement of term loans which were drawn down to part finance the purchase the warehouse/factory which located at No. 42A, Jalan Damar, 11960 Bayan Lepas, Penang.

The early settlement will not attract any early settlement fee as stipulated in the offer letters while the actual interest savings amount may vary depending on the prevailing applicable interest rate and the outstanding balance at that point of time and are not reflected in the Pro Forma Consolidated Statements of Financial Position.

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GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (CONT'D)

2. LISTING SCHEME (CONT'D)

(iii) Pro Forma III: Utilisation of Proceeds from Public Issue (cont'd)

(c) The estimated listing expenses comprise the following:

Details	**RM**
Professional fees	3,600,000
Fees payable to authorities	100,000
Underwriting commission, brokerage fees and placement fees	700,000
Other fees and expenses relating to IPO and Listing	400,000
Total estimated listing expenses	4,800,000

The total listing expenses to be borne by the Company is estimated to be RM4,800,000. As at 30 September 2025, RM1,602,507 has been paid and recorded as prepayment of the Group.

Upon completion of the Proposed IPO, the estimated listing expenses of approximately RM1,365,667 directly attributable to the Proposed Public Issue will be debited against the share capital and the remaining estimated listing expenses of approximately RM3,434,333 will be charged out to the profit or loss of the Group.

If the actual listing expenses are higher than the estimated, the deficit will be funded out from portion out from the portion allocated for working capital requirements. Conversely, if the actual listing expenses are lower than the estimated, the excess will be utilised for working capital requirements.

3. NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

3.1 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The movements of the other receivables, deposits and prepayments are as follows:

	RM
As at 30 September 2025	260,312
Pursuant to Internal Restructuring Exercise	3,428,894
As per Pro Forma I and II	3,689,206
Charged out of prepaid listing expenses (Note 2(iii) (c))	(1,602,507)
As per Pro Forma III	2,086,699

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GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

14. REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION *(CONT'D)*

AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (CONT'D)

3. NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)

3.2 CASH AND BANK BALANCES

The movements of the cash and bank balances are as follows:

	RM
As at 30 September 2025	2
Pursuant to Internal Restructuring Exercise	1,322,574
As per Pro Forma I	1,322,576
Pursuant to Proceeds from proposed IPO	27,500,000
As per Pro Forma II	28,822,576
Pursuant to Utilisation of Proceeds from IPO	
- Payment of remaining estimated listing expenses	(3,197,493)
- Repayment of bank borrowings (Note 2(iii) (b))	(12,000,000)
As per Pro Forma III	13,625,083

3.3 SHARE CAPITAL

The movements of the share capital are as follows:

	No. of Shares	RM
As at 30 September 2025	2	2
Pursuant to Internal Restructuring Exercise	400,000,000	29,600,000
As per Pro Forma I	400,000,002	29,600,002
Pursuant to Proceeds from proposed IPO	110,000,000	27,500,000
As per Pro Forma II	510,000,002	57,100,002
Pursuant to Utilisation of Proceeds from IPO		
- Portion of estimated listing expenses set-off against share capital	-	(1,365,667)
As per Pro Forma III	510,000,002	55,734,335

3.4 (ACCUMULATED LOSSES)/ RETAINED PROFITS

The movements of the (accumulated losses)/ retained profits are as follows:

	RM
As at 30 September 2025	(51,352)
Pursuant to Internal Restructuring Exercise	32,361,087
As per Pro Forma I and II	32,309,735
Pursuant to Utilisation of Proceeds from IPO	
- Portion of estimated listing expenses set-off against profit or loss	(3,434,333)
As per Pro Forma III	28,875,402

GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

AMBEST GROUP BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025 (CONT'D)

3. **NOTES TO PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONT'D)**

3.5 **NON-CURRENT - BORROWINGS**

The movements of the non-current borrowings are as follows:

	RM
As at 30 September 2025	-
Pursuant to Internal Restructuring Exercise	32,476,633
As per Pro Forma I and II	32,476,633
Pursuant to Utilisation of Proceeds from IPO	
- Repayment of bank borrowings	(12,000,000)
As per Pro Forma III	20,476,633

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GRANT THORNTON MALAYSIA PLT
FOR IDENTIFICATION PURPOSES ONLY

14. REPORT ON THE COMPILATION OF PRO FORMA COMBINED STATEMENTS OF FINANCIAL POSITION *(CONT'D)*

AMBEST GROUP BERHAD
Registration No.: 202301005265 (1499184-T)
(Incorporated in Malaysia)

APPROVAL BY BOARD DIRECTORS

The Pro Forma Consolidated Statements of Financial Position has been approved for issue in accordance with a resolution of the Board of Directors of Ambest Group Berhad on 22 December 2025.

Signed on behalf of the Directors,

....	....
Tan Beng Beng	**Lim Eng Guan**

Penang,

Date: 22 December 2025

15. STATUTORY AND OTHER INFORMATION

15.1 SHARE CAPITAL

(a) As at the date of this Prospectus, we have 1 class of shares in our Company, namely, ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.

(b) Save for the new Shares to be issued under the Pink Form Allocation as disclosed in Section 4.3.1(ii) of this Prospectus,

(i) no other Directors or employees of our Group has been or is entitled to be given or has exercised any option to subscribe for any Shares of our Company or our Subsidiaries; and

(ii) there is no scheme involving the directors and employees of our Group in the Shares of our Company or our Subsidiaries.

(c) Save for the new shares issued by our Group as disclosed in Sections 6.1 and 6.4 of this Prospectus, no shares of our Company and our Subsidiaries has been issued as fully or partly paid-up, in cash or otherwise, during the Financial Periods Under Review and the period up to the LPD. None of the said shares was issued by our Group at a discount or under any special term or instalment payment term.

(d) Save for the Issue Shares to be issued pursuant to our Public Issue as disclosed in Section 4.3.1 of this Prospectus, there is no intention on the part of our Directors to further issue any Shares.

(e) As at the date of this Prospectus, our Group do not have any outstanding warrants, options, convertible debt securities or uncalled capital.

(f) There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

15.2 CONSTITUTION

The following provisions are extracted from our Company's Constitution. Terms defined in our Constitution shall have the same meanings when used here unless they are otherwise defined here, or the context otherwise requires.

(a) Remuneration, voting and borrowing powers of Directors

The provision in our Constitution dealing with remuneration, voting and borrowing powers of Directors are as follows: -

<u>Remuneration of Directors</u>

Clause 19.1

The fees of the Directors, and any benefits payable to the Directors including any compensation for loss of employment of a Director shall annually be determined by an Ordinary Resolution of the Company in general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree PROVIDED ALWAYS that:-

a. salaries payable to executive Director(s) may not include a commission on or percentage of turnover;

b. fees payable to non-executive Directors shall be by a fixed sum and not by a commission on or percentage of profits or turnover;

c. fees and benefits payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting; and

d. any fee paid to an alternate Director shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 19.2

The Board may repay to a director all expenses properly incurred in attending and returning from Members' meetings, Board meetings or Board committee meetings; or any other way in connection with the Company's business.

Clause 19.3

If by arrangement with the Directors, any Director shall perform or render any special duties or services outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being wiling shall be called upon to perform extra services or to make any special efforts in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a Member of a committee of Directors, the Company may remunerate the Director so doing a special remuneration in addition to his Directors' Fees and such special remuneration may be by way of a fixed sum or otherwise as may be arranged PROVIDED ALWAYS that the extra remuneration payable to :-

a. an executive Director shall not be by way of commission on or percentage of turnover.

b. a non-executive Director shall be by a fixed sum and not by way commission on or percentage of profits or turnover.

Clause 24.3

The Chief Executive Officer or Managing Director shall, subject to the terms of any agreement entered into any particular case may be, receive such remuneration whether by way of salary or commission or participation in profits or otherwise or by any or all of these modes but such remuneration shall not include a commission on or percentage of turnover but it may be a term of their appointment that they shall receive pension, gratuity or other benefits upon their retirement.

<u>Voting powers of Directors</u>

Clause 22.5

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board and PROVIDED ALWAYS that in the case of an equality of votes, the chairperson of the meeting shall have a second or casting vote. However, in the case of an equality of votes and where two (2) Directors form a quorum and only such a quorum is present at the meeting, or at which only two (2) Directors are competent to vote on the question at issue, the chairperson of a meeting shall not have a casting vote.

Clause 22.8

No Director may vote in respect of any contract or proposed contract or arrangement in which he has directly or indirectly a personal interest nor a contract or proposed contract or arrangement with any other company in which he is interested either as an officer of that other company or as a holder of shares or other securities in that other company.

Clause 22.10

A Director of the Company may be or become a director or other officer of or otherwise be interested in any corporation promoted by the Company or in which the Company may be interested as shareholder or otherwise or any corporation, which is directly or indirectly interested in the Company as shareholder or otherwise and no such Director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such corporation unless the Company otherwise directs at the time of his appointment. The Directors may exercise the voting power conferred by the shares or other interest in any such other corporation held or owned by the Company, or exercisable by them as directors of such other corporation in such manner and in all aspects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors or other officers of such corporation) and any Director may vote in favour of the exercise of such voting rights in manner aforesaid, notwithstanding that he may be, or is about to be appointed, a director or other officer of such corporation and as such is or may become interested in the exercise of such voting rights in manner aforesaid PROVIDED ALWAYS that he has complied with Section 221 and all other relevant provisions of the Act and of this Constitution.

Clause 23.2

An alternate Director is entitled to receive notices of all meetings of the Board and to attend, speak and vote at any of these meetings where the Appointing Director is not present. Subject to this and other parts of the Constitution which say or intend something else, terms and conditions and provisions of the Constitution which apply to Directors also apply to an alternate Director.

Clause 27.1

A resolution in writing signed by a majority of the Directors who may be present in Malaysia and who are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted. All such resolutions shall be described as "Directors' Circular Resolutions" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him in the Company's minute book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors. The expressions "in writing" or "signed" include approval by letter and/or other legible confirmed transmission by facsimile or other forms of electronic communications.

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Borrowing powers of Directors

Clause 21.2 (a)

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party. PROVIDED ALWAYS that nothing contained in this Constitution shall authorise the Directors to borrow any money or mortgage or charge any of the Company's or any of its subsidiaries' undertaking, property or any uncalled capital or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party. Provided also that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of Members.

(b) Changes to Share Capital

The provision in our Constitution dealing with changes to our share capital are as follows: -

Clause 4.2

The Company shall have the power to increase or reduce the capital, to consolidate or subdivide the shares into shares of larger or smaller amounts and to issue all or any part of the original or any additional capital as fully paid or partly paid shares and with any special or preferential rights or privileges, or subject to any special terms or conditions and either with or without any special designation, and also from time to time to alter, modify, commute, abrogate or deal with any such privileges, terms, conditions or designations in accordance with the regulations for the time being of the Company.

Clause 14.1

The Company may alter its share capital by passing a Special Resolution to:-

a. consolidate and divide all or any of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived;

b. subdivide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the shares from which the subdivided share is derived; and

c. subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of shares into any other class of shares.

Clause 14.2

The shareholders can pass a special resolution to reduce in any way the Company's share capital in accordance with Subdivision 4 of Division 1 of Part III of the Act, whether with the confirmation of the Court or a solvency statement.

Clause 14.3

The Company may, subject to it obtaining such approval from the relevant authorities (if required) and to its compliance with the Act, Listing Requirements, Central Depositories Act, Rules and this Constitution (where applicable), purchase its own shares. Any shares so purchased by the Company shall be dealt with in accordance with the Act and the relevant guidelines or requirements issued by Bursa Securities and/or any other relevant authority from time to time. The provisions of Clauses 14.1 and 14.2 hereof shall not affect the power of the Company to cancel any shares or reduce its share capital pursuant to any exercise of the Company's powers under this Clause.

(c) Transfer of Securities

The provision in our Constitution dealing with transfer of securities of our Company are as follows: -

Clause 9.1

The transfer of any listed security or class of any listed security of the Company, shall be by way of book entry by Bursa Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of the listed securities which have been deposited with Bursa Depository by the Company.

Clause 9.2

No shares shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.

Clause 10.5

Where:-

a. the securities of the Company are listed on another stock exchange; and

b. the Company is exempted from compliance with Section 14 of the Central Depositories Act or Section 29 of the Securities Industry (Central Depositories) (Amendment) Act 1998, as the case may be under the Rules in respect of such securities,

the Company shall upon the request of a securities holder, permit a transmission of securities held by such securities holder from the register of holders maintained by the registrar of the Company in the jurisdiction of the other stock exchange to the register of holders maintained by the registrar of the Company in Malaysia and vice versa provided that there shall be no change in the ownership of such securities.

(d) Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights

Clause 4.1

The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.

Clause 4.3

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares and subject to the Listing Requirements, the Act and to the conditions, restrictions and limitations as expressed in this Constitution and to the provisions of any resolution of the Company, the Board may issue, allot, grant options over, or otherwise dispose of unissued shares in the Company to such persons at such price, on such terms and conditions, with such preferred, deferred or other special rights and subject to such restrictions and at such times as the Board may determine, provided that:-

a. in the case of shares other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;

b. every issue of shares, options or other convertible securities (as applicable) to employees and/or the Directors shall be approved by the Members in general meeting provided that such approval shall specifically detail the number of shares, options or other convertible securities to be issued to the employees and/or the Directors.

Clause 4.4

Subject to the Act, any other applicable laws and any other requirements of the Securities Commission, any preference shares may with the sanction of an Ordinary Resolution be issued on the terms that they are or at the option of the Company are liable to be redeemed and the Company shall not issue preference shares ranking in priority over preference shares already issued but may issue preference shares ranking equally therewith. Preference shareholders shall have:

a. the right to vote at any meeting convened in each of the following circumstances
   i. when the dividend or part of the dividend on the share is in arrears for more than six (6) months;
   ii. on a proposal to reduce the Company's share capital;
   iii. on a proposal for the disposal of the whole of the Company's property, business and undertaking;
   iv. on a proposal that affects the rights attached to the preference shares;
   v. on a proposal to wind up the Company; and
   vi. during the winding up of the Company.

b. the same rights as a holder of ordinary shares in relation to receiving notices, reports, audited financial statements and attending meetings of the Company

Clause 5.1

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of not less than seventy-five per centum (75%) of the issued shares total voting rights of the Members of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting the provisions of this Constitution relating to general meetings of Members shall mutatis mutandis apply so that the necessary quorum shall be two (2) persons at least holding or representing by proxy at least one-third (1/3) of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll. To every such Special Resolution the provisions of Section 292 of the Act shall apply with such adaptations as are necessary.

Clause 5.2

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards to participation in the profits or assets of the Company in some or in all respects pari passu therewith.

Clause 34.1

The profits of the Company available for dividend and determined to be distributed shall be applied in the payment of dividends to the Members in accordance with their respective rights and priorities. The Directors may authorise a distribution at such time and in such amount as the Directors consider appropriate, if the Directors are satisfied that the Company will be solvent immediately after the distribution is made.

Clause 34.3

Subject to the rights of persons (if any) entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividends are paid, but no amount paid up on a share in advance of calls shall be treated for the purposes of this Clause as paid up on the share. All dividends shall be apportioned and paid pro-rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividends are paid except that if any share is issued on terms providing that it shall rank for dividend as if paid up (in whole or in part) as from a particular date, such share shall rank for dividend accordingly.

Clause 38.1

If the Company is wound up (whether the liquidation is voluntary, under supervision, or by the court), the liquidator may after the payment or satisfaction of all liabilities of the Company including preferred payments under the Act, with the sanction of a Special Resolution of the Company divide amongst the Members in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

Clause 38.2

Save that this Clause shall be without prejudice to the rights of holders of shares issued upon special terms and conditions the following provisions shall apply:-

a. If the Company shall be wound up and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the Members in proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively; and

b. If in the winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the Members in proportion to the capital paid up, at the commencement of the winding up, on the shares held by them respectively.

15.3 DEPOSITED SECURITIES AND RIGHTS OF DEPOSITORS

As our Shares are proposed for quotation on the Official List, such Shares must be prescribed as shares required to be deposited with Bursa Depository. Upon such prescription, a holder of our Shares must deposit his Shares with Bursa Depository on or before the date is fixed, failing which our Share Registrar will be required to transfer the Shares to the Minister of Finance, and such Shares may not be traded on Bursa Securities.

Dealing in our Shares deposited with Bursa Depository may only be effected by a Depositor by means of entries in the securities account/ CDS Account of that Depositor in accordance with the Rules of Depository.

A Depositor whose name appears in the Record of Depositors maintained by Bursa Depository in respect of our Shares shall be deemed to be our shareholder and shall be entitled to all rights, benefits, powers, and privileges and be subject to all liabilities, duties, and obligations in respect of, or rising from, such Shares.

15.4 GENERAL INFORMATION

(a) Save for the Directors' remuneration as disclosed in Section 5.2.4 of this Prospectus, no other amount or benefit has been paid or given within the past 2 years immediately preceding the date of this Prospectus, nor is it intended to be so paid or given, to any of our Promoters, Directors or substantial shareholders.

(b) Save as disclosed in Section 10.1 of this Prospectus, none of our Directors or substantial shareholders has any interest, direct or indirect, in any contract or arrangement subsisting at the date of this Prospectus and which is significant in relation to the business of our Group.

(c) The manner in which copies of this Prospectus together with the official application forms and envelopes may be obtained and the details of the procedures for application of our Shares are set out in Section 16 of this Prospectus.

15.5 TAXATION AND EXCHANGE CONTROLS

Malaysia is under the single-tier tax system, whereby dividends are exempt in the hands of shareholders. Companies are not required to deduct tax from dividends paid to its shareholders and no tax credits will be available for offset against the recipient's tax liability. Corporate shareholders receiving exempt single-tier dividends can, in turn, distribute such dividends to their own shareholders, who are also exempt on such receipts.

In October 2024, the Malaysian Government has announced the proposed introduction of a dividend tax at the rate of 2% on chargeable dividend income received by both resident and non-resident individual shareholders, including individual who holds shares through nominees, with effect from the year of assessment 2025.

Currently, the Malaysian Government does not levy withholding tax on dividends payment by Malaysian corporations to non-residents. Further, there is no capital gains tax arising from the disposal of listed shares of Malaysian corporations. However, in the event the gain arising from the disposal of listed shares is regarded as revenue in nature in the hands of the shareholders, such gain can be subject to income tax in Malaysia.

As at the date of this Prospectus, we do not have any foreign subsidiary or associated company. As such, there are no law, decree, regulation or other requirement which may affect the repatriation of capital and remittance of profits by or to our Group.

15.6 CONSENTS

(a) The respective written consents of the Principal Adviser, Sponsor, Underwriter, Placement Agent, Corporate Finance Adviser, Due Diligence Solicitors, Company Secretaries, Internal Control Review Consultant, Share Registrar and Issuing House for the inclusion in this Prospectus of their names and all references in the form and context in which such names appear have been given before the issuance of this Prospectus, and such consents have not subsequently been withdrawn;

(b) The written consent of the External Auditors and Reporting Accountants for the inclusion in this Prospectus of its name, Accountants' Report and Report on the Compilation of the Pro Forma Consolidated Statements of Financial Position as at 30 September 2025 and all references thereto, in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus, and such consent has not subsequently been withdrawn; and

(c) The written consent of the IMR for the inclusion in this Prospectus of its name and the IMR Report and all references thereto, in the form and context in which they are contained in this Prospectus have been given before the issuance of this Prospectus, and such consent has not subsequently been withdrawn.

15.7 DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of our Company during normal business hours for a period of 6 months from the date of this Prospectus:

(a) our Constitution;

(b) the audited financial statements of Ambest for FPE 2023, FYE 2024 and FPE 2025;

(c) the audited financial statements of Ambest Technology for FYE 2022, FYE 2023, FYE 2024 and FPE 2025;

(d) the Accountants' Report as set out in Section 13 of this Prospectus;

(e) the Report on the Compilation of Pro Forma Consolidated Statements of Financial Position as at 30 September 2025 as set out in Section 14 of this Prospectus;

(f) the IMR Report as set out in Section 8 of this Prospectus;

(g) the material contracts as set out in Section 7.22 of this Prospectus;

(h) the letters of consent as set out in Section 15.6 of this Prospectus; and

(i) the existing service contracts as set out in Section 5.6 of this Prospectus.

15.8 RESPONSIBILITY STATEMENTS

Our Directors, Promoters and the Selling Shareholders 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 that there is no false or misleading statements or other facts which if omitted, would make any statement in this Prospectus false or misleading.

Malacca Securities being our Principal Adviser, Sponsor, Underwriter and Placement Agent 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.

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16. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE "DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE" ACCOMPANYING THE ELECTRONIC PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT THE ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

16.1 OPENING AND CLOSING OF APPLICATION

Applications for our IPO Shares will be accepted and closed at the time and date stated as below:

OPENING OF THE APPLICATION PERIOD: 10:00 A.M., ON 21 JANUARY 2026

CLOSING OF THE APPLICATION PERIOD: 5:00 P.M., ON 27 JANUARY 2026

In the event there is any change to the timetable, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

Late Applications will not be accepted.

16.2 METHODS OF APPLICATION

16.2.1 Retail Offering

Application must accord with the terms of our Prospectus and our Constitution. The submission of an Application Form does not mean that the Application will succeed.

Types of Application and category of investors	Application Method
Applications by our Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

16.2.2 Private Placement

Types of Application	Application Method
Applications by:	
(a) Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.
(b) Bumiputera Investors approved by MITI	MITI will contact the Bumiputera Investors directly. They should follow MITI's instructions.

Eligible persons, Selected investors and Bumiputera Investors approved by MITI may still apply for our IPO Shares offered to the Malaysian Public using the White Application Form, Electronic Share Application or Internet Share Application.

16.3 ELIGIBILITY

16.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in in the list of ADAs accompanying the Electronic Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts will not be accepted for the Applications.**

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

AN APPLICANT WHO WISHES TO SUBMIT APPLICATIONS USING A JOINT BANK ACCOUNT MUST CONTACT THE FINANCIAL INSTITUTION HANDLING THE APPLICATIONS TO ENSURE THAT THE NAME ON THE JOINT BANK ACCOUNT MATCHES THE NAME ON THEIR CDS ACCOUNT. THIS STEP MINIMIZES THE RISK OF REJECTION OF IPO APPLICATIONS DUE TO NAME DISCREPANCIES. OUR COMPANY, PRINCIPAL ADVISER AND ISSUING HOUSE ARE NOT RESPONSIBLE FOR ANY ISSUES ARISING THEREAFTER.

16.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

(a) You must be one of the following:

(i) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or

(ii) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or

(iii) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

(b) You must not be a director or employee of the Issuing House or an immediate family member of a director or employee of the Issuing House; and

(c) You must submit Applications by using only one of the following methods:

(i) White Application Form;

(ii) Electronic Share Application; or

(iii) Internet Share Application.

16.3.3 Application by the Eligible Persons

Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation as well as detailed procedures on how to subscribed to the allocated IPO Shares. Applicants must follow the notes and instructions on the said documents and where relevant, in this Prospectus. All duly completed Pink Application Forms should be submitted to our Group through the Human Resources or Finance Department.

The Eligible Persons who have made applications using the Pink Application Form may still apply for our IPO Shares allocated to the Malaysian Public using the White Application Form or through the Electronic Share Application or the Internet Share Application.

16.4 APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions printed therein or which are illegible will not be accepted.

The FULL amount payable is RM0.25 for each IPO Share.

Payment must be made out in favour of **"MIH SHARE ISSUE ACCOUNT NO. 695**"and crossed **"A/C PAYEE ONLY"** and endorsed on the reverse side with your name and address.

Method below is relevant for White Form Application Form only whereas for Pink Application Form, kindly direct the submission of the form to our Company, through the Human Resources or Finance Department.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

(i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
(Registration No. 199301003608 (258345-X))
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

(ii) **DELIVER BY HAND AND DEPOSIT** in the issuing house drop-in box provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

so as to arrive not later than 5:00 p.m. on 27 January 2026 or by such other time and date specified in any change to the time or date for the closing of the applications for our IPO shares.

We, together with the Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to the Issuing House.

16.5 APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

16.6 APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the following Internet Participating Financial Institutions or Participating Securities Firms, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CGS International Securities Malaysia Sdn Bhd, Hong Leong Investment Bank Berhad, iFAST Capital Sdn. Bhd., Kenanga Investment Bank Berhad, Malacca Securities Sdn Bhd, Malayan Banking Berhad, Moomoo Securities Malaysia Sdn Bhd, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions or Participating Securities Firms (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions or Participating Securities Firms.

16.7 AUTHORITY OF OUR BOARD AND THE ISSUING HOUSE

The Issuing House, on the authority of our Board reserves the right to:

(a) reject Applications which:

  (i) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or

  (ii) are illegible, incomplete or inaccurate; or

  (iii) are accompanied by an improperly drawn up, or improper form of, remittance; or

(b) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and

(c) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 16.9 of this Prospectus below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of the Issuing House at anytime within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

16.8 OVER / UNDER SUBSCRIPTION

In the event of over-subscription, the Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of our IPO shares and the balloting results in connection therewith will be furnished by the Issuing House to the SC, Bursa Securities, at all major Bahasa Malaysia and English newspapers as well as posted on the Issuing House's website at www.mih.com.my within one Market Day after the balloting date.

Pursuant to the Listing Requirements, we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event this requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and/or Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.3.3 of this Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Underwriter based on the terms of the Underwriting Agreement.

16.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

16.9.1 For applications by way of Application Forms

(a) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your registered or correspondence address last maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.

(b) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by the Issuing House as per items (a) and (b) above (as the case may be).

(d) The Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary / registered post to your registered or correspondence address last maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (b) above (as the case may be).

16.9.2 For applications by way of Electronic Share Application and Internet Share Application

(a) The Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited (without interest) into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from the Issuing House.

(b) You may check your account on the 5th Market Day from the balloting date.

(c) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by the Issuing House by crediting into your account with the Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions or Participating Securities Firms will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from the Issuing House.

16.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

(a) Our IPO Shares allotted to you will be credited into your CDS account.

(b) A notice of allotment will be despatched to you at your registered or correspondence address last maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.

(c) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.

(d) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

16.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. +603-7890 4700
Electronic Share Application	The relevant Participating Financial Institutions
Internet Share Application	The relevant Internet Participating Financial Institutions or Participating Securities Firms or Authorised Financial Institutions

You may also check the status of your Application at the Issuing House's website at www.mih.com.my, by entering your CDS Account Number on the site after the allotment date. The status of your Application will be available by 3:00 PM. Alternatively, you may contact any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the Electronic Prospectus on the website of Bursa Securities.

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