

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR COMPANY

Our Company was incorporated in Malaysia under the Act on 21 July 2022 as a private limited company under the name of UUE Holdings Sdn Bhd. On 21 August 2023, our Company was converted into a public limited company and adopted our present name.

Our Company is principally an investment holding company. There has been no material change in the manner in which we conduct our business or activities since our incorporation and up to LPD. Through our subsidiaries, we are principally involved in the provision of underground utilities engineering solutions where we specialise in the HDD method of laying pipes, and also employ the open cut and micro trenching excavation methods. Our Group is also involved in the manufacturing and trading of HDPE pipes, primarily to support our underground utilities engineering projects in Malaysia and Singapore. Please refer to Section 7.1 for detailed information of our Group's history.

[As at LPD, our share capital is RM48,339,000 comprising 483,390,000 Shares], which have been issued and fully paid-up. The movements in our share capital since the date of our incorporation are set out below:

Date of allotment	No. of Shares allotted	Consideration/ Types of issue	Cumulative share capital RM
21 July 2022	2	RM2/ Subscribers' share	2
16 May 2023	18	Nil/ Share split	2
17 May 2023	80	RM8/ Cash	10
[•]	483,389,900	RM48,338,990/ Consideration for the Acquisitions	48,339,000

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

Upon completion of our IPO, our enlarged share capital will increase to RM[•] million comprising 608,292,000 Shares.

6.2 DETAILS OF THE ACQUISITIONS

In preparation for our Listing, we have undertaken the Acquisitions. On 18 August 2023, we entered into the following agreements:

- (a) a conditional share purchase agreement with Datuk Dr Ting, Hin Wai Mun and Ting Meng Pheng to acquire a total of 750,000 ordinary shares in Kum Fatt representing the entire equity interest for a total purchase consideration of RM24.2 million which was satisfied by the issuance of 242,249,900 new Shares to the vendors at an issue price of RM0.10 each;
- (b) a conditional share purchase agreement with Datuk Dr Ting and Chong Tuoo Choi to acquire a total of 250,000 ordinary shares representing the entire equity interest in Konnection for a total purchase consideration of RM18.2 million which was satisfied by the issuance of 181,740,000 new Shares to the vendors at an issue price of RM0.10 each; and
- (c) a conditional share purchase agreement with Datuk Dr Ting and Hin Wai Mun to acquire a total of 2,400,000 ordinary shares representing the entire equity interest in PPI for a total purchase consideration of RM5.9 million which was satisfied by the issuance of 59,400,000 new Shares to the vendors at an issue price of RM0.10 each.

6. INFORMATION ON OUR GROUP (Cont'd)

Details of the Acquisitions and the number of Shares issued to the vendors pursuant to the Acquisitions are as follows:

Vendors of Kum Fatt	Shareholdings in Kum Fatt			
	No. of shares acquired	% of share capital	(1)Purchase consideration	No. of Shares issued
			RM	
Datuk Dr Ting	487,500	65.0	15,745,990	157,459,900
Hin Wai Mun	112,500	15.0	3,634,000	36,340,000
Ting Meng Pheng	150,000	20.0	4,845,000	48,450,000
	750,000	100.0	24,224,990	242,249,900

Note:

- (1) After rounding adjustments agreed between the vendors of Kum Fatt made on the purchase consideration. Correspondingly, the number of Shares issued are pursuant to the rounded purchase consideration.

The purchase consideration for the Acquisition of Kum Fatt of RM24.2 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Kum Fatt as at 28 February 2023 of RM24.7 million.

Vendors of Konnection	Shareholdings in Konnection			
	No. of shares acquired	% of share capital	(1)Purchase consideration	No. of Shares issued
			RM	
Datuk Dr Ting	187,500	75.0	13,631,000	136,310,000
Chong Tuoo Choi	62,500	25.0	4,543,000	45,430,000
	250,000	100.0	18,174,000	181,740,000

Note:

- (1) After rounding adjustments agreed between the vendors of Konnection made on the purchase consideration. Correspondingly, the number of Shares issued are pursuant to the rounded purchase consideration.

The purchase consideration for the Acquisition of Konnection of RM18.2 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of Konnection as at 28 February 2023 of RM17.5 million.

Vendors of PPI	Shareholdings in PPI			
	No. of shares acquired	% of share capital	Purchase consideration	No. of Shares issued
			RM	
Datuk Dr Ting	1,680,000	70.0	4,158,000	41,580,000
Hin Wai Mun	720,000	30.0	1,782,000	17,820,000
	2,400,000	100.0	5,940,000	59,400,000

6. INFORMATION ON OUR GROUP (Cont'd)

The purchase consideration for the Acquisition of PPI of RM5.9 million was arrived at on a "willing-buyer willing-seller" basis after taking into consideration the audited NA of PPI as at 28 February 2023 of RM6.1 million.

The Acquisitions were completed on [•]. Thereafter, Kum Fatt, Konnection and PPI became our wholly-owned subsidiaries, as set out in our group structure under Section 6.3.

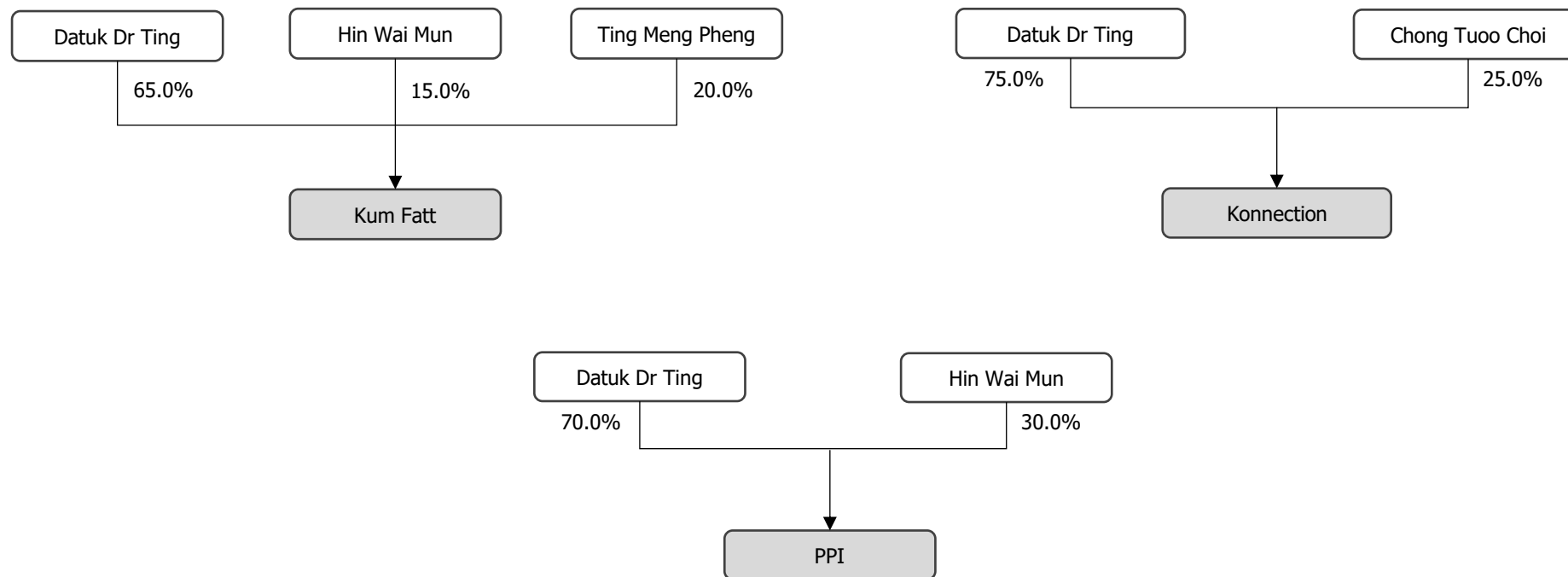
The new Shares issued under the Acquisitions rank equally in all respects with our existing Shares including voting rights and will be entitled to all rights and dividends and/or other distributions, the entitlement date of which is subsequent to the date of issuance of the new Shares.

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6. INFORMATION ON OUR GROUP (Cont'd)

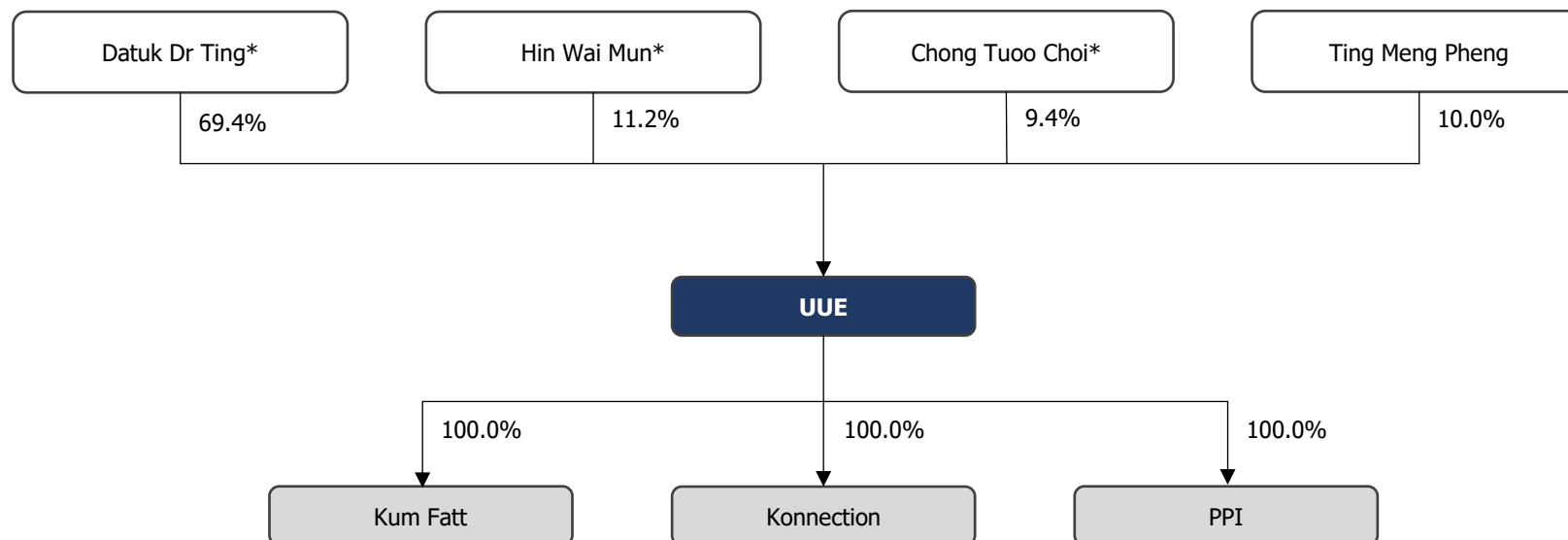
6.3 GROUP STRUCTURE

Before the Acquisitions



6. INFORMATION ON OUR GROUP (Cont'd)

After the Acquisitions but before our IPO

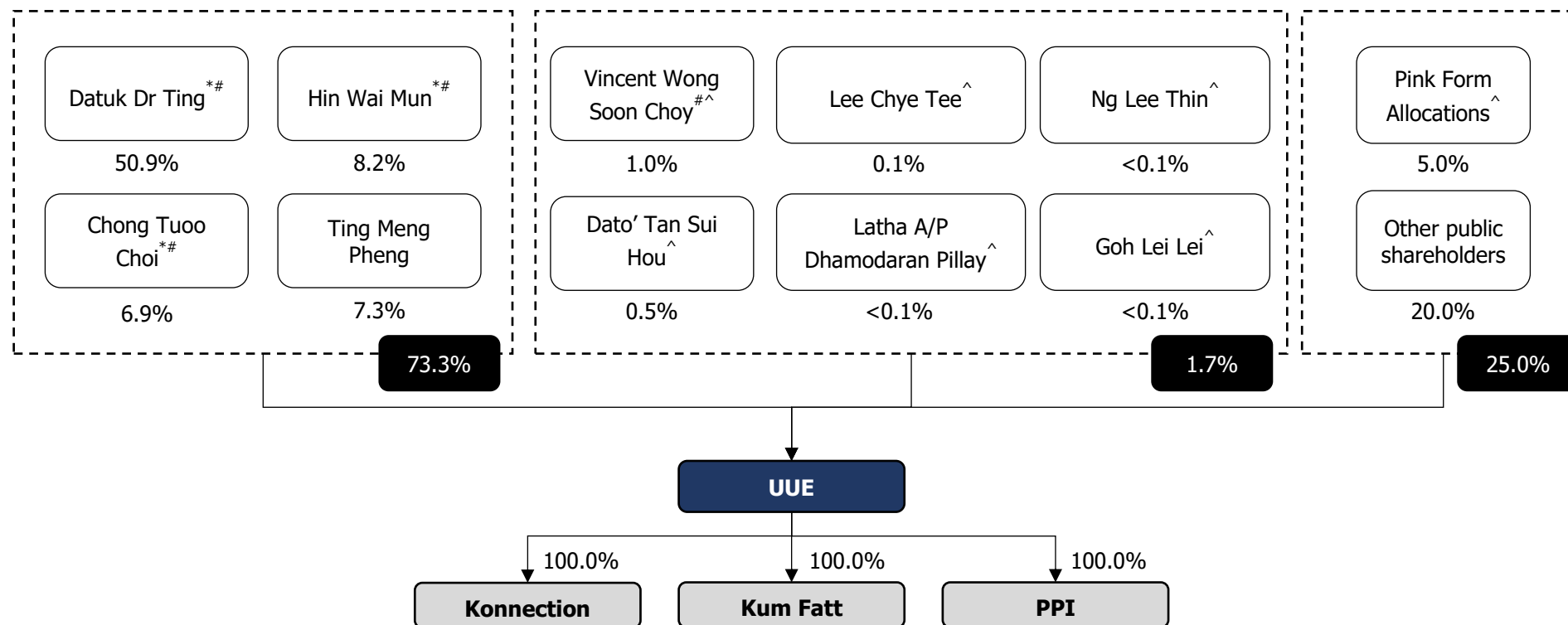


Notes:

* Relates to the Promoters.

6. INFORMATION ON OUR GROUP (Cont'd)

After our Acquisitions and our IPO



Notes:

* Relates to the Promoters.

^ Assuming that all Eligible Persons will subscribe for the Pink Form Allocations.

Relates to our Executive Directors.

Upon completion of the IPO, the public shareholding spread will be 25.0%.

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

Details of our subsidiaries as at LPD are summarised as follows:

Company/ Registration Number	Date/ Place of incorporation	Issued share capital	Effective equity interest	Principal activities/ Principal place of business
			%	
Kum Fatt/ 200901003119 (846046-M)	6 February 2009/ Malaysia	RM750,000	100.0	Provision of underground utilities engineering services and solutions/ Malaysia
Konnection/ 200901033W	16 January 2009/ Singapore	SGD250,000 ⁽¹⁾ (RM846,275)	100.0	Provision of underground utilities engineering services and solutions/ Singapore
PPI/ 201701010598 (1224763-D)	30 March 2017/ Malaysia	RM2,400,000	100.0	Manufacturing and trading of HDPE pipes/ Malaysia

Note:

- ⁽¹⁾ Based on the closing rate of SGD1.00 = RM3.3851 as at LPD as extracted from BNM's website.

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

As at LPD, we do not have any associated company.

6.5 MATERIAL CONTRACTS

Save as disclosed below, there were no contracts which are or may be material (not being contracts entered into in the ordinary course of business) entered into by our Group for FYE 2021 to 2023 and up to LPD:

- (a) sale and purchase agreement dated 24 May 2021 entered into between Kum Fatt as vendor and Teh Inn Joo as purchaser for the disposal all that piece of land known as unit of two and half storey terrace house held under individual Title No. GRN 263266, Lot No. 28940 Seksyen 39, Bandar Petaling Jaya, Daerah Petaling and Negeri Selangor bearing postal address of 23, Jalan BU 11/4, Bandar Utama, 47800 Petaling Jaya, Selangor measuring approximately 153 sq m at a cash consideration of RM1,400,000. The transaction was completed on 21 October 2021;
- (b) five (5) separate sale and purchase agreements, all dated 13 June 2022 entered into between Kum Fatt as vendor and Bestari Selatan as purchaser for the disposal of the following properties:
- (i) all that piece of freehold land known as HS(D) 179469 PTD 99919 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 195.1829 sq m in area together with 3-storey shop office erected thereon and known as 47, 47-01, 47-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor at a cash consideration of RM1,350,000. The transaction was completed on 2 December 2022;

6. INFORMATION ON OUR GROUP (Cont'd)

- (ii) all that piece of freehold land known as Geran 178037 Lot 57101 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 251 sq m in area together with double storey shop house erected thereon and known as 1, Jalan Molek 2/1, Taman Molek, 81100 Johor Bahru, Johor at a cash consideration of RM2,000,000. The transaction was completed on 2 December 2022;
- (iii) all that piece of land and hereditaments known as HS(D) 179467 PTD 99917 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 153.285 sq m in area together with 3-storey shop office erected thereon and known as 47B, 47B-01 & 47B-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor at a cash consideration of RM1,050,000. The transaction was completed on 2 December 2022;
- (iv) all that piece of land and hereditaments known as HS(D) 179466 PTD 99916 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 153.285 sq m in area together with 3-storey shop office erected thereon and known as 47C, 47C-01 & 47C-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor at a cash consideration of RM1,050,000. The transaction was completed on 2 December 2022;
- (v) all that piece of land and hereditaments known as HS(D) 179468 PTD 99918 in the Mukim of Plentong, District of Johor Bahru, State of Johor measuring approximately 153.285 sq m in area together with 3-storey shop office erected thereon and known as 47A, 47A-01 & 47A-02, Jalan Permas 4, Bandar Baru Permas Jaya, 81750 Masai, Johor at a cash consideration of RM1,050,000. The transaction was completed on 2 December 2022;
- (c) conditional share sale agreement dated 18 August 2023 with Datuk Dr Ting, Hin Wai Mun and Ting Meng Pheng for the Acquisition of Kum Fatt, which was completed on [•];
- (d) conditional share sale agreement dated 18 August 2023 with Datuk Dr Ting and Chong Tuoo Choi for the Acquisition of Konnection, which was completed on [•];
- (e) conditional share sale agreement dated 18 August 2023 with Datuk Dr Ting and Hin Wai Mun for the Acquisition of PPI, which was completed on [•]; and
- (f) underwriting agreement dated [•] between our Company and M&A Securities for the underwriting of 71,006,000 Issue Shares for an underwriting commission of [•]% of the IPO Price multiplied by the number of Issue Shares underwritten.

6.6 PUBLIC TAKE-OVERS

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

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

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

6.7 MAJOR APPROVALS AND LICENCES

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

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(a)	Kum Fatt	Johor Bahru City Council	8 May 2022/ 31 December 2023	Business and Signage Licence To license Kum Fatt's premises as training centres for electrical engineering and management office at 69, Jalan Teratai 7 Taman Johor Jaya, 81100 Johor Bahru, Johor and placement of 1 set of signage	Licences are not transferable except with the permission of the Datuk Bandar	Complied
(b)	Kum Fatt	Johor Bahru City Council	2 December 2021/ 31 December 2023	Business and Signage Licence To license Kum Fatt's premises as management office at 55 & 57 Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor for and placement of 2 sets of signage	Licences are not transferable except with the permission of the Datuk Bandar	Complied
(c)	Kum Fatt	Johor Bahru City Council	15 March 2023/ 31 December 2023	Business and Signage Licence To license Kum Fatt's premises as training centres for electrical engineering, storage, contractor management office at 1, Jalan Istimewa 4, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor and placement of 1 set of signage	Licences are not transferable except with the permission of the Datuk Bandar	Complied
(d)	PPI	Johor Bahru City Council	17 July 2022/ 31 December 2023	Business and Signage Licence To license Kum Fatt's premises for polyvinylchloride piping business and as management office at PTD 204684, Batu 13 1/2 Jalan Sungai Tiram, 81800 Ulu Tiram, Johor and placement of 1 set of signage	Licences are not transferable except with the permission of the Datuk Bandar	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status												
(e)	Kum Fatt	CIDB	5 July 2022/ 23 September 2024	<p>Certificate of Registration</p> <p>To certify that Kum Fatt is a registered contractor with CIDB to undertake the following work:</p> <table border="1"> <thead> <tr> <th>Grade</th> <th>Category</th> <th>Specialisation</th> </tr> </thead> <tbody> <tr> <td>G7⁽¹⁾</td> <td>B⁽²⁾</td> <td>B02⁽⁵⁾, B04⁽⁶⁾, B12⁽⁷⁾, B13⁽⁸⁾, B14⁽⁹⁾, B24⁽¹⁰⁾</td> </tr> <tr> <td>G7</td> <td>CE⁽³⁾</td> <td>CE01⁽¹¹⁾, CE02⁽¹²⁾, CE03⁽¹³⁾, CE10⁽¹⁴⁾, CE13⁽¹⁵⁾, CE21⁽¹⁶⁾, CE31⁽¹⁷⁾, CE36⁽¹⁸⁾</td> </tr> <tr> <td>G7</td> <td>ME⁽⁴⁾</td> <td>E07⁽¹⁹⁾, E08⁽²⁰⁾, M01⁽²¹⁾, M15⁽²²⁾</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) No limit (2) Building (3) Civil Engineering (4) Mechanical and Electrical Engineering (5) Industrialised Building System: Steel Frame System (6) Construction Work on Buildings (7) Glass Installation (8) Tile Installation (9) Paintwork (10) Building Maintenance (11) Road and Pavement Construction (12) Bridge and Jetty Construction (13) Marine Structure (14) Piling (15) Billboard installation (16) Civil Engineering Construction (17) Underground cable path structure (18) Earthwork (19) Internal telecommunications system (20) External telecommunications system (21) Air-conditioning and circulation systems (22) Miscellaneous mechanical equipment</p>	Grade	Category	Specialisation	G7 ⁽¹⁾	B ⁽²⁾	B02 ⁽⁵⁾ , B04 ⁽⁶⁾ , B12 ⁽⁷⁾ , B13 ⁽⁸⁾ , B14 ⁽⁹⁾ , B24 ⁽¹⁰⁾	G7	CE ⁽³⁾	CE01 ⁽¹¹⁾ , CE02 ⁽¹²⁾ , CE03 ⁽¹³⁾ , CE10 ⁽¹⁴⁾ , CE13 ⁽¹⁵⁾ , CE21 ⁽¹⁶⁾ , CE31 ⁽¹⁷⁾ , CE36 ⁽¹⁸⁾	G7	ME ⁽⁴⁾	E07 ⁽¹⁹⁾ , E08 ⁽²⁰⁾ , M01 ⁽²¹⁾ , M15 ⁽²²⁾	<p>(a) This certification cannot be assigned/ transferred</p> <p>(b) The contractor i.e. Kum Fatt shall not undertake any construction project which the value of the construction work exceeds the limit of its grade and shall not conduct any construction project outside its registered categories</p>	<p>Complied</p> <p>Complied</p>
Grade	Category	Specialisation																
G7 ⁽¹⁾	B ⁽²⁾	B02 ⁽⁵⁾ , B04 ⁽⁶⁾ , B12 ⁽⁷⁾ , B13 ⁽⁸⁾ , B14 ⁽⁹⁾ , B24 ⁽¹⁰⁾																
G7	CE ⁽³⁾	CE01 ⁽¹¹⁾ , CE02 ⁽¹²⁾ , CE03 ⁽¹³⁾ , CE10 ⁽¹⁴⁾ , CE13 ⁽¹⁵⁾ , CE21 ⁽¹⁶⁾ , CE31 ⁽¹⁷⁾ , CE36 ⁽¹⁸⁾																
G7	ME ⁽⁴⁾	E07 ⁽¹⁹⁾ , E08 ⁽²⁰⁾ , M01 ⁽²¹⁾ , M15 ⁽²²⁾																

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status								
(f)	Kum Fatt	CIDB	9 July 2022/ 23 September 2024	<p>Government Employment Certificate</p> <p>To certify that Kum Fatt is a registered contractor with CIDB and to allow for participation in the following government procurement work:</p> <table border="1"> <thead> <tr> <th>Grade</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>G7⁽¹⁾</td> <td>B⁽³⁾</td> </tr> <tr> <td>G7⁽²⁾</td> <td>CE⁽⁴⁾</td> </tr> <tr> <td>G7⁽¹⁾⁽²⁾</td> <td>ME⁽⁵⁾</td> </tr> </tbody> </table> <p>Notes: (1) More than RM10,000,000 (Building / General / Mechanical) (2) From RM200,001 and above (for Electrical) (3) Building (4) Civil Engineering (5) Mechanical and Electrical Engineering</p>	Grade	Category	G7 ⁽¹⁾	B ⁽³⁾	G7 ⁽²⁾	CE ⁽⁴⁾	G7 ⁽¹⁾⁽²⁾	ME ⁽⁵⁾	<p>(a) The contractor i.e. Kum Fatt shall not lend, lease, transfer, allow or cause for whatsoever matter that will render this certificate to be used by anyone who is not named in this certificate to obtain any procurement work from the Government</p> <p>(b) Any changes to the information shall be informed to the CIDB within 30 days from the date of such changes</p>	<p>Complied</p> <p>Noted. Please refer to Note (1) below</p>
Grade	Category													
G7 ⁽¹⁾	B ⁽³⁾													
G7 ⁽²⁾	CE ⁽⁴⁾													
G7 ⁽¹⁾⁽²⁾	ME ⁽⁵⁾													
(g)	Kum Fatt	MOF	4 January 2022/ 14 January 2025	<p>Certificate of Registration of Company</p> <p>To certify that Kum Fatt is registered with MOF in relation to supply of service under the following sectors on 4 January 2022:</p> <table border="1"> <thead> <tr> <th>Field Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>090101</td> <td>Building materials and road safety equipment/ building materials</td> </tr> <tr> <td>090201</td> <td>Building materials and road safety equipment/ road safety equipment/ road furniture</td> </tr> <tr> <td>140101</td> <td>Electrical and electronic engineering equipment/ electricity generation and distribution machines and</td> </tr> </tbody> </table>	Field Code	Description	090101	Building materials and road safety equipment/ building materials	090201	Building materials and road safety equipment/ road safety equipment/ road furniture	140101	Electrical and electronic engineering equipment/ electricity generation and distribution machines and	<p>(a) Any changes to the information must be updated via online portal within 21 days from the date of changes</p> <p>(b) A newly registered company with MOF is restricted from making any change on its ownership or directors within 6-month from first date of registration</p>	<p>Noted. Please refer to Note (1) below</p> <p>Complied. There is no change to the directorship and shareholding of Kum Fatt within 6 months from</p>
Field Code	Description													
090101	Building materials and road safety equipment/ building materials													
090201	Building materials and road safety equipment/ road safety equipment/ road furniture													
140101	Electrical and electronic engineering equipment/ electricity generation and distribution machines and													

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status												
				<table border="1"> <tr> <td></td> <td>machinery as well as accessories/ motors and spare parts</td> </tr> <tr> <td>220507</td> <td>Service/ maintenance/ repair engineering and communication/ pump/ water pipes and components</td> </tr> <tr> <td>221003</td> <td>Services/ cleaning and treatment services/ garbage removal</td> </tr> </table>		machinery as well as accessories/ motors and spare parts	220507	Service/ maintenance/ repair engineering and communication/ pump/ water pipes and components	221003	Services/ cleaning and treatment services/ garbage removal		the date of issue of the certificate						
	machinery as well as accessories/ motors and spare parts																	
220507	Service/ maintenance/ repair engineering and communication/ pump/ water pipes and components																	
221003	Services/ cleaning and treatment services/ garbage removal																	
(h)	Kum Fatt	TNB	31 July 2023/ 23 September 2024	<p>Certificate of Registration as Work Contractor</p> <p>To certify that Kum Fatt is registered with TNB as work contractor for the following work:</p> <table border="1"> <thead> <tr> <th>Grade</th> <th>Category</th> <th>Specialisation</th> </tr> </thead> <tbody> <tr> <td>G7⁽¹⁾</td> <td>B⁽²⁾</td> <td>B02⁽⁵⁾, B04⁽⁶⁾, B12⁽⁷⁾, B13⁽⁸⁾, B14⁽⁹⁾, B24⁽¹⁰⁾</td> </tr> <tr> <td></td> <td>CE⁽³⁾</td> <td>CE01⁽¹¹⁾, CE02⁽¹²⁾, CE03⁽¹³⁾, CE10⁽¹⁴⁾, CE13⁽¹⁵⁾, CE21⁽¹⁶⁾, CE31⁽¹⁷⁾, CE36⁽¹⁸⁾</td> </tr> <tr> <td></td> <td>ME⁽⁴⁾</td> <td>E07⁽¹⁹⁾, E09⁽²⁰⁾, M01⁽²¹⁾, M15⁽²²⁾</td> </tr> </tbody> </table>	Grade	Category	Specialisation	G7 ⁽¹⁾	B ⁽²⁾	B02 ⁽⁵⁾ , B04 ⁽⁶⁾ , B12 ⁽⁷⁾ , B13 ⁽⁸⁾ , B14 ⁽⁹⁾ , B24 ⁽¹⁰⁾		CE ⁽³⁾	CE01 ⁽¹¹⁾ , CE02 ⁽¹²⁾ , CE03 ⁽¹³⁾ , CE10 ⁽¹⁴⁾ , CE13 ⁽¹⁵⁾ , CE21 ⁽¹⁶⁾ , CE31 ⁽¹⁷⁾ , CE36 ⁽¹⁸⁾		ME ⁽⁴⁾	E07 ⁽¹⁹⁾ , E09 ⁽²⁰⁾ , M01 ⁽²¹⁾ , M15 ⁽²²⁾	None	Not applicable
Grade	Category	Specialisation																
G7 ⁽¹⁾	B ⁽²⁾	B02 ⁽⁵⁾ , B04 ⁽⁶⁾ , B12 ⁽⁷⁾ , B13 ⁽⁸⁾ , B14 ⁽⁹⁾ , B24 ⁽¹⁰⁾																
	CE ⁽³⁾	CE01 ⁽¹¹⁾ , CE02 ⁽¹²⁾ , CE03 ⁽¹³⁾ , CE10 ⁽¹⁴⁾ , CE13 ⁽¹⁵⁾ , CE21 ⁽¹⁶⁾ , CE31 ⁽¹⁷⁾ , CE36 ⁽¹⁸⁾																
	ME ⁽⁴⁾	E07 ⁽¹⁹⁾ , E09 ⁽²⁰⁾ , M01 ⁽²¹⁾ , M15 ⁽²²⁾																

Notes:

- (1) No limit
- (2) Building
- (3) Civil Engineering
- (4) Mechanical and Electrical Engineering
- (5) Industrialised Building System: Steel Frame System
- (6) Construction Work on Buildings
- (7) Glass Installation
- (8) Tile Installation
- (9) Paintwork
- (10) Building Maintenance
- (11) Road and Pavement Construction

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No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
				<i>(12) Bridge and Jetty Construction</i> <i>(13) Marine Structure</i> <i>(14) Piling</i> <i>(15) Billboard installation</i> <i>(16) Civil Engineering Construction</i> <i>(17) Underground cable path structure</i> <i>(18) Earthwork</i> <i>(19) Internal telecommunications system</i> <i>(20) External telecommunications system</i> <i>(21) Air-conditioning and circulation systems</i>		
(i)	Kum Fatt	TNB	31 July 2023/ 14 January 2025	<p>Certificate of Registration as Service Supplier and Contractor</p> <p>To certify that Kum Fatt is registered with TNB as a service supplier and contractor for the following work:</p> <ul style="list-style-type: none"> • Building materials and road safety equipment/ building materials; • Building materials and road safety equipment/ road furniture; • Electrical and electronic engineering equipment/ electricity generation and distribution machines and machinery as well as accessories/ motors and spare parts; • Service/ maintenance/ repair engineering and communication/ pump/ water pipes and components; and • Services/ cleaning and treatment services/ garbage removal. 	None	Not applicable

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status				
(j)	PPI	MOF	9 November 2022/ 26 November 2025	<p>Certificate of Registration of Company</p> <p>To certify that PPI is registered with MOF in relation to supply of service under the following sector on 8 November 2022:</p> <table border="1"> <thead> <tr> <th>Field Code</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>090102</td> <td>Building materials and road safety equipment/ building materials/ pipes and equipment</td> </tr> </tbody> </table>	Field Code	Description	090102	Building materials and road safety equipment/ building materials/ pipes and equipment	<p>(a) Any changes to the information must be updated via online portal within 21 days from the date of changes</p> <p>(b) A newly registered company with MOF is restricted from making any change on its ownership or directors within 6-month from first date of registration</p>	<p>Noted. Please refer to Note (1) below</p> <p>Complied. There is no change to the directorship and shareholding of PPI within 6 months from the date of issue of the certificate</p>
Field Code	Description									
090102	Building materials and road safety equipment/ building materials/ pipes and equipment									
(k)	PPI	MIDA	<u>Date of Issue</u> 17 March 2020	<p>Letter of Exemption from Manufacturing Licence</p> <p>To approve that PPI is exempted from the requirement to obtain manufacturing license for its business</p>	<p>The company is required to submit application for manufacturing licence if the company has fulfilled the following requirements for the manufacturing licence:</p> <p>(a) The company has shareholder fund of more than RM2,500,000; and</p> <p>(b) The company has more than 75 full-time paid employees</p>	<p>Noted. As at LPD, the shareholder fund of PPI is RM2.4 million and the company has 28 employees</p>				

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(l)	PPI	SIRIM QAS International Sdn Bhd	24 February 2021/ 24 February 2024	Product Certification Licence License for PPI to use the certification mark on polyethylene pipes for water supply as complying with MS 1058:Part 2:2005	None	Not applicable
(m)	PPI	SIRIM QAS International Sdn Bhd	26 February 2021/ 26 February 2024	Product Certification Licence License for PPI to use the certification mark on polyethylene pipes for water supply as complying with ISO 4427-2:2019	None	Not applicable
(n)	PPI	SIRIM QAS International Sdn Bhd	2 October 2023/ 2 October 2024	Product Certification Licence License for PPI to use the certification mark on polyethylene (PE) smooth wall pipes for electrical cable installation as complying with SIRIM 52 : 2022	None	Not applicable
(o)	PPI	TNB	17 November 2022/ 26 November 2025	Certificate of Registration as Service Supplier and Contractor To certify that PPI is registered with TNB as service supplier and contractor for building materials and road safety equipment/ building materials/ pipes and fittings	None	Not applicable
(p)	PPI	DOSH	7 August 2022/ 31 October 2023	Certificate of Fitness for Unfired Pressure Vehicle To certify that the air receiver with registration number JH PMT 93110 has been inspected and satisfied the requirement under the Factories and Machinery Act 1967	None	Not applicable

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Licencee	Issuing authority	Date of issue or commencement/ Date of expiry	Nature of approval/ Licences	Equity and/or major conditions imposed	Compliance status
(q)	PPI	DOSH	29 December 2022/ 27 March 2024	Certificate of Fitness for Unfired Pressure Vehicle To certify that the air receiver with registration number JH PMT 94316 has been inspected and satisfied the requirement under the Factories and Machinery Act 1967	None	Not applicable
(r)	PPI	DOSH	29 December 2022/ 27 March 2024	Certificate of Fitness for Unfired Pressure Vehicle To certify that the air receiver with registration number JH PMT 94315 has been inspected and satisfied the requirement under the Factories and Machinery Act 1967	None	Not applicable
(s)	Kum Fatt	Department of Labour Peninsular Malaysia	16 February 2023/ 16 February 2026	Certificate for Accommodation The accommodation of Kum Fatt at premises located at 3, Jalan Istimewa 4, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor is certified with Certificate for Accommodation issued under Section 24D(2) of Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990	The company should not accommodate more than 52 persons in the accommodation	Complied
(t)	Konnection	Building and Construction Authority, Singapore	14 December 2022/ 1 February 2026	Contractors Registration System To certify that Konnection is approved under contractors registration system under CR07 Workhead: Cable / pipe laying & road reinstatement with an L4 financial grade ⁽²⁾	The company shall have minimum of SGD250,000 paid-up capital	Complied

Notes:

- (1) Kum Fatt and PPI will submit the changes of the information arising from the completion of the Acquisitions via portal.
- (2) The scope of work under CR07 Workhead includes installation of underground cables/pipes and the subsequent reinstatement of roads and other surfaces including detection of underground services. "L4 financial grade" refers to tendering limit of SGD8.0 million.



6. INFORMATION ON OUR GROUP (Cont'd)

In respect of our business operations in Singapore, there is no specific business licence required to be maintained by Konnection save for general registration under the Companies Act 1967 with the Accounting and Corporate Regulatory Authority of Singapore.



As at LPD, our Group has obtained all the required approvals, licences and permits for our business operations. As at LPD, our Group has not faced any issues in relation to renewal of our approvals, licences and permits.

6.8 INTELLECTUAL PROPERTIES

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

<u>No.</u>	<u>Trademarks</u>	<u>Registered owner/ Trademark no.</u>	<u>Class/ Description</u>	<u>Validity period</u>	<u>Approving authority/ Place of application or registration</u>	<u>Status</u>
(a)		Kum Fatt/ TM2023011989	Class 35/ Advertising services to create corporate and brand identity; business consultancy services in relation to corporate image; corporate management assistance; corporate planning	<u>Submission date</u> 4 August 2023	Intellectual Corporation of Malaysia/ Property of Malaysia/	Under Substantive Examination ⁽¹⁾
(b)		Kum Fatt/ TM2019043219	Class 35/ Business management consultancy; business project management services for construction projects; advertising/ publicity; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods; such services may be provided by retail stores, wholesale outlets, through vending machines, mail order catalogues or by means of electronic media, for example, through web sites or television shopping programmes; all included in class 35	24 November 2019 to 25 November 2029	Intellectual Corporation of Malaysia/ Property of Malaysia/	Registered

6. INFORMATION ON OUR GROUP (Cont'd)

<u>No.</u>	<u>Registered owner/ Trademark no.</u>	<u>Class/ Description</u>	<u>Validity period</u>	<u>Approving authority/ Place of application or registration</u>	<u>Status</u>
(c)	 PPI/ TM2021021099	Class 17/ Fittings, not of metal, for hoses; fittings, not of metal, for pipes; junctions, not of metal, for flexible pipes; junctions, not of metal, for pipes; reinforcing materials, not of metal, for pipes	1 August 2021 to 1 August 2031	Intellectual Property Corporation of Malaysia/ Malaysia	Registered
(d)	PREMPOLY PPI/ TM2020003601	Class 17/ Fittings, not of metal, for rigid pipes; junctions, not of metal, for pipes; reinforcing materials, not of metal, for pipes	24 February 2020 to 24 February 2030	Intellectual Property Corporation of Malaysia/ Malaysia	Registered
(e)	 Konnection/ 40202118360T	Class 37/ Construction; Construction services; Pipeline construction; Construction consultancy; Installation of utilities in construction sites	2 August 2021 to 2 August 2031	Intellectual Property Office of Singapore/ Singapore	Registered

Note:

- (1) The trademark application is currently being examined and verified by the Intellectual Property Corporation of Malaysia (“**MyIPO Registrar**”) to ensure that the trademark application complies with all the legal requirements for registration prior to acceptance by MyIPO Registrar for publication and opposition (“**Publication**”). The mark will be registered if there is no opposition made by anyone within 2 months from the date of the advertisement/Publication of the mark in the Government Gazette. Assuming there is no opposition from any third party to the registration of the trademark within the prescribed period, the trademark is expected to be registered with a 10-year’s validity period from the date of the application for registration of the trademark. The Publication for the registration of the trademark is expected to be published by first quarter of 2024, subject to substantive examination of the trademark is accepted by the MyIPO Registrar.

Our Group’s business and profitability are not materially dependent on the trademarks listed above.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9 PROPERTY, PLANT AND EQUIPMENT

6.9.1 Properties owned by our Group

The summary of the material property owned by our Group as at LPD is set out below:

No.	Registered owner/ Postal address/ Title details	Description of property/ Existing use/ Expiry of lease (if any)/ Category of land use (if any)	Approximate land area/ Approximate built-up area	Date of CCC	Encumbrance	Audited NBV as at 28 February 2023 RM'000
(a)	Kum Fatt/ PTD 204684 Jalan Sungai Tiram, Ulu Tiram, 81800 Ulu Tiram, Johor/ GM 4360 Lot 198370 (formerly known as PTD 204684 HSM4266), Mukim Plentong, District of Johor Bahru, State of Johor	Single storey open-sided factory building, guard house and bin centre/ Tenanted to PPI and used as a factory/ Freehold/ Industrial or Industry	6,850.4 sq m/ 1,441.3 sq m	5 May 2015	Charged to Hong Leong Bank Berhad	2,792

The property owned by our Group is not in breach of any land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD. Our property has obtained all the necessary licences and certificates.

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6. INFORMATION ON OUR GROUP (Cont'd)

6.9.2 Properties rented by our Group

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

(a) Kum Fatt

No.	Postal address	Landlord	Description/ Existing use	Approximate land area/ Approximate built-up area (sq ft)	Date of CCC	Period of tenancy/ Rental per annum
(a)	55, Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor	Bestari Selatan	Double storey shophouse/ Office	1,539.2/ 5,681.8 ⁽¹⁾	28 June 1992	1 December 2020 to 30 November 2023/ RM36,000 per annum <u>First renewal period</u> 3 years commencing from 1 December 2023 to 30 November 2026 <u>Second renewal period</u> 3 years commencing from 1 December 2026 until 30 November 2029
(b)	57, Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor	Bestari Selatan	Double storey shophouse/ Office	1,539.2/ 5,681.8 ⁽¹⁾	28 June 1992	1 January 2021 to 31 December 2023/ RM36,000 per annum <u>First renewal period</u> 3 years commencing from 1 January 2024 to 31 December 2026 <u>Second renewal period</u> 3 years commencing from 1 January 2027 until 31 December 2029

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Postal address	Landlord	Description/ Existing use	Approximate land area/ Approximate built-up area (sq ft)	Date of CCC	Period of tenancy/ Rental per annum
(c)	69, Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor	Bestari Selatan	Double storey shophouse/ Training centre	1,539.2/ 2,789.0	28 June 1992	1 August 2021 to 31 July 2024/ RM36,000 per annum <u>First renewal period</u> 3 years commencing from 1 August 2024 to 31 July 2027 <u>Second renewal period</u> 3 years commencing from 1 August 2027 until 31 July 2030
(d)	3, Jalan Istimewa 4, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor	Bestari Selatan	Factory/ Dormitory ⁽²⁾	9,601.4/ 5,400.0	7 August 2002	1 December 2022 to 30 November 2024/ RM72,600 per annum <u>Renewal period</u> 1 year from the expiry date of the tenancy
(e)	1, Jalan Istimewa 4, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor	Bestari Selatan	Factory ⁽³⁾ / Warehouse, office and training centre	13,057.0/ 7,000.0	7 August 2002	1 December 2022 to 30 November 2024/ RM112,800 per annum <u>Renewal period</u> 1 year from the expiry date of the tenancy

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Postal address	Landlord	Description/ Existing use	Approximate land area/ Approximate built-up area (sq ft)	Date of CCC	Period of tenancy/ Rental per annum
(f)	Unit H-14 and H-15, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, Ulu Tiram, 81800 Johor	Embun Karisma Resources (M) Sdn Bhd	Rental of a lodging space for 52 workers ⁽⁴⁾	⁽⁵⁾ Not applicable	24 May 2015	1 October 2023 to 30 September 2024/ RM71,760 per annum <u>Renewal period</u> 1 year from the expiry date of the tenancy

(b) PPI

No.	Postal address	Landlord	Description/ Existing use	Approximate land area/ Approximate built-up area (sq ft)	Date of CCC	Period of tenancy / Rental per annum
(a)	Unit C-03 and Unit C-04, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, Ulu Tiram, 81800 Johor	Embun Karisma Resources (M) Sdn Bhd	Rental of a lodging space for 16 workers ⁽⁴⁾	⁽⁵⁾ Not applicable	4 October 1992	1 November 2022 to 31 October 2023/ RM53,760 per annum <u>Renewal period</u> 1 year from the expiry date of the tenancy

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Konnection

No.	Postal address	Landlord	Description/ Existing use	Approximate land area/ Approximate built-up area (sq ft)	Date of Certificate of Statutory Completion	Period of tenancy / Rental per annum
(a)	8B Admiralty Street #07-07 Singapore 757440	Chua Hui Che	Commercial property serving as office premises for the company	Not applicable/ 1,753.0	18 March 2014	1 June 2023 to 31 May 2024/ SGD33,000 per annum <u>Renewal period</u> 2 years from the date of expiry of the tenancy
(b)	Block 12 18A Kranji Way, #12-03, #12-04, Singapore 739443	Westlite Dormitory (Woodlands) Pte Ltd	Rental of a lodging space for 10 workers	⁽⁵⁾ Not applicable	23 March 2015	1 July 2023 to 30 June 2024/ SGD56,400 per annum (inclusive of monthly service charge) <u>Renewal period</u> None
(c)	37 Tuas View Place Singapore 637883	Gan Services Pte Ltd	Rental of a lodging space for 20 workers	⁽⁵⁾ Not applicable	23 October 2006	15 January 2023 to 14 January 2024/ SGD132,000 per annum <u>Renewal period</u> None

Notes:

- (1) The built-up areas are the combined built-up area of properties located at 55 & 57, Jalan Teratai 7, Taman Johor Jaya, 81100 Johor Bahru, Johor.
- (2) Our Group has obtained the Certificate for Accommodation issued by the Department of Labour Peninsular Malaysia in accordance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 for the dormitory at 3, Jalan Istimewa 4, Taman Perindustrian Desa Cemerlang, 81800 Ulu Tiram, Johor.
- (3) The factory has the required space to store our heavy machinery and equipment as well as to accommodate our VR HDD and simulator training centre.

6. INFORMATION ON OUR GROUP (Cont'd)

- (4) Embun Karisma Resources (M) Sdn Bhd has obtained the Certificate for Accommodation issued by the Department of Labour Peninsular Malaysia in accordance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 for its centralised accommodation at Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, Ulu Tiram, 81800 Johor, details of the Certificate for Accommodation are as follows:

<u>Licencee</u>	<u>Issuing authority</u>	<u>Date of issue or commencement/ Date of expiry</u>	<u>Nature of approval/ Licences</u>	<u>Equity major imposed and/or conditions</u>	<u>Compliance status by the Group</u>
Embun Karisma Resources (M) Sdn Bhd	Department of Labour Peninsular Malaysia	30 March 2023/ 30 March 2026	Certificate for Accommodation The centralised accommodation of Embun Karisma Resources (M) Sdn Bhd at the following premises is certified with Certificate for Accommodation issued under Section 24D(2) of Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990:	The centralised accommodation should not accommodate more than 553 workers.	Not applicable
			(i) Blok A, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, 81800 Ulu Tiram, Johor for 76 workers		
			(ii) Blok B, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, 81800 Ulu Tiram, Johor for 76 workers		
			(iii) Blok C, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, 81800 Ulu Tiram, Johor for 80 workers		
			(iv) Blok D, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, 81800 Ulu Tiram, Johor for 80 workers		
			(v) Blok H, Lot 2152, Batu 13 ¼, Jalan Sungai Tiram, 81800 Ulu Tiram, Johor for 241 workers		

- (5) Not applicable as it is rental of bed space for workers.

Save for the properties rented from Bestari Selatan, all our properties are rented from non-related parties. The properties rented by our Group are not in breach of any land use conditions, statutory requirements, land rules or building regulations/by-laws, which will have material adverse impact on our operations as at LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.3 Acquisition of properties

Our Group has not acquired nor entered into any agreements to acquire any properties during FYE 2021 to 2023 and up to LPD.

6.9.4 Key machinery and equipment

Details of our Group's key machinery and equipment are as follows:

Equipment	Function	Average useful lifespan	Average age	No. of units	No. of units fully depreciated	Audited NBV as at 28 February 2023
		Years	Years			RM'000
HDD machine	Boring machines for installing underground utilities such as pipes, conduits and cables	12	3	15	2	4,298
Excavator	Diggers for trenches, holes and foundations	12	2	1	-	300
Backhoe	Diggers for trenches, holes and foundations	5	3	2	-	58
Underground utility locator / detector	Detection of underground utilities	12	2	6	-	154
Gyroscopic utility mapping device	Collect the as-built data of HDD pipes	12	1	2	-	307
Forklift	Lifting and movement of pipes, conduits and cables	12	4	3	-	168
Lorries	Transportation of pipes, conduits and cables	5	6	25	17	1,451
Microtrencher	Trench digging equipment for installation of fibre optic cables	12	6	1	-	67
Pipe extrusion line	Manufacturing of HDPE pipes	12	3	2	-	681
VR HDD and simulator	VR training software in relation to HDD machine operations and locating system	12	1	8	-	322
					Total	7,806

6. INFORMATION ON OUR GROUP (Cont'd)

We conduct periodic inspection and maintenance of our machinery and equipment and undertake certain repair works when necessary. Our maintenance procedures including oiling, corrosion prevention and cleaning. Machinery which is fully depreciated may not have surpassed its useful life. Although certain machinery and equipment are fully depreciated, they may still operate effectively. If the machinery is well maintained and can operate effectively and efficiently, it will not be disposed. Fully depreciated machinery are disposed when they cannot operate effectively, or are functionally obsolete.

As part of our business strategies and future plans to expand our fleet of construction machinery and equipment, we intend to progressively phase out some of the older construction machinery and equipment which have been fully depreciated after considering the ongoing cost of maintenance and repair relative to the costs and benefits of replacing these machinery and equipment. Please refer to Section 7.18 for further details on the expansion on our fleet of construction machinery and equipment.

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6. INFORMATION ON OUR GROUP (Cont'd)**6.9.5 Material capital expenditures and divestitures****(a) Material capital expenditures**

Save for the expenditures disclosed below, there were no other capital expenditures made by us for FYE 2021 to 2023 and up to LPD:

Capital expenditures	At cost			1 March
	FYE 2021	FYE 2022	FYE 2023	2023 up to
	RM'000	RM'000	RM'000	LPD
Computers	48	54	233	44
Equipment	-	7	-	-
Electrical installation	14	30	-	-
Furniture and fittings	4	342	257	18
Motor vehicles ⁽¹⁾	1,917	1,841	2,903	230
Laboratory equipment	62	52	130	74
Office equipment	7	265	98	12
Plant and machinery ⁽²⁾	3,223	3,188	2,536	351
Renovations	⁽³⁾ 382	⁽³⁾ 409	⁽⁴⁾ 905	⁽⁴⁾ 407
Signboard	1	-	-	-
Capital work-in-progress	⁽⁵⁾ 143	⁽⁵⁾ 762	10	⁽⁶⁾ 12
	5,801	6,950	7,072	1,148

Notes:

- (1) Relates to the purchase of lorries and cars for our operations.
- (2) Relates to the purchase of plant and machinery comprising mainly HDD machines, auger boring machine (acquired from Ecobore Sdn Bhd in FYE 2021 in conjunction with Datuk Dr Ting's departure from the company), excavators, VR HDD and simulator (for training purpose), gyroscopic utility mapping device, locators, solar panel and forklift.
- (3) Relates to renovation costs incurred for offices premises located in Taman Johor Jaya, Johor and factory located in Ulu Tiram, Johor.
- (4) Relates to renovation costs for office, warehouse and dormitory located in Taman Perindustrian Desa Cemerlang, Johor and factory located in Ulu Tiram, Johor.
- (5) Relates to the purchase of 1 unit of pipe extrusion line machine for our manufacturing operations.
- (6) Relates to construction of mud tank equipment for storage purpose.

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

6. INFORMATION ON OUR GROUP (Cont'd)**(b) Material capital divestitures**

Save for the divestitures disclosed below, there were no other capital divestitures made by us for FYE 2021 to 2023 and up to LPD:

Capital divestitures	At cost			1 March
	FYE 2021	FYE 2022	FYE 2023	2023 up to
	RM'000	RM'000	RM'000	LPD
				RM'000
Freehold land	-	⁽¹⁾ 656	⁽¹⁾ 1,467	-
Buildings	-	⁽¹⁾⁽²⁾ 999	⁽¹⁾ 3,393	-
Computers	-	3	-	-
Equipment	-	54	⁽³⁾ 931	-
Furniture and fittings	-	3	⁽³⁾ 389	-
Motor vehicles ⁽⁴⁾	1,065	1,142	600	135
Office equipment	-	15	25	-
Plant and machinery ⁽⁵⁾	697	1,529	2,669	-
Renovations	-	-	⁽¹⁾ 1,743	-
	1,762	4,401	11,217	135

Notes:

- (1) Relates to disposal of properties as detailed in Sections 6.5(a) and 6.5(b).
- (2) Relates to write off of building extensions located in Taman Johor Jaya, Johor pursuant to termination of tenancy agreement in relation to the said building.
- (3) Relates to disposal of equipment as well as furniture and fittings in respect of the disposal of properties as detailed in Section 6.5(b).
- (4) Relates to disposal of motor vehicles that are no longer in good condition.
- (5) Relates to disposal of plant and machinery comprising mainly HDD machines that are no longer in good condition and auger boring machine that is no longer in use as our Group's existing projects do not require the use of auger boring machine. Further, we do not intend to venture into underground utilities engineering services using pipe-jacking method which requires the use of the auger boring machine.

All our capital divestitures were carried out in the ordinary course of business as part of the periodic review of our fixed asset register to identify and eliminate those assets which have been fully depreciated or no longer in use or obsolete or surpassed their useful lives.

As at LPD, other than the proposed utilisation of proceeds from our Public Issue for our capital expenditure as disclosed in Section 4.9.1, we do not have any material capital expenditures and divestitures currently in progress, within or outside Malaysia. Further, save for the purchase of machinery and equipment as disclosed in Section 4.9.1(a) which are approved but not contracted for, our Group does not have any material capital commitment as at LPD.

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.6 Material plans to construct, expand or improve our property, plant and equipment

Save for the proposed utilisation of proceeds from our Public Issue to finance the capital expenditure as set out in Section 4.9.1 and the material capital commitments as set out in Section 12.6, our Group does not have any other immediate plans to construct, expand or improve our property, plant and equipment as at LPD.

6.10 RELEVANT LAWS, REGULATIONS, RULES OR REQUIREMENTS

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

6.10.1 Malaysia

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

The LGA was enacted to revise and consolidate the laws relating to local government in Peninsular Malaysia. Every licence or permit granted by the local authority shall be subject to such conditions and restrictions as the local authority may think fit and shall be revocable by the local authority at any time without assigning any reason therefore.

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

As at LPD, our Group holds and maintains valid business and signage licences issued by the respective local authorities.

(b) Industrial Co-Ordination Act 1975 ("ICA")

The ICA and guideline on application for manufacturing licence issued by MIDA requires manufacturing companies with shareholders' funds of RM2.50 million and above or engaging 75 or more full-time paid employees to apply for a manufacturing licence from the MITI. Failure to observe and adhere to the licensing requirements under the ICA will constitute an offence which is punishable on conviction by a fine not exceeding RM2,000 or to a term of imprisonment not exceeding 6 months and to a further fine not exceeding RM1,000 per day during which the non-compliance continues.

As at LPD, PPI is exempted from the requirements to obtain manufacturing licence for its factory as it neither has the shareholders' fund of RM2.5 million and above nor engaged 75 or more full-time paid employees.

(c) Lembaga Pembangunan Industri Pembinaan Malaysia Act 1994 ("CIDB Act")

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

The CIDB Act prescribes that a contractor must register with the CIDB and hold a valid certificate of registration issued by the CIDB under the CIDB Act in order to carry out or complete, undertake to carry out or complete any construction works or hold himself as a contractor. Failure to comply with the above shall render a person liable to a fine of not less than RM10,000 but not more than RM100,000.

6. INFORMATION ON OUR GROUP (Cont'd)

As at LPD, Kum Fatt maintains a valid Grade G7 certificate of registration as contractors with CIDB respectively. Kum Fatt has also maintained a valid Grade G7 government work procurement certificate with CIDB.

(d) Factories and Machinery Act 1967 ("FMA")

The objective of the FMA and the regulations made thereunder, is to provide for the control of factories on matters relating to safety, health and welfare of factory workers, the registration and inspection of machineries and matters connected thereto.

Certificate of Fitness of Machinery

Section 19(1) of the FMA further states that no person shall operate or cause or permit to be operated any machinery in respect of which a certificate of fitness is prescribed, unless there is in force in relation to the operation of the machinery a valid certificate of fitness issued under the FMA. In the case of any contravention, an inspector of factories and machineries appointed under the FMA shall forthwith serve upon the person aforesaid a notice in writing prohibiting the operation of the machinery or may render the machinery inoperative until such time a valid certificate of fitness is issued. The person who contravenes Section 19(1) shall be liable of an offence and shall, on conviction, be liable to a fine not exceeding RM150,000.

As at LPD, our Group holds 3 valid certificates of fitness issued by Department of Occupational Safety and Health Malaysia for the relevant machineries we use. Please refer to Section 6.7 for further details of the certificates of fitness. Save for the certificate of fitness as disclosed in Section 6.7, no other machineries owned by our Group require the certificate of fitness.

(e) Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHA")

The EMSHA and regulations made thereunder, prescribe the minimum standards of housing for employees and centralised accommodations, requirement for employers to provide health, hospital, medical and social amenities and all matters incidental thereto.

Pursuant to the EMSHA, no accommodation shall be provided to an employee unless the accommodation is certified with a Certificate for Accommodation issued by the Department of Labour. The EMSHA provides that an employer who contravenes this provision commits an offence and shall, on conviction, be liable to a fine not exceeding RM50,000.

As at LPD, we have obtained the relevant Certificates of Accommodation in relation to our 3 worker accommodations. Please refer to Sections 6.9.2(a) and (b) for further details on the Certificates of Accommodation issued in relation to our worker accommodations.

6. INFORMATION ON OUR GROUP (Cont'd)

(f) Immigration Act 1959/63

The Immigration Act 1959/63 is enacted to regulate matters in respect of immigration, including the issuance of visit pass of foreign workers employed by Malaysian employers.

Pursuant to Section 6 of the Immigration Act 1959/63, no person other than citizen shall enter Malaysia unless the person is in possession of a valid entry permit or valid pass lawfully issued to him to enter Malaysia or has been granted an exemption under the Immigration Act 1959/63. The Immigration Act 1959/63 provides that any person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass shall be guilty of an offence and shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both for each such employee.

The foreign workers employed by Kum Fatt and PPI carry valid working permits or entry passes which are valid for a period of 11 to 12 months. As at LPD, all our foreign workers employed by us have valid working permits or entry passes, which are renewable periodically.

6.10.2 Singapore

(a) Contractors Registration System

The Contractors Registration System ("**CRS**") is administered by the BCA to serve the procurement needs of government departments, statutory bodies and other public sector organisations including first level sub-contractors involved in government projects.

A company need only register with the CRS if they wish to participate in construction tenders or carry out construction projects (as a main or a sub-contractor) for the public sector if this is a contractual requirement by the relevant public sector agency.

There are 7 major registration categories, namely Construction Workhead (CW), Construction-Related Workhead (CR), Mechanical & Electrical Workhead (ME), Facilities Management Workhead (FM), Supply Head (SY), Trade Head (TR) and Regulatory Workhead (RW). Applicants are expected to meet the specific registration requirements for each workhead and should satisfy the BCA that they have sufficient financial resources to meet the financial commitments for the respective workheads and grades, that their track record for the past 3 years hits the minimum requirements and that they have the necessary personnel and management and development resources to undertake the work corresponding to the registration workhead applied for.

As at LPD, Konnection hold a valid licence and is a registered contractor under the BCA for the Construction-Related 07 (CR07) Workhead category of cable / pipe laying and road reinstatement.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Employment of Foreign Manpower Act 1990 ("EFMA")

In Singapore, the employment of foreign workers is governed by the Employment of Foreign Manpower Act 1990 of Singapore and regulated by the Ministry of Manpower, Singapore.

Section 5 of EFMA deals with the prohibition of employment of foreign employees without a valid work pass.

Under the EFMA it provides that a person must not employ a foreign employee unless the foreign employee has a valid pass.

Any person who fails to comply with EFMA by employing a foreign employee without a valid work pass shall upon conviction be guilty of an offence and be liable to a fine of at least SGD5,000 and not more than SGD30,000 or to imprisonment for a term not exceeding 12 months or to both.

On a second or subsequent conviction:-

- (i) in the case of an individual, a fine of at least SGD 10,000 and not more than SGD 30,000 and with imprisonment for a term of not less than 1 month and not more than 12 months; or
- (ii) in any other case, be punished with a fine of at least SGD 20,000 and not more than SGD 60,000.

As at LPD, all the foreign employees employed by Konnection have valid work passes. The work pass is usually valid for a period between 1 to 2 years and can be renewed periodically.

Details of the major approvals, licences and permits issued to our Group in order for us to carry out our operations are set out in Section 6.7. Save as disclosed therein, as at LPD, there are no other material laws, regulations, rules or requirements governing the conduct of our business and/or major environmental issue which may materially affect our operations.

6.11 ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

Our Group has implemented, and are in the midst of implementing, the following practices:

(a) Environmental

Our Group believes in preserving and caring for the environment by adopting sustainable practices in our business activities. In managing environmental matters, we will focus on, amongst others, the following:

- (i) being committed to environmental protection and stewardship by minimising risks and impacts to the environment in our daily operations such as installation of rooftop solar systems at our factory which reduces greenhouse gas emissions and usage of rainwater at our factory which minimise water consumption;
- (ii) adhere to all relevant environmental regulatory and legal requirements; and
- (iii) ensure responsible waste management and disposal.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Social

Our Group is committed to act responsibly to all our stakeholders in our business operations as well as to the community in which we operate in. We recognise that our employees are valuable assets and as such, we strive to retain and nurture skilled talent through the following practices:

- (i) ensure a safe, healthy and conducive work environment for our employees;
- (ii) eliminate improper conduct and practices, including but not limited to workplace bullying, discrimination against individual differences, discriminatory and sexual harassment, intimidation and victimisation;
- (iii) ensure equal access to opportunities regardless of one's age, gender, ethnicity, religion, national origin, sexual orientation, disability or any other relevant characteristics;
- (iv) respect and uphold the fundamental workers' rights through the elimination of child labour and forced labour of all forms;
- (v) empower our workforce by supporting their personal and professional growth;
- (vi) cultivate a diverse and inclusive culture that recognises and values individuality; and
- (vii) contribute to the well-being and development of the surrounding community through corporate social responsibility programmes and donation.

(c) Governance

Our Group is committed to conduct our business ethically and in compliance with all relevant laws, regulations, rules and requirements as disclosed in Section 6.10. In maintaining high standards of corporate governance, our Board has progressively adopted all the applicable principles and practices as promulgated in the MCCG in particularly on embracing board gender diversity.

In addition, our Group has adopted the Anti-Bribery and Anti-Corruption policy towards bribery where we have put in place the policies and procedures to ensure strict compliance with the Malaysian Anti-Corruption Commission Act 2009. In relation to our Group's risk management, our Group has put in place a risk management framework to monitor closely on the risk associated with our Group's business as well as the Whistleblowing Policy and Personal Data Protection Policy to ensure and promote fairness in business dealings.

6. INFORMATION ON OUR GROUP (Cont'd)

6.12 EMPLOYEES

As at LPD, we have a total workforce of 237 full-time employees, of which 114 are local employees and 123 foreign employees, and all of whom are permanent employees.

The breakdown of our employees as at 28 February 2021, 28 February 2022, 28 February 2023 and LPD are as follows:

	No. of employees		
	Local (Malaysian)	Foreign	Total employees
As at 28 February 2021			
<u>Department</u>			
Executive Directors ⁽¹⁾	3	-	3
Key senior management	⁽²⁾ 2	-	2
Contract and procurement ⁽⁵⁾	2	-	2
Project, comprising:	20	5	25
- Skilled workers	19	4	23
- General workers	-	-	-
- Project administration	1	1	2
Production	2	-	2
Finance	5	-	5
Human resource and administration	4	2	6
Health and safety	-	-	-
Marketing	1	-	1
Total	39	7	46
<u>Countries</u>			
Malaysia	29	-	29
Singapore	10	7	17
Total	39	7	46
As at 28 February 2022			
<u>Department</u>			
Executive Directors ⁽¹⁾	⁽³⁾ 3	-	3
Key senior management	⁽⁴⁾ 1	-	1
Contract and procurement ⁽⁵⁾	3	-	3
Project, comprising:	37	7	44
- Skilled workers	36	6	42
- General workers	-	-	-
- Project administration	1	1	2
Production	10	6	⁽⁷⁾ 16
Finance	5	-	5
Human resource and administration	12	3	15
Health and safety	1	-	1
Marketing	1	-	1
Total	73	16	89
<u>Countries</u>			
Malaysia	61	6	67
Singapore	12	10	22
Total	73	16	89

6. INFORMATION ON OUR GROUP (Cont'd)

	No. of employees		
	Local (Malaysian)	Foreign	Total employees
As at 28 February 2023			
<u>Department</u>			
Executive Directors ⁽¹⁾	3	-	3
Key senior management	⁽⁴⁾ 1	-	1
Contract and procurement ⁽⁵⁾	7	-	7
Project, comprising:	55	39	94
- Skilled workers	49	17	66
- General workers	1	21	22
- Project administration	5	1	6
Production	8	14	22
Finance	7	1	8
Human resource and administration	16	3	19
Health and safety	2	2	4
Marketing	1	-	1
Total	100	59	159
<u>Countries</u>			
Malaysia	80	14	94
Singapore	20	45	65
Total	100	59	159
As at LPD			
<u>Department</u>			
Executive Directors ⁽¹⁾	⁽⁴⁾ 4	-	4
Key senior management	-	-	-
Contract and procurement ⁽⁵⁾	10	-	10
Project, comprising:	66	104	170
- Skilled workers	56	18	74
- General workers	1	85	86
- Project administration	9	1	10
Production	8	13	21
Finance	7	1	8
Human resource and administration	15	3	18
Health and safety	2	2	4
Marketing	1	-	1
Purchasing and logistics ⁽⁶⁾	1	-	1
Total	114	123	237
<u>Countries</u>			
Malaysia	96	72	168
Singapore	18	51	69
Total	114	123	237

Notes:

- (1) Excludes the non-executive directors of Kum Fatt namely Ting Meng Pheng and Dato' Tan Sui Hou.

6. INFORMATION ON OUR GROUP (Cont'd)

- (2) Being Vincent Wong Soon Choy, the Chief Finance Controller of Kum Fatt which has been appointed in August 2018, and Chong Tuoo Choi, the Executive Director of Konnection which has been appointed in December 2021, both of which have since been appointed as our Executive Directors on 25 May 2023.
- (3) Being Chong Tuoo Choi, the Executive Director of Konnection which has been appointed in December 2021, who has since been appointed as our Executive Director on 25 May 2023.
- (4) Being Vincent Wong Soon Choy, the Chief Finance Controller of Kum Fatt which has been appointed in August 2018, who has since been appointed as our Executive Director/ Chief Financial Officer on 25 May 2023.
- (5) Our Contract and Procurement Department is responsible for reviewing contracts with our customers, identifying suppliers and subcontractors and preparing contracts to subcontractors as well as sourcing construction materials and subcontractor services. Our Contract and Procurement Department is under Kum Fatt.
- (6) Our Purchasing and Logistics Department is responsible for the identification of suppliers and sourcing of raw materials required for the manufacturing of HDPE pipes. Our Purchasing and Logistics Department is under PPI. Prior to the establishment of our Purchasing and Logistics Department, our Factory Manager was responsible for the identification of suppliers and sourcing of raw materials required for the manufacturing of HDPE pipes. In line with the growth of PPI's business, we decided to form a Purchasing and Logistics Department to take on these responsibilities, thereby enabling our Factory Manager to focus on PPI's daily operations and oversee production planning and management.
- (7) During FYE 2021, our Group only had 1 manufacturing line for HDPE pipes i.e. Line 1 and we relied on an average of 7 foreign workers from a labour supply agency to support our internal staff in the operations of Line 1. During FYE 2022, PPI commissioned an additional manufacturing line for HDPE pipes i.e. Line 2. Our Group recruited 14 additional employees under our Production Department to support the manufacturing activities of Line 1 and Line 2.

We have been progressively expanding our Project Department as evidenced by the growth in headcount from 25 to 44, 94 and 170 employees as at 28 February 2021, 28 February 2022, 28 February 2023 and LPD respectively. This increase in headcount in our Project team is attributable to the following:

- (a) In Singapore, over FYE 2023, we created 3 additional teams of general workers with each team comprising between 8 to 10 workers each, in order to expand our scope of underground utilities engineering projects from solely undertaking HDD works to include the planning and implementation of HDD project delivery works, prior to the commencement of underground utilities engineering projects;
- (b) In Malaysia, we expanded our Project Department headcount of general workers by recruiting 59 employees as at LPD in the following manner:
 - (i) to undertake projects in the east coast region where we have secured electricity supply projects with total contract value of RM69.2 million as at LPD. Our existing subcontractors do not have sufficient resources to undertake projects in this region. As such, we have decided to deploy our own team of Project Department employees alongside our subcontractors to undertake our projects in the east coast region; and

6. INFORMATION ON OUR GROUP (Cont'd)

- (ii) due to capacity limitation faced by our subcontractors, they were not able to undertake certain labour-intensive scope of works such as cable laying, traffic management as well as site preparation, maintenance and cleaning prior to handing over the project site to customers. In light of this, we have gradually been expanding our own Project Department by hiring more workers to perform these tasks, and have begun deploying them to some of our project sites to undertake the abovementioned works.

For clarity, our Group is principally responsible for undertaking the technical aspects of the project including project planning and project management, site survey, tracing and utility mapping, commissioning, submission of as-built drawings to TNB and handover. Our subcontractors are responsible for undertaking the labour-intensive physical underground utilities works such as open cut trenching works, micro trenching works, physical HDD works, cable laying works, cable termination and jointing, milling and paving, electrical works and structural works, traffic management as well as site preparation, maintenance and cleaning. We also supply HDPE pipes for the projects that we undertake.

However, due to the increased number of projects we are undertaking, there is a capacity limitation faced by our subcontractors, particularly with regards to cable laying works and general works such as traffic management as well as site preparation, maintenance and cleaning scopes of work, which are more labour intensive. As such, we have gradually begun to undertake these works for some of our projects, depending on the capacity of our team and the subcontractors' team, to ensure that we are able to undertake more projects concurrently, and implement them in a timely manner.

The breakdown of our employees by subsidiary as at 28 February 2021, 28 February 2022, 28 February 2023 and LPD are as follows:

Subsidiaries	No. of employees			
	As at 28 February 2021	As at 28 February 2022	As at 28 February 2023	As at LPD
Kum Fatt	25	48	66	141
Konnection	17	22	65	69
PPI	4	19	28	27
Total	46	89	159	237

None of our employees belong to any labour union and over FYE 2021 to 2023 and up to LPD, there has been no labour dispute between our management and our employees. Additionally, over FYE 2021 to 2023 and up to LPD, there has not been any incident of work stoppage that has materially affected our operations.

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