7. IMR REPORT

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SMITH ZANDER

Date: 30 MAY 2025

The Board of Directors

Geohan Corporation Berhad
No. 40, 42A & 42B
Jalan Datuk Sulaiman
Taman Tun Dr Ismail
60000 Kuala Lumpur

Dear Sirs / Madams,

Independent Market Research Report on the Foundation and Geotechnical Industry in Malaysia and Singapore ("IMR Report")

This IMR Report has been prepared by SMITH ZANDER INTERNATIONAL SDN BHD ("**SMITH ZANDER**") for inclusion in the draft Prospectus in conjunction with the proposed listing of Geohan Corporation Berhad on the Main Market of Bursa Malaysia Securities Berhad.

The objective of this IMR Report is to provide an independent view of the industry in which Geohan Corporation Berhad and its subsidiaries ("**Geohan Group**") operate and to offer a clear understanding of the industry dynamics. Geohan Group is principally involved in the provision of foundation and geotechnical services, as well as other related services in Malaysia, with intention of expanding its customer reach to Singapore. Thus, the scope of work for this IMR Report will address the following areas:

(i) The foundation and geotechnical industry in Malaysia, which is the specific industry in which Geohan Group operates and is a sub-sector of the construction industry;

(ii) Key industry drivers, risks and challenges of the foundation and geotechnical industry in Malaysia;

(iii) Competitive landscape of the foundation and geotechnical industry in Malaysia; and

(iv) The foundation and geotechnical industry in Singapore.

The research process for this study has been undertaken through secondary or desktop research, as well as detailed primary research when required, which involves discussing the status of the industry with leading industry participants. Quantitative market information could be sourced from interviews by way of primary research and therefore, the information is subject to fluctuations due to possible changes in business, industry and economic conditions.

SMITH ZANDER has prepared this IMR Report in an independent and objective manner and has 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 limitations of, amongst others, secondary statistics and primary research, and does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and may not necessarily reflect the performance of individual companies in this IMR Report. SMITH ZANDER shall not be held 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 mentioned in this report.

For and on behalf of SMITH ZANDER:

DENNIS TAN
MANAGING PARTNER

SMITH ZANDER

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The research for this IMR Report was completed on 22 May 2025.

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About SMITH ZANDER INTERNATIONAL SDN BHD

SMITH ZANDER is a professional independent market research company based in Kuala Lumpur, Malaysia, offering market research, industry intelligence and strategy consulting solutions. SMITH ZANDER is involved in the preparation of independent market research reports for capital market exercises, including initial public offerings, reverse takeovers, mergers and acquisitions, and other fund-raising and corporate exercises.

Profile of the signing partner, Dennis Tan Tze Wen

Dennis Tan is the Managing Partner of SMITH ZANDER. Dennis Tan has over 27 years of experience in market research and strategy consulting, including over 22 years in independent market research and due diligence studies for capital markets throughout the Asia Pacific region. Dennis Tan has a Bachelor of Science (major in Computer Science and minor in Business Administration) from Memorial University of Newfoundland, Canada.

1 THE FOUNDATION AND GEOTECHNICAL INDUSTRY IN MALAYSIA

1.1 Introduction to the construction industry

The construction industry can be broadly divided into 2 segments, namely the construction of buildings and infrastructure. The construction of buildings can be further categorised into 3 categories, namely commercial, industrial and residential properties:

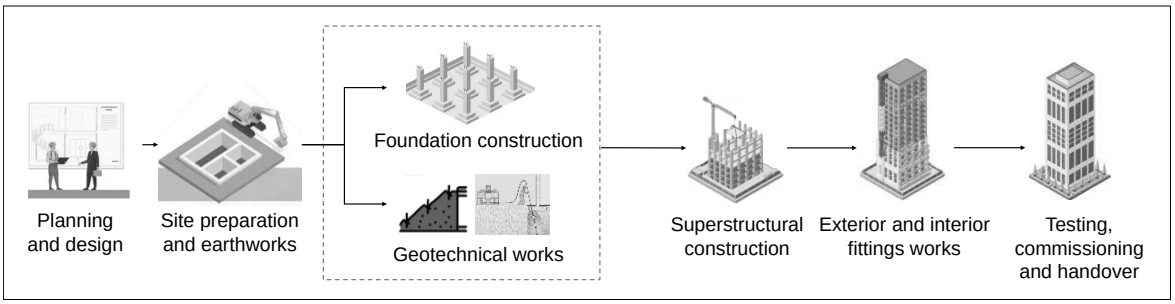
- Commercial properties are used for business purposes, including office buildings, hotels, retail outlets and other institutional or purpose-built buildings such as convention centres, resorts, theme parks as well as educational and medical institutions.
- Industrial properties are buildings or structures where industrial or manufacturing activities are carried out, including factories, warehouses and production plants.
- Residential properties are intended for dwelling purposes.

The construction of infrastructure refers to any form of development used for purposes such as transportation, utilities management and communication, recreation and community use. This includes roads and highways, bridges, jetties, public transportation transit systems (e.g. commuter rail systems, mass rapid transits, light rail transits, subways and bus transportation hubs), cable railways and drainage systems.

The construction works for both buildings and infrastructure follow a similar sequence, which generally begins with the planning and design stage, followed by construction works such as site preparation (e.g. demolition and clearing) and earthworks (e.g. excavation, dumping and filling of soil), foundation construction (e.g. piling, earth retaining structural works and sub-structure works), superstructural construction (e.g. framework, floors and wall construction), exterior and interior fittings works (e.g. painting and coating as well as plumbing, mechanical and electrical works), and lastly finished with testing, commissioning and handover. Additionally, subject to the topography and condition of the construction sites, geotechnical works (e.g. soil testing, slope stabilisation and ground improvement) may be required to stabilise the construction site, which are often carried out along with foundation construction works.

As Geohan Group is principally involved in the provision of foundation and geotechnical services, this IMR Report will focus on the foundation and geotechnical industry, which is a sub-segment of the construction industry in Malaysia. The general sequence of construction works is illustrated below:

General sequence of construction works



Notes:

- *The above is an illustration of the general sequence of construction works, with the construction works for a high-rise building shown as an example. Nevertheless, the sequence of construction works may vary depending on amongst others, the type of development, condition of the construction site and construction techniques used.*
- *depicts the type of works which Geohan Group is principally involved in. Geohan Group is also involved in the provision of earthworks, but this is not part of its principal service offerings.*

Source: SMITH ZANDER

1.2 Overview of foundation and geotechnical works

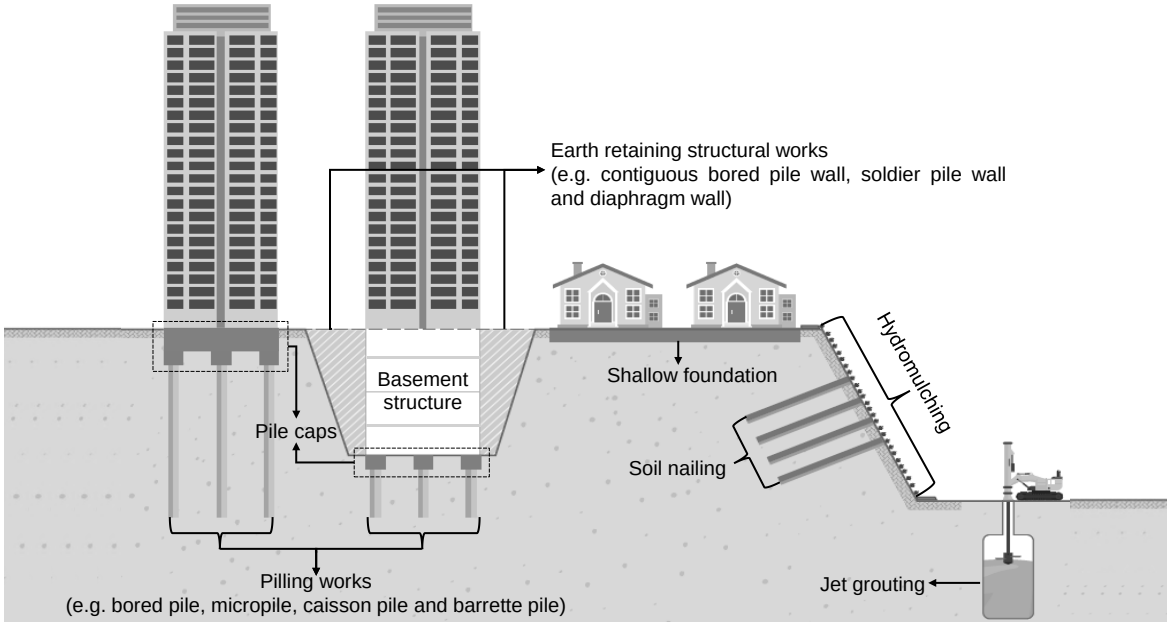
Foundation and geotechnical works encompass all construction activities purposed to enhance the stability of ground and/or to provide a stable foundation in order to uphold the load of the structure built above ground level. The foundation and geotechnical industry can be segmented into 2 main categories, namely (i) foundation works encompassing piling works, earth retaining structural works as well as sub-structure works; and (ii) geotechnical works, as detailed below:

(i) Foundation works include:

- **Piling works**, which refer to the process of driving or boring a pile (which are columns generally constructed using materials such as reinforced or precast concrete, wood, steel and composites) into the ground to serve as a foundation for the structures built above ground level. Thus, these piles must have sufficient strength and durability to support the weight of the structures built above ground level, and should remain stable over a long period of time as well as withstand environmental factors such as strong winds, minor earth tremors, soil movements and underground water. Depending on the type of buildings or infrastructure, the type of piling works carried out vary in terms of load bearing, width, length, material used, methodology and number of piles required. Examples of piling works include bored pile, micropile, caisson pile and barrette pile.
- **Earth retaining structural works**, which are also commonly known as retaining walls, are structures built at construction sites to retain the surrounding soil, rock or other materials during excavation. The primary purpose of retaining walls is to provide lateral support to vertical slopes and prevent soil collapse. These retaining walls are commonly constructed using closely-spaced and/or intersecting sheets and piles made of steel, reinforced or precast concrete and wood. Examples of retaining walls include contiguous bored pile wall, soldier pile wall and diaphragm wall.
- **Sub-structure works**, which refer to the construction of structures below ground level, such as shallow foundations, basement structures and pile caps. Shallow foundations (e.g. raft and pad foundations) are used to distribute structural loads over a larger area and reduce the load-bearing stress on the soil to ensure stability, while basement structures refer to structures built below ground level serving as amongst others, basement floors or parking. Pile caps refer to a thick layer of concrete resting on piles that have been driven into the ground to provide a stable and even foundation.

(ii) Geotechnical works involve geological modification and improvement of ground properties in terms of permeability, strength, capacity and density. Ground modification and improvement play an essential role in the stability of soil and foundations built below ground level, and this would affect the stability of structures built above ground level. Examples of geotechnical works include slope stabilisation via several methods (e.g. soil nail and hydromulching); and ground improvement such as grouting that involves filling cracks and cavities in the ground/ foundation to reduce water permeability, increase the stability of the foundation and improve underground properties.

Illustrations of some examples of foundation and geotechnical works



Note:

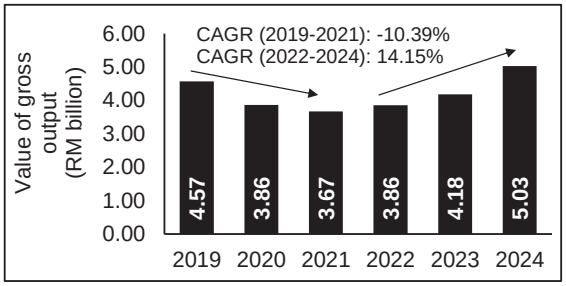
- *The examples above are not exhaustive and are for illustration purpose.*

Source: SMITH ZANDER

1.3 Industry Performance, Size and Growth

The foundation and geotechnical industry in Malaysia is represented by value of gross output for foundation and geotechnical works in Malaysia. From 2019 to 2021, the foundation and geotechnical industry in Malaysia declined from RM4.57 billion in 2019 to RM3.67 billion in 2021 at a negative compound annual growth rate ("**CAGR**") of 10.39%. This decline was primarily due to the outbreak of the COVID-19 pandemic beginning 2020, which caused nationwide lockdowns and movement restrictions imposed by the Government of Malaysia ("**Government**"), resulting in operational restrictions, labour shortages and supply chain disruptions which impacted the progress of, and demand for, construction activities. Nevertheless, the foundation and geotechnical industry recovered at a CAGR of 14.15% from RM3.86 billion in 2022 to RM5.03 billion in 2024. This recovery was attributed to the normalisation of the economy upon the subsidence of the COVID-19 pandemic, as well as the Key Industry Drivers as detailed in Chapter 2.1 of this IMR Report.

Foundation and geotechnical industry size (Malaysia), 2019 – 2024



*Sources: Department of Statistics, Malaysia ("**DOSM**"), SMITH ZANDER*

2 KEY INDUSTRY DRIVERS, RISKS AND CHALLENGES

2.1 Key Industry Drivers

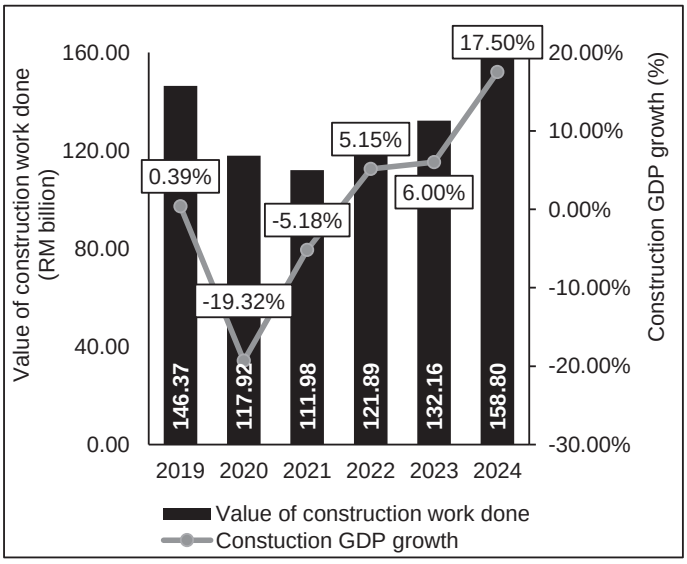
- **Continuous growth of the construction industry drives demand for foundation and geotechnical services**

The foundation and geotechnical industry is driven by construction activities as foundation and geotechnical services are essential parts of construction in providing steady support and forming a solid foundation for construction projects.

The performance of the construction industry in Malaysia, as measured by the value of construction work done, decreased from RM146.37 billion in 2019 to RM111.98 billion in 2021, at a negative CAGR of 12.53%. This was due to the temporary halt of construction activities as a result of the outbreak of the COVID-19 pandemic as detailed in Chapter 1.3 of this IMR Report. Subsequently as the COVID-19 pandemic subsided, the value of construction work done recovered and grew from RM121.89 billion in 2022 to RM158.80 billion in 2024 at a CAGR of 14.14%.

The construction GDP also moved in tandem with the value of construction work done, whereby it declined by 19.32% in 2020 and 5.18% in 2021, before recovering by 5.15% in 2022 and followed by continuous growth in both 2023 and 2024 at 6.00% and 17.50% respectively.

Value of construction work done and constrution gross domestic products ("GDP") growth (Malaysia), 2019 – 2024



Sources: DOSM, SMITH ZANDER

Furthermore, according to the Economic and Fiscal Outlook and Federal Government Revenue Estimates 2025 published by the Ministry of Finance, Malaysia ("**MOF**") in October 2024, the construction GDP is forecast to increase by 9.43% in 2025. The forecast growth of the construction industry is premised on the continuous demand for construction activities for building construction (i.e. commercial, industrial and residential properties) and infrastructure development, which in turn drives the demand for foundation and geotechnical services.

► **Continuous demand for properties creates demand for foundation and geotechnical services**

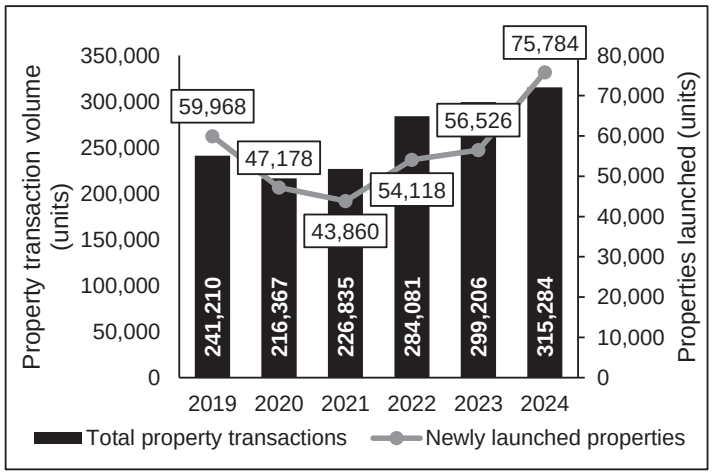
The demand for foundation and geotechnical services is also driven by construction activities undertaken to build new commercial, industrial and residential properties. Hence, the demand for commercial, industrial and residential properties will drive the demand for foundation and geotechnical services.

After a 10.30% decline in 2020 due to the outbreak of COVID-19 pandemic, property transaction volume in Malaysia recorded growth of 4.84% from 216,367 transactions in 2020 to 226,835 transactions in 2021 amidst the on-going COVID-19 pandemic, driven by several initiatives by the Government such as the reintroduction of the National Home Ownership Campaign ("**HOC**"), upliftment of 70% margin of financing limit for third housing loan onwards for properties priced RM600,000 and above during the HOC period, and full stamp duty exemptions for first-time Malaysian home-buyers who purchase residential properties priced RM500,000 and below.

As the COVID-19 pandemic subsided in 2022, property transaction volume recovered and continued growing from 226,835 transactions in 2021 to 315,284 transactions in 2024 at a CAGR of 11.60%. This shows a positive demand in the property market which is expected to drive more launches of new property development projects.

In terms of newly launched residential properties in Malaysia, it increased at a CAGR of 13.52% from 43,860 units in 2021 to 56,526 units in 2023 as the COVID-19 pandemic subsided. In 2024, it exceeded pre-COVID-19 levels with 75,784 units. With more project launches, demand for foundation and geotechnical services is expected to increase accordingly.

Number of property transactions and newly launched residential properties (Malaysia), 2019 – 2024



Sources: National Property Information Centre, SMITH ZANDER

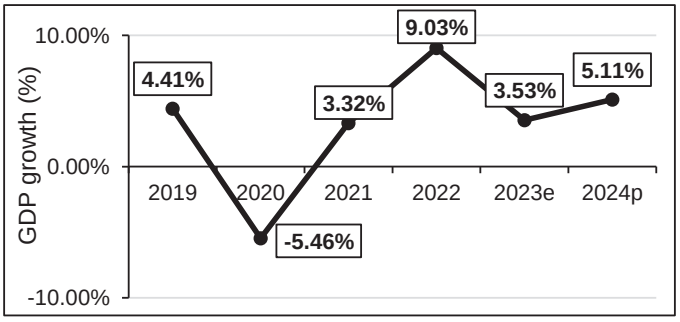
The demand for properties is further driven by various factors, including economic growth and rising affluence, as well as a growing commercial and industrial sectors, with further details below:

- **Economic growth and rising affluence**

  Economic growth generally leads to an increase in the population's disposable income. This leads to increased demand for commercial, industrial and residential properties, which in turn drives the demand for construction activities and creates demand for foundation and geotechnical services.

  In 2020, Malaysia's economy experienced a decline as demonstrated by a 5.46% decrease in GDP due to the outbreak of the COVID-19 pandemic. Despite the on-going pandemic, the GDP recorded a growth of 3.32% in 2021. Subsequently as the pandemic gradually subsided and the economy recovered, the GDP rebounded by 9.03% in 2022. Thereafter, Malaysia's GDP normalised and grew by 3.53% in 2023 and further grew by 5.11% in 2024. The Government estimates the GDP to grow between 4.50% and 5.50% in 2025.

GDP growth (Malaysia), 2019 – 2024(p)



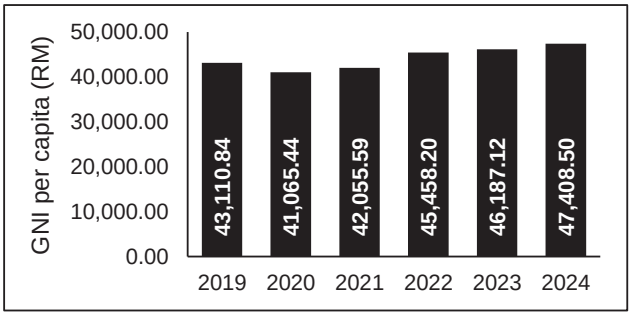
Note:

- *e – estimates; p – preliminary*

Sources: DOSM, SMITH ZANDER

Further, Malaysia is an upper-middle income developing country with a growing economy and increasing wealth. After a 4.74% decline in 2020, the gross national income ("**GNI**") per capita grew from RM41,065.44 in 2020 to RM47,408.50 in 2024 at a CAGR of 3.66%. The increasing GNI per capita indicates a more affluent population with improved standards of living and greater propensity to spend. This may, in turn, contribute to more property purchases, thus driving the demand for foundation and geotechnical services.

GNI per capita (Malaysia), 2019-2024



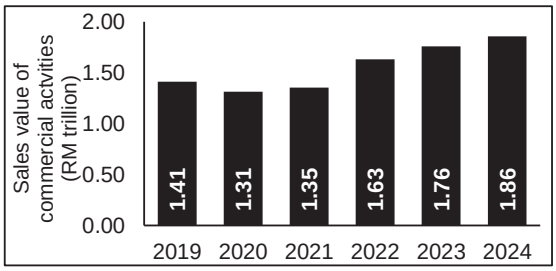
Sources: DOSM, SMITH ZANDER

- **Growing commercial sector**

Overall economic growth also leads to growth in the commercial sector, which will drive business expansion and encourage new business establishments. This is expected to subsequently drive the demand for commercial properties, thereby creating demand for foundation and geotechnical services.

The growth of commercial activities can be measured by the sales value of various commercial activities (i.e. wholesale and retail trade, food and beverages as well as accommodation).

Commercial sector (Malaysia), 2019 – 2024



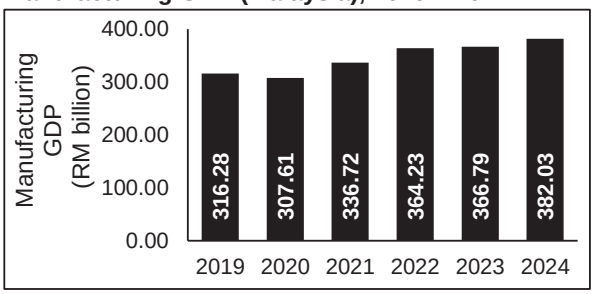
Sources: DOSM, SMITH ZANDER

The sales value of these commercial activities rose at a CAGR of 9.16% from RM1.31 trillion in 2020 to RM1.86 trillion in 2024, after a 7.09% decline in 2020 from 2019, as impacted by the COVID-19 pandemic which largely restricted the operations of non-essential commercial activities.

- **Growing industrial sector**

The growth of the industrial sector in Malaysia is represented by the GDP from manufacturing sector. From 2019 to 2020, the GDP from manufacturing sector declined by 2.74% from RM316.28 billion to RM307.61 billion due to the outbreak of the COVID-19 pandemic. Despite the on-going pandemic, GDP from manufacturing sector increased by 9.46% in 2021 to RM336.72 billion. Subsequently as the pandemic gradually subsided and the economy recovered, GDP from manufacturing sector further recovered and grew from RM336.72 billion in 2021 to RM382.03 billion in 2024 at a CAGR of 4.30%.

Manufacturing GDP (Malaysia), 2019 – 2024



Sources: DOSM, SMITH ZANDER

The growth in manufacturing activities is expected to support the demand for industrial properties by businesses and corporations as their businesses grow and expand, which is expected to drive the demand for foundation and geotechnical services.

► **Infrastructure development by the Government drives the demand for foundation and geotechnical services**

In the Budget 2025, the Government reported that from 2023 to 2025, it had spent or allocated a total of RM268.09 billion for development expenditure to boost economic growth. In particular, for 2025, the transport subsector was allocated with the largest share amongst total development expenditure for the year (RM86.00 billion), at RM17.56 billion or 20.42%, mainly for ongoing key infrastructure projects, which include the Pan Borneo Highway Sabah, Sabah-Sarawak Ring Roads,

Development expenditure for transport subsector (Malaysia), 2023 – 2025

Year	RM billion	Change (%)
2023	17.76	14.52
2024	16.26	-8.46
2025	17.56	8.00

Sources: MOF, SMITH ZANDER

Klang Valley Double Tracking (Phase 2) and the Rapid Transit System Link (RTS Link) between Johor Bahru and Singapore.

Additionally, other notable new transportation related projects include construction of bridge and road from Ng Belawai to Song-Kapit in Sarawak, and additional lane for Lebuhraya Utara Selatan (PLUS) from Yong Peng to Senai Utara (Phase 3: Simpang Renggam-Machap) in Johor. The Government also indicated that it intends to focus on improving connectivity particularly in rural areas and reducing congestion in more developed areas. Furthermore, under the environment subsector, examples of infrastructure projects which the Government has proposed to allocate funds as part of the Budget 2025 include two newly-approved flood mitigation projects for Sungai Langat, Selangor and Sungai Samagagah, Perak.

As the construction of these infrastructure development and flood mitigation projects require foundation and/or geotechnical works, it creates demand for foundation and geotechnical services and thus sustaining the growth of the foundation and geotechnical industry in Malaysia.

2.2 Key Industry Risks and Challenges

- **Dependence on the construction industry**

The business operations and financial performance of the foundation and geotechnical industry players are dependent on the performance of the construction industry. The outlook of the construction and infrastructure sectors may be affected by government policies, supply and demand condition of properties, government budgets and investments in infrastructure, economic growth, interest rates and inflation. Other factors beyond the control of industry players such as changes in political environment or outbreak of diseases (e.g. COVID-19 pandemic) may also impact construction activities.

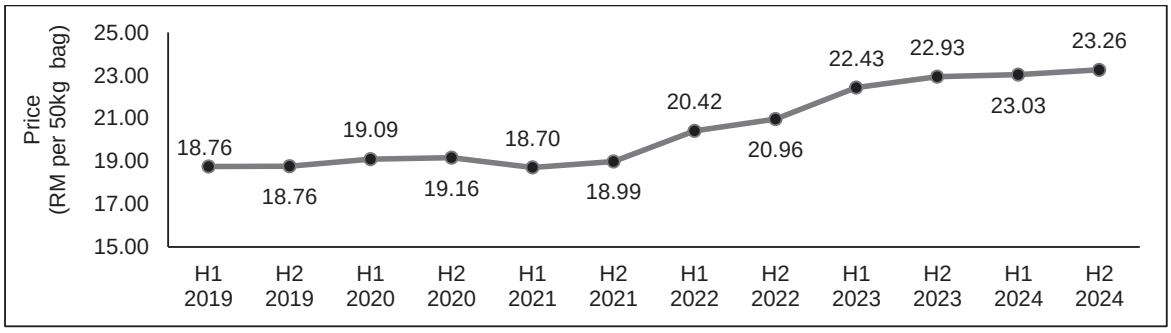
For example, the property market in Malaysia is subject to government policies whereby any adverse changes in government policies in relation to the property market could adversely affect the sale of properties. The changes in the overnight policy rate (OPR) by Bank Negara Malaysia ("**BNM**") may affect the interest rates for property loans, which will subsequently impact the total purchasing cost of properties, and this may eventually affect market sentiment and demand for properties.

- **Exposure to rising and/or fluctuating prices of building materials**

Foundation and geotechnical industry players are exposed to rising and/or fluctuating prices of building materials, whereby any unanticipated substantial price increase or fluctuation may materially affect the industry players' financial performance. For example, amongst the main building materials used for foundation and geotechnical activities are concrete and steel bars. As prices for concrete in Malaysia are not publicly available, cement prices are used as a representative given that cement is one of the main raw materials in the production of concrete. Additionally, as high tensile deformed bars are commonly used in construction activities due to its tensile strength and durability, high tensile deformed bars prices in Malaysia are used to represent the price of steel bars.

The trend of cement prices in Malaysia is demonstrated by the semi-annual average price of Ordinary Portland cement in Malaysia ("**Cement Price**"), which remained relatively stable between first half ("**H1**") 2019 and second half ("**H2**") 2021, hovering within a range of RM18.76 to RM19.16 per 50kg bag. However, from H2 2021 onwards, the Cement Price began an upward trend, rising from RM18.99 per 50kg bag in H2 2021 to RM23.26 per 50kg bag in H2 2024. The overall price increase during this period was attributed to the rising cost of production in terms of raw materials, labour and energy, as well as the recovering demand from construction activities in Malaysia.

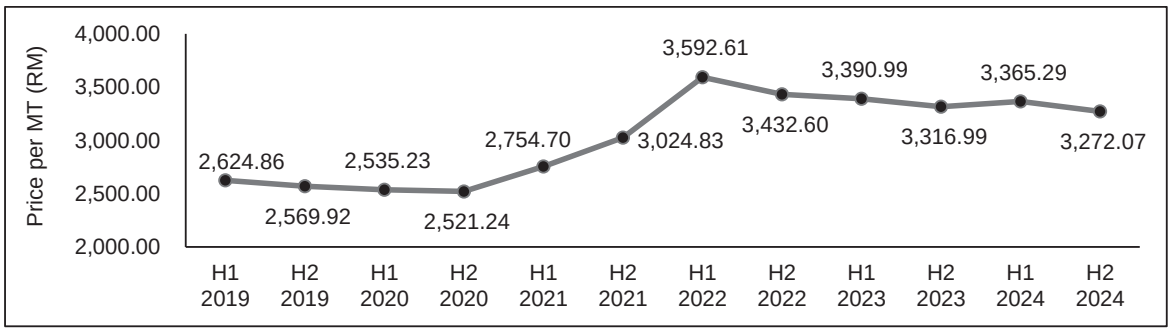
Cement Price (Malaysia), H1 2019 – H2 2024



Sources: DOSM, SMITH ZANDER

Meanwhile, from the H1 2019 to the H2 2020, the semi-annual average price of high tensile deformed bars in Malaysia ("**HTDB Price**") declined by 3.95% from RM2,624.86 per metric tonne ("**MT**") to RM2,521.24 per MT. In 2019, the decline was in line with the decline in global steel prices (where steel is a primary raw material in the production of high tensile deformed bars), which was due to the oversupply and reduced demand in the global steel market influenced by the United States-China trade war. In 2020, the decline was a result of the COVID-19 pandemic, which led to a slowdown in construction activities and a corresponding reduction in the demand for high tensile deformed bars. Thereafter, HTDB Price increased significantly by 42.29% from RM2,521.24 per MT in H2 2020 to RM3,592.61 per MT in H1 2022, which was driven by rising global steel prices and supply chain disruptions as a result of the Ukraine-Russia war. Subsequently, from H1 2022 to H2 2024, the HTDB Price was on a downward trend, from RM3,592.61 per MT in H1 2022 to RM3,272.07 per MT in H2 2024, reflecting the stabilisation of supply chains.

HTDB Price (Malaysia), H1 2019 – H2 2024



Note:

- HTDB Price is derived from the average price per MT of 10mm, 12mm, 16mm-25mm and 32mm high tensile deformed bars.

Sources: DOSM, SMITH ZANDER

If industry players are unable to pass on the increase in cost of building materials to their customers, they will have to bear the increasing cost, which may have a material impact on their financial results.

► **Reliance on foreign workers as general labour for foundation and geotechnical activities**

The issue of labour shortages is common in the construction industry (including the foundation and geotechnical industry) in Malaysia where Malaysia is dependent on foreign workers as a result of limited supply of local workers for construction-related operations. Any quota restrictions or suspensions in the hiring of foreign workers may cause difficulties in employing sufficient labour. Further, any prolonged hiring suspension may lead to labour shortages, whereby foundation and geotechnical industry players may have to source for local workers which may come at higher cost. Any delays in hiring sufficient number of local workers may result in operational disruptions which would subsequently affect construction schedules and cause delays in project completion. Consequently, this may affect the foundation and geotechnical industry players' business and financial performance.

Additionally, any substantial increase in the levy rate and minimum wages as well as mandatory contribution to Employees' Provident Fund (EPF) for foreign workers may also lead to an increase in labour costs. Industry players who are unable to pass on the increase in labour costs may experience material impact on their profitability.

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3 COMPETITIVE LANDSCAPE OF THE FOUNDATION AND GEOTECHNICAL INDUSTRY IN MALAYSIA

3.1 Overview

All foundation and geotechnical industry players in Malaysia must be registered with the Construction Industry Development Board Malaysia, which awards grades ranging from G1 to G7 based on the industry player's size, financial capabilities and tendering capacity, where these grades may be reviewed and adjusted accordingly. G1 is the lowest grade, allowing industry players to tender for projects not exceeding RM200,000 in value; while G7 is the highest grade, allowing industry players to tender for projects without any limit on the project value.

The barriers of entry into the foundation and geotechnical industry are relatively high as it involves high capital expenditure at the primary stage, whereby substantial capital is required for the purchase of machinery and equipment, such as rotary boring rigs, micropiling machines, excavators and vibratory hammers; and subsequently high operating cost is needed for the upkeep and maintenance of the machinery and equipment.

3.2 Key Industry Players

The basis for selection of the competitors to Geohan Group is as follows:

- Companies incorporated in Malaysia which are principally involved in the provision of foundation services in Malaysia, whereby these companies may or may not be involved in the provision of geotechnical services; and
- Companies which recorded more than RM50.00 million in revenue based on their respective latest available financial years.

The list of key industry players in the foundation and geotechnical industry in Malaysia is as follows:

Company Name	Provision of foundation services	Provision of geotechnical services	Latest Financial Year	Revenue (RM million)[1]	Gross profit/ (loss) margin (%)	EBITDA margin (%)	Profit/ (loss) after tax margin (%)
Econpile Holdings Berhad[2]	✓	✓	30 June 2024	417.60	1.94	(1.95)	(6.02)
Geohan Group	✓	✓	31 December 2024	395.22	11.45	13.88	4.05
Pintaras Jaya Berhad[2]	✓	✓	30 June 2024	304.92	1.28	10.29	(1.63)
Peck Chew Piling (M) Sdn Bhd	✓	×	31 December 2023	285.89	11.42	7.33	2.48
Aneka Jaringan Holdings Berhad[3]	✓	×	31 August 2024	211.48	9.45	9.60	2.04
Geopancar Sdn Bhd	✓	✓	31 March 2024	146.78	9.58	4.29	0.28
Jack-In Pile (M) Sdn Bhd	✓	×	30 June 2023	143.51	12.17	14.81	8.44
G-Pile Sistem Sdn Bhd	✓	✓	31 March 2024	127.62	N/A	(2.57)	(3.76)
Geotechnical Alliance Sdn Bhd	✓	×	31 December 2023	120.07	N/A	4.19	3.31
Sunway Geotechnics (M) Sdn Bhd[4]	✓	✓	31 December 2023	109.11	11.79	3.23	(1.54)
Chuan Luck Piling & Construction Sdn Bhd	✓	×	31 December 2023	65.97	10.73	5.96	4.57
Abadi Piling Sdn Bhd	✓	×	31 December 2023	57.43	12.89	8.09	6.05

Notes:

- *Latest available as at the date of research completion.*
- *N/A – not available as information is not publicly available.*
- *EBITDA - earnings before interest, taxes, depreciation and amortisation.*
- *The identified key industry players include all industry players that were identified by SMITH ZANDER based on sources available, such as the internet, published documents and industry directories. However, there may be companies that have no online and/or published media presence, or are operating with minimal public advertisement, and hence SMITH ZANDER is unable to state conclusively that the list of industry players is exhaustive.*

(1) *Revenue of industry players may include revenue derived from other business activities (e.g. general construction contractor, rental of machinery and equipment as well as trading of building materials) and/or revenue derived from countries outside Malaysia.*

(2) *Listed on the Main Market of Bursa Malaysia Securities Berhad.*

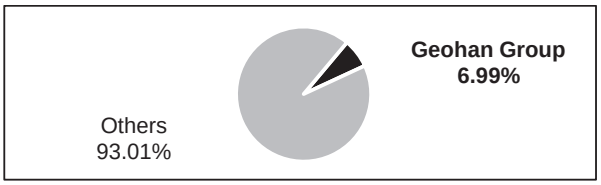
(3) *Listed on the ACE Market of Bursa Malaysia Securities Berhad.*

(4) *A subsidiary of Sunway Construction Group Berhad, which is a company listed on the Main Market of Bursa Malaysia Securities Berhad.*

Sources: Geohan Group, various company websites, Companies Commission of Malaysia, SMITH ZANDER

3.3 Market Share

Geohan Group captured a market share of 6.99% in 2024, based on its segmental revenue for foundation and geotechnical services which amounted to RM351.39 million for the FYE 31 December 2024, computed against the foundation and geotechnical industry size in Malaysia of RM5.03 billion in 2024.



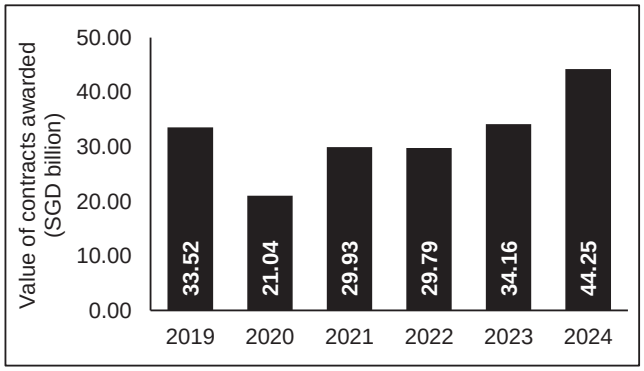
Sources: Geohan Group, SMITH ZANDER

4 THE FOUNDATION AND GEOTECHNICAL INDUSTRY IN SINGAPORE

Similar to Malaysia, the foundation and geotechnical industry in Singapore is also driven by the continuous growth and demand for construction activities for residential, commercial and industrial properties as well as infrastructure development. The performance of the construction industry in Singapore is measured by the value of contracts awarded for public and private sector projects, which comprise construction of residential, commercial, industrial, institutional and others, as well as civil engineering projects.

From 2019 to 2024, the construction industry in Singapore recorded a CAGR of 5.71% from SGD33.52 billion (RM101.81 billion[1]) in 2019 to SGD44.25 billion (RM151.46 billion[1]) in 2024. During this period, there was a significant decrease of 37.23% from SGD33.52 billion (RM101.81 billion[1]) in 2019 to SGD21.04 billion (RM64.09 billion[1]) in 2020, due to the outbreak of the COVID-19 pandemic in Singapore which led to temporary suspension of construction activities, and project owners having to hold off on the launching of new projects. Thereafter, the construction industry rebounded with an increase of 42.25% in 2021, which was followed by a slight decrease of 0.47% in 2022.

Value of contracts awarded (Singapore), 2019 – 2024



Sources: Department of Statistics Singapore, SMITH ZANDER

The construction industry experienced continuous growth thereafter, with an increase of 14.67% to SGD34.16 billion (RM116.08 billion[1]) in 2023, and 29.54% to SGD44.25 billion (RM151.46 billion[1]) in 2024, which exceeded pre-COVID 19 pandemic levels.

The recovery and growth of the construction industry in Singapore from 2021 to 2024 was supported by a strong pipeline of public housing, institutional building and infrastructure projects in the public sector, as well as

construction projects in the private sector which include commercial building re-developments, high-specification industrial buildings, as well as mechanical and electrical contracts. In particular during 2021 and 2022, the growth and stabilisation of the construction industry despite the on-going COVID-19 pandemic were attributed to initiatives by the Government of Singapore, such as the housing grants for first-time flat buyers, increase of monthly household income ceilings for subsidised flats and executive condominiums, exemption of property tax for qualifying commercial properties that have been adversely affected by the COVID-19 pandemic, and a property tax rebate for businesses affected by the COVID-19 pandemic.

Moving forward, according to the Building and Construction Authority, the construction industry is expected to continue growing with the demand for construction projected to be between SGD47.00 billion (RM160.87 billion[1]) and SGD53.00 billion (RM181.41 billion[1]) for 2025, contributed by large-scale projects such as the expansion of Marina Bay Sands Integrated Resort and development of Changi Airport Terminal 5, alongside on-going public housing development and upgrading works. Other contributors to this growth include construction of high-specification industrial buildings, educational developments, healthcare facilities, mechanical and engineering contracts for the Thomson-East Coast Line Extension and Cross Island Line, and infrastructure works for the Woodlands Checkpoint extension and the Tuas Port.

Additionally, under Budget 2025, the Government of Singapore proposed to allocate funds towards infrastructure development in Singapore, which include:

Infrastructure development project	**Funds allocated**	
	(SGD billion)	**(RM billion[1])**
Expansion and renewal of rail network	60.00	205.37
Top up of the Changi Airport Development Fund (a fund for the development of Changi Airport Terminal 5)	5.00	17.11
Top up of the Future Energy Fund (a fund which invests in energy infrastructure)	5.00	17.11
Top up of the Coastal and Flood Protection Fund (a fund which invests in projects such as the construction of sea walls, barrages and tidal gates as well as land reclamation)	5.00	17.11
Refresh of the public biosciences and medical technology research infrastructure as well as develop a new semiconductor research and development fabrication facility	1.00	3.42

Note:

- *This list is not exhaustive.*

Source: Ministry of Finance, Singapore

As the construction activities for these aforementioned projects progress, the demand for foundation and geotechnical services in Singapore is expected to continue growing in order to support the construction activities, thus creating business opportunities for foundation and geotechnical industry players.

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[1] *Exchange rates from SGD to RM for 2019 to 2024 were converted based on average annual exchange rates of the respective years, and the exchange rate from SGD to RM in 2025 was converted based on average annual exchange rates in 2024, where these exchange rates were extracted from published information from BNM.*

	2019	*2020*	*2021*	*2022*	*2023*	*2024*
SGD1=RM	*3.0372*	*3.0462*	*3.0838*	*3.1912*	*3.3981*	*3.4228*