
9. RISK FACTORS

NOTWITHSTANDING THE PROSPECTS OF OUR GROUP AS OUTLINED IN THIS PROSPECTUS, YOU SHOULD CAREFULLY CONSIDER, IN ADDITION TO THE OTHER INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS, THE FOLLOWING RISK FACTORS (WHICH MAY OCCUR EITHER INDIVIDUALLY OR IN COMBINATION, AT THE SAME TIME OR AROUND THE SAME TIME) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP BEFORE INVESTING IN OUR SHARES.

9.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS**9.1.1 We face the risk of unexpected increase in development costs in our integrated township and property development projects**

As an integrated township and property developer, we are responsible for the entire development and would bear all costs, including costs for construction, building materials, land and associated costs, professional fees, statutory contributions and other development costs. Please refer to **Section 7.16** of this Prospectus for further details on our land and development costs.

In this respect, we are subject to the risk of unanticipated increases in development costs, which could arise from, among others, increases in land costs, as well as construction costs associated with contractors' and consultants' services, labour and building materials, all of which could adversely affect our profitability.

In addition, building materials such as steel and concrete, are commodities whose prices are subject to fluctuations arising from local and global supply and demand conditions. If any adverse fluctuations in the prices of these commodities are not adequately anticipated in our development budgets, it may affect our profitability and financial conditions.

Our business may be adversely affected by geopolitical tensions and conflicts in the Middle East, which may disrupt global energy markets and supply chains, leading to higher fuel, transportation and construction material costs, thereby increasing development costs. There can be no assurance that further developments beyond our control will result in broader economic uncertainty, including higher construction material costs or transportation costs, which may materially and adversely affect our business operations, financial condition and results of operations.

While we include contingency provisions in our development budgets, there is no assurance that we will be able to accurately estimate the development costs overrun for our ongoing, planned development and landbank for future development.

9.1.2 We are dependent on our contractors as well as professionals such as architects, land surveyors, engineers and town planners for our integrated township and property developments

We are dependent on a network of external parties, including contractors and professionals, to ensure the successful execution of our integrated township and property developments. We engage contractors to undertake various construction works, including site-preparation, infrastructure and external works, piling and basement works, landscaping, mechanical and electrical installations such as security systems, firefighting systems and elevator systems and utility installations. As such, their performance is critical to ensuring timely project completion that meets our quality standards and specifications. The risks associated with our reliance on contractors include construction delays, which could result in late delivery of vacant possession and LAD, failure to meet required quality standards, potentially damaging our market reputation and impacting sales performance and non-compliance with health and safety regulations, which may lead to work suspensions or fines from authorities.

9. RISK FACTORS (CONT'D)

In addition, we work with professionals, including architects, land surveyors, engineers and town planners, who provide their technical expertise for design, drawings and submission of documentation to relevant authorities. While we are responsible for the overall development concept, we rely on their expertise to execute detailed architectural and engineering designs, ensuring compliance with applicable regulations, standards and technical requirements.

Any dispute or termination involving our contractors or professionals could disrupt our project timelines and increase development costs. For the Financial Periods Under Review and up to the LPD, we have terminated the service for 2 of the contractors for earthworks due to their inability to perform the works as agreed and another contractor for skim coat work due to expiry of its CIDB licence. These terminations did not have any material impact on our financial performance or the progress of our development projects.

Nevertheless, there is no assurance that we will not encounter any future disputes or terminations with our contractors or professionals, poor performance, non-compliance or late delivery by our contractors, any of which could have an adverse impact on our business operations and financial performance.

9.1.3 We may not be able to achieve sales based on our estimated GDVs due to take-up of our developments

The overall GDV of our developments is estimated based on prevailing market conditions as at the date of valuation and is subject to various estimations, assumptions and conditions relating to the property market in which our developments are located. These include assumptions on market demand for our types of properties, average selling prices, the number of units to be developed, location and buyer preferences.

Actual sales performance may differ from these assumptions, as the market conditions may change over time and the take-up of our developments is influenced by factors such as overall supply and demand of properties, competition from other developments, proximity to amenities, pricing, availability of buyer financing, changes in buyer preferences and macroeconomic factors such as bank's interest rates.

Our revenue is primarily derived from the sale of properties. Accordingly, slower-than-expected take-up of our developments may result in delays in revenue recognition, which could in turn impact our profitability and cash flow. In addition, unsold units may lead to increased holding costs, including higher marketing expenses or the need to offer price incentives or discounts to stimulate demand, which could further reduce our margins and overall profitability.

The take-up of our developments may be adversely affected by geopolitical tensions and conflicts in the Middle East, which may disrupt economic activity and contribute to higher unemployment levels and inflation in Malaysia, which may reduce household disposable income. There can be no assurance that any further developments beyond our control will not affect consumer sentiment and purchasing power, which may in turn dampen demand for property and adversely impact the sales performance of our developments.

While we will continue to closely monitor trends in the property market, there is no assurance that the market conditions will remain consistent with the assumptions underlying our GDV estimates. If we are unable to sell the units launched and developed as planned and/or at the expected selling prices, the actual GDVs realised may be lower than our estimated or budgeted GDVs. Any material shortfall in the take-up of our developments would adversely affect our financial performance and results of our operations.

9. RISK FACTORS (CONT'D)

9.1.4 Our capital-intensive business exposes us to liquidity, financing and interest rate risks, which may adversely affect our financial condition

As an integrated township and property developer, our business is capital-intensive and requires substantial funding to finance land acquisitions, development costs and working capital requirements. Our developments are funded by both internal and external sources of funding. Internal sources are derived from payments made by buyers based on the progress billings issued, while external sources are typically banking facilities provided by financial institutions.

We are exposed to liquidity risks if we are unable to generate sufficient cash flow to meet our obligations, including repayments of borrowings and payments to our contractors and other suppliers. This arises mainly from the timing differences between the costs incurred for our developments and the collections from buyers of our properties. Buyers typically make a payment of 10% of the purchase consideration upon signing of the SPA, with the remaining balance payable progressively based on progress billings according to construction milestones.

Our cash flow is therefore dependent on take-up rates and timely collections from buyers. Any slowdown in take-up, delay in collections or payment defaults by buyers, may affect our cash flow and working capital position to meet our financial obligations.

In addition, we are dependent on securing and maintaining adequate banking facilities to fund upfront costs related to land acquisition and other land-related expenses, such as expenses for land sourcing, feasibility studies, environmental impact assessments, zoning and traffic studies, as well as site-preparation works such as earthworks and infrastructure works. There is no assurance that we are able to secure adequate financing with acceptable terms. If we are unable to secure alternative financing in a timely manner, our cash flows, financial performance and prospects may be materially and adversely affected.

As at 31 December 2025, our total borrowings were RM684.13 million, which comprised mainly term loan, hire purchase and bank overdraft. Our finance costs increased from RM8.0 million in FYE June 2023 to RM9.2 million in FYE June 2024 and further increased to RM12.9 million in FYE June 2025. In FPE December 2025, our finance costs were RM8.4 million. In this respect, any increases in the bank's interest rates will have an impact on our financial performance.

For the Financial Periods Under Review and up to the LPD, we have not defaulted on any payments of either principal/or interest in relation to our bank borrowings. Although we will continue to monitor our cash flow closely, there is no assurance that we will not experience any adverse liquidity, financing and interest rate exposures in the future, which may affect the results of our operations and financial performance.

9.1.5 Our business and financial performance may be affected if there are delays in our township and property development projects

As an integrated township and property developer, we must follow the agreed-upon timeline stipulated in our SPAs. While we closely monitor and manage our project schedules, there is a risk that we may not complete our project on time due to factors inherent in property development, some of which are beyond our control.

Some of the factors are as follows:

- delays in construction progress and securing site possession;
- delays in obtaining permits and/or approvals from regulatory authorities;
- shortages or delays in the delivery of building materials and equipment;

9. RISK FACTORS (CONT'D)

- workplace hazards and accidents;
- adverse weather conditions; and
- outbreaks, epidemics or pandemics, such as COVID-19 that may interrupt our on-site operations.

In the event of any delays in completing our projects, we will be liable for LAD claims and/or penalties from buyers, which may adversely affect our financial performance and reputation. Additionally, any project delay may also lead to cost overruns, which would further impact our financial performance for the project.

During the Financial Periods Under Review, we incurred 1 LAD claim amounting to approximately RM60,000 for the Phase 2A of our Bandar Botani Parkland township development, due to the delay in the delivery of vacant possession. The delay was mainly attributable to the longer time required to obtain permits and approvals from the relevant authorities. The said LAD claim had been settled in FYE 2024 with no material impact on our Group's financial performance.

While we generally maintain a back-to-back LAD arrangement with our contractors, LAD claims against contractors are only applicable where delays are attributable to them. Any shortfall in the difference in LAD claims against our contractors would be borne by us. Notwithstanding our efforts to commence and complete our projects in a timely manner, there is no assurance that delays will not occur in the handover of our ongoing, planned or future developments. Any such unexpected delays may give rise to LAD claims by buyers, which could have a material adverse impact on our financial performance.

9.1.6 Our growth prospects may be limited if we are unable to execute our business strategies and plans effectively

Our business strategies and plans are focused on leveraging our strengths as an established integrated township and property developer to expand and grow our business. Our strategies and plans include expanding our footprint by establishing new township and property developments on newly purchased lands. Please refer to **Section 7.18** of this Prospectus for further details on our strategies and plans.

The prospects and future growth of our business depend on our ability to execute our strategies and plans effectively and promptly. There is a risk that we may not be able to achieve the intended timelines or objectives of our business strategies and plans due to various factors. These factors include but not limited to the inability or difficulties in securing adequate sources of funding, changes in regulatory or policy frameworks, as well as delays in obtaining authority approvals and permits. Any delays or failure in executing our strategies and plans effectively may adversely affect our future business growth and financial performance.

There is no assurance that our business strategies and plans will achieve commercial success or that we will be able to anticipate and manage all related business and operational risks. Similarly, there is no assurance that we will consistently identify and acquire suitable landbank in strategic locations at commercially viable prices or secure joint development opportunities with landowners on favourable terms.

9. RISK FACTORS (CONT'D)

9.1.7 Our business operations are subject to operational risks such as workplace hazards, labour shortages and natural disasters

We are subject to operational risks, including, but not limited to the following:

- We are exposed to the risk of workplace hazards, including bodily injuries or loss of life due to accidents at the project sites. There is also a risk of physical damage or loss of our construction machinery and equipment arising from improper usage, theft or fire.

We are responsible in ensuring healthy and safe working environment is provided at our construction sites. In 2020, there was an incident involving fatal injury of a subcontractor's worker at the construction site for our development project. Following the incident, we had fully settled the penalty imposed and implemented additional safety measures to strengthen site safety practices. For the Financial Periods Under Review, our business operations were not materially affected by workplace hazards. Nonetheless, there is no assurance that we would not be affected by workplace hazards in the future. In the event of accidents or injuries, it may lead to negative publicity of our Group, liabilities and legal proceedings filed against our Group and/or suspension of our licences, which would impact our business operations and financial performance.

- We are dependent on foreign workers for our operations. We may face the risk of a labour shortage due to various factors, including changes in government policies and regulations on foreign labour supply, such as a freeze on hiring foreign labour and an increase in minimum wages. In addition, we have incidents of foreign workers leaving our employment without notice. This may adversely affect our ability to meet our delivery schedules and result in the delay of project completion, subjecting us to the risk of LAD claims from our customers. If any of these foreign worker permits cannot be renewed in the future and we are unable to replace those workers, it would result in a shortage of labour.

For the Financial Periods Under Review, our business operations were not materially affected by any shortage in supply of foreign workers. Nonetheless, there is no assurance that we will not face any shortage of foreign workers in the future.

- In August 2025, a series of earthquakes and tremors were recorded in Johor, including a magnitude 4.1 earthquake in Segamat, Johor. Our development projects in Johor, are exposed to risks from natural disasters. Although our development projects were not affected by the said earthquakes, there can be no assurance that our development projects will not be affected by any natural disaster, which could result in significant property damage and financial losses in the future.

9.1.8 Our financial performance and operations may be affected by material litigation, claims, arbitration or penalties imposed by regulatory authorities

We may be exposed to the risk of disputes, litigation, claims and arbitration proceedings arising from, among others, contractual disagreements with customers, contractors and subcontractors, defects liability claims, delays in project completion, land-related matters and non-compliance with applicable laws and regulations. In addition, we may be subject to penalties imposed by regulatory authorities for any non-compliance with relevant statutory and regulatory requirements. We had, in the past, in the course of our business encountered potential penalties for releasing Bumiputera property units under state administrative policies and judicial review applications for tax matters. Please refer to **Annexure D(h)** and **Section 7.26.1** of this Prospectus for further details.

9. RISK FACTORS (CONT'D)

Such proceedings and actions may result in settlement costs, legal fees and fines or penalties. In addition, such proceedings may lead to project delays, reputational impact or restrictions on our ability to undertake future projects.

For the Financial Periods Under Review, we have not been involved in any material litigation, claims, arbitration or penalties that have materially affected our business. There can be no assurance that we will not be subject to such matters in the future. Any adverse outcome arising from such proceedings or actions may have a material adverse effect on our business, reputation, operations and financial performance.

9.1.9 We are dependent on our Group Managing Director, Executive Directors and Key Senior Management

Our business operations are dependent on the experience, skills and knowledge of our Group Managing Director, Executive Directors and Key Senior Management for our integrated township and property development business.

Our Group Managing Director, Datuk Tan, is responsible for overseeing the business strategies and overall business of the integrated township and property development, construction and other divisions within our Group. He is supported by our Non-Independent Executive Director and Group CEO (Construction Division), Ting KK, who is responsible for the overall day-to-day business operations of our construction division and Jacky Toh, our Non-Independent Executive Director and Group CEO (Property Division), who is responsible for the overall business operations and development of our property division. They are supported by our Key Senior Management, including Wong Tark Keong (COO (Property Division)) and Goh Kuan Hoe (CFO), all of whom play key roles in their area of responsibilities to ensure smooth running of our day-to-day operations and implementation of the business strategies.

The loss of services from any of our Executive Directors and Key Senior Management without timely and suitable replacement may adversely impact our business operations and financial performance. The profiles of our Group Managing Director, Executive Directors and Key Senior Management are set out in **Section 5.1.2** and **Section 5.4.3** of this Prospectus.

9.1.10 We are required to obtain, maintain and renew various licences, permits, approvals and registrations and any failure to do so may adversely affect our business

As an integrated township and property developer with in-house building construction capabilities, we are subject to various laws and regulations in Malaysia. We are required to obtain, maintain and renew a range of licences, permits, approvals and registrations from the relevant authorities, including, among others, development orders, building plan approvals, advertisement permits, developer licences, CIDB registrations and other regulatory approvals.

Our ability to obtain, maintain and renew such licences, permits, approvals and registrations is subject to our compliance with the conditions imposed by the relevant authorities. Any failure to comply with such conditions may result in the suspension, revocation or non-renewal of such licences, permits, approvals and registrations.

In addition, the relevant authorities may impose new laws, regulations or changes to compliance standards or conditions from time to time, which may require additional costs or resources to comply with such new or revised standards or conditions. If new or revised standards of compliance or conditions are imposed, there is no assurance that we will be able to comply with them, which may consequently delay the completion of our township and property development projects.

9. RISK FACTORS (CONT'D)

As such, any inability to obtain, maintain or renew the necessary licences, permits, approvals and registrations in a timely manner or to comply with the relevant regulatory requirements, may adversely affect our business, operations and financial performance. For the Financial Periods Under Review, we have not experienced any failure to obtain, maintain or renew such material licences, permits, approvals and registrations. However, there can be no assurance that we will continue to do so in the future. Please refer to **Annexure C** for further details on the major licences, permits, approvals and registrations.

9.1.11 We are subject to the risks of defect liability claims from our customers

The DLP for our projects ranges are typically from 3 to 24 months, depending on the type of property development. During this period, we are required to address and rectify any structural defects or building deficiencies that may occur or arise. As such, we will have to incur rectification costs for the repair and rectify all defects. In this respect, any material rectification costs incurred and/or claims would have an adverse impact on our financial condition and performance.

If a defect liability claim is attributable to the works carried out by a subcontractor, we typically seek the subcontractor's assistance to perform the repair and rectification works and the subcontractor will bear the cost of these works. Should the subcontractors fail to rectify any defects, we may be required to engage a third party to rectify such defects and claim any additional costs incurred from the relevant subcontractors. If no corresponding defect liability claims can be ascertained against the subcontractors or if the amount claimed is not recoverable from the subcontractors, we may need to bear the cost of such rectification. If we fail to rectify the defects satisfactorily, our customer may utilise, in whole or in part, the retention sum to rectify these defects. The inability to recover the amount claimed from our subcontractors and/or the entire retention sum due to the defect liability claims may adversely affect our financial performance, reputation and results of our operations. For the Financial Periods Under Review and up to the LPD, we have not encountered material DLP claims.

While we continually endeavour to maintain the quality of our developments, there is no assurance that we will not experience future defect liability claims that may adversely affect our financial performance.

9.1.12 We are subject to risks relating to the availability of suitable landbank to support the continuity and growth of our business

As an integrated township and property developer, landbank is one of the key factors that supports the continuity and growth of our business. Our ability to sustain our planned and future developments depends on the availability of suitable land. As such, we are subject to inherent risks relating to the availability of landbank.

The availability of suitable land may be affected by various factors, including competition from other developers, rising land prices, zoning and land use restrictions, regulatory approvals and changes in government policies. Subsequent to the LPD, as at 10 June 2026, we have a total landbank of approximately 1,592.5 acres, of which 877.6 acres have been allocated for our planned developments. The remaining 714.9 acres are reserved for future developments, including the 248.0-acre landbank from the JVA with Cahaya Bumimas Sdn Bhd signed on 10 June 2026.

Our ability to sustain the continuity and growth of our business depends on our ability to replenish and expand our landbank through the acquisition of suitable land at commercially viable prices. If we are unable to replenish or expand our landbank in a timely manner, our future developments may be reduced, which may affect the continuity of our business operations and our future financial performance. In addition, acquiring land at higher costs or in less favourable locations may adversely affect the commercial viability, marketability and demand for our future development projects.

9. RISK FACTORS (CONT'D)

9.1.13 We are exposed to the inherent risk associated with materially dependent JVA

Our Group, via Parkland Avenue, is the property developer to 1 material development agreement entered into with the landowner in relation to the development of a high-rise property located in Melaka Tengah, Melaka, namely Parkland Avenue by The Sea. Please refer to **Section 7.24.2** of this Prospectus for further details on the Lot 12933 Development Agreement (as defined in **Section 7.24.2** of this Prospectus) which our Group is materially dependent on.

During the Financial Periods Under Review, the revenue contribution from Parkland Avenue by The Sea property development ranges from 0.3% to 11.6%, respectively. Based on our Group's planned development pipeline for Parkland Avenue by The Sea, this project is expected to contribute to our Group's future earnings. Accordingly, our Group may be exposed to risks associated with completion of the Lot 12933 Development Agreement given the landowner is not within our control. Notwithstanding the aforesaid, we have other ongoing and planned development projects on lands owned by our Group and via other JVAs which also contribute to our Group's future earnings.

Any termination or breach of the Lot 12933 Development Agreement, disputes between the parties or failure by the respective counterparties to fulfil their obligations under the Lot 12933 Development Agreement may potentially affect the progress and completion of Parkland Avenue by The Sea property development, which may in turn potentially affect our Group's business operations, financial performance and prospects.

While we continually endeavour to take reasonable steps to ensure fulfilment of our obligations on the development agreement, there is no assurance that we can complete the Lot 12933 Development Agreement in a timely manner. Generally, there can be no assurance that any of our ongoing joint developments or any future joint development/JVAs will proceed as planned and any adverse developments could negatively impact our business operations and financial performance.

9.1.14 Our insurance coverage may not fully cover the losses and liabilities that may arise from our business operations

We maintain a certain level of insurance to protect against various losses and liabilities arising in the course of our business operations. Some of the main insurance policies maintained by our Group include, among others, contractors' all risk insurance, public liability, fire insurance, burglary insurance, workmen compensation policy, equipment and machinery insurance.

However, there is no assurance that our insurance coverage will be sufficient to cover all potential losses, damages or liabilities or to compensate for any claims that may arise during our business operations. If losses or damages exceed our insured limits or occur in areas where we are not covered, this could negatively impact our business operations, financial performance and results. Additionally, there is no assurance that such insurance will continue to be available on terms that are acceptable to us.

For the Financial Periods Under Review and up to the LPD, we have not experienced any material losses from business operations that were claimable under our insurance policies. Nevertheless, we cannot assure that we will not need to make future claims that could adversely affect our financial performance.

9. RISK FACTORS (CONT'D)

9.2 RISKS RELATING TO OUR INDUSTRY**9.2.1 The performance of the property market may be adversely affected by the continuing increase in the property overhang situation**

Property overhang refers to the properties which have been completed but remain unsold for more than 9 months. Property overhang is commonly a result of a combination of factors, including, among others, demand, supply, pricing, location, types of property, economic and social factors such as gross domestic product growth, employment conditions, interest rates, availability of buyer financing as well as population growth within the areas of the properties. Property overhang also includes Bumiputera units, in which certain conditions are imposed to convert unsold Bumiputera units for sale to the general population.

In 2025, the volume of overhang conditions for both residential and commercial properties in Johor improved, with all segments except landed residential properties recording declines in overhang volume. In Melaka, property overhang worsened, with all segments experiencing higher overhang volumes in 2025. In Selangor, overhang volumes rose across all property segments, except for high-rise commercial properties, which saw an improvement in 2025. (Source: IMR Report)

We face the risk of a continuing increase in property overhang, which may harm the sales of our properties and negatively impact our business and financial performance.

9.2.2 We face competition risks in the property development industry

The property development industry in Malaysia is highly competitive, with developers ranging from small to mid-sized private companies to large public listed companies. Developers compete across various factors, including but not limited to, location, pricing, type of property, design, track record and brand reputation. As at 15 June 2026, there were 6,448 developers in Peninsular Malaysia, of which 645 were in Johor, 319 were in Melaka and 1,738 were in Selangor. (Source: IMR Report)

In addition to competition from new launches by other developers, we also face risks arising from the secondary property market (sub-sale market). Properties in the secondary market often offer immediate occupancy and competitive pricing, which are typically located in mature and well-established neighbourhoods, with existing infrastructure and amenities. All of these may be more appealing to buyers who are cost-conscious or require immediate occupancy.

While we continuously monitor market conditions, adapt our product offerings, proactively market our properties and develop strategies to sustain and grow our business, we cannot assure that we will remain competitive in the future. If we are unable to remain competitive, this may negatively impact our business and financial performance.

9.2.3 We are exposed to the inherent risk of the property development and construction industries

As an integrated township and property developer with an in-house construction arm, we face inherent risks within the property development and construction industries. These include changes in the economic, social, political and regulatory environments, as well as operational and other business-related risks. Operational risks include incremental costs related to land for development, an increase in the cost of materials, subcontractors' services, financing and overhead costs, as well as availability of labour. Other business risks include, among others, the demand for our properties, the impact of competition from new launches and the resale of existing properties, as well as excess supply and overhang conditions. Although we strive to minimise these risks through prudent business management, these risks may eventuate and therefore, they may affect our business and financial performance.

9. RISK FACTORS (CONT'D)

9.2.4 We are subject to economic, social, political and regulatory risks in Malaysia

Any adverse changes in the economic, social, political and regulatory conditions in Malaysia could have a negative impact on our business operations and financial performance. We are also susceptible to the risk of local epidemics or pandemics, where we may face business interruptions, including, among others, temporary suspension of our development activities, including on-site construction activities.

Changes in the economic, social, political and regulatory conditions could arise from, among others, changes in government policy or political leadership, geopolitical tensions, risks of war or civil unrest, changes in import tariffs and related duties, as well as changes in the laws, regulations, licensing and permit requirements. Any local, regional or global economic downturn would also affect overall business conditions, consumer confidence and investments, which would subsequently affect the demand for our properties.

As such, there can be no assurance that any adverse economic, social, political and regulatory developments, all of which are beyond our control, will not materially affect our business operations and financial performance.

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9. RISK FACTORS (CONT'D)

9.3 RISK RELATING TO INVESTMENT IN OUR SHARES**9.3.1 There is no prior market for our Shares**

Prior to our IPO, there has been no public market for our Shares. Hence, there is no assurance that an active market for our Shares will develop upon Listing or, if developed, that such market can be sustained. There is also no assurance as to the liquidity of any market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

There can be no assurance that the IPO Price will correspond to the price at which our Shares will trade on the Main Market upon our Listing and the market price of our Shares will not decline below the IPO Price.

9.3.2 Trading price and trading volume of our Shares may be volatile

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiment is also largely driven by internal factors such as economic and political conditions of the country as well as the growth potential of the various sectors of the economy. These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price of our listed Shares.

In addition, the trading price and volume of our Shares may be highly volatile and could fluctuate significantly and rapidly in response to, among others, the following factors, some of which are beyond our control:

- (i) material variations in our financial results and operations;
- (ii) success or failure in our management in implementing future plans, business and growth strategies;
- (iii) gain or loss of an important business relationship;
- (iv) changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- (v) changes in conditions affecting the industry, the prevailing global and local economic conditions or stock market sentiments or other events or factors;
- (vi) natural disasters, health epidemics and outbreaks of contagious diseases;
- (vii) additions or departures of our Group Managing Director, Executive Directors and Key Senior Management;
- (viii) fluctuations in stock market prices and volumes;
- (ix) involvement in claims, litigation, arbitration or other form of dispute resolution;
- (x) changes in government policy, legislation or regulation; and/or
- (xi) general operation and business risks.

9.3.3 Our Promoters will be able to exert significant influence over our Company as they will continue to hold majority of our Shares after the IPO

As disclosed in **Section 5.1** of this Prospectus, our Promoters will collectively hold in aggregate 50.5% of our enlarged number of issued Shares upon Listing. As a result, they will be able to, in the foreseeable future, effectively control the business direction and management of our Group as well as having voting control over our Group and as such, will likely influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. However, there can be no assurance that the interests of our Promoters will align with those of our other shareholders.

9. RISK FACTORS (CONT'D)

9.3.4 There may be a potential delay to or cancellation of our Listing

The occurrence of any one or more of the following events, which is not exhaustive, may cause a delay in or cancellation of our Listing:

- (i) our Underwriter exercising their rights pursuant to the Underwriting Agreement to discharge themselves from its obligations thereunder;
- (ii) the revocation of approvals from the relevant authorities for our Listing and/or Admission for whatever reason; or
- (iii) we are unable to meet the public shareholding spread requirement of the Listing Requirements, i.e. at least 25% of our issued share capital for which listing is sought must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and we and the Offerors shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we and Offerors shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

Where subsequent to the allotment and issuance of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, we and Offerors shall be liable to return such monies with interest at the rate of 10.0% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
 - (a) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (b) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from the directors.

Nonetheless, our Board will endeavour to ensure compliance with the various requirements for our successful Listing.