

## 5. RISK FACTORS

**IN EVALUATING AN INVESTMENT OF OUR IPO SHARES, YOU SHOULD CAREFULLY CONSIDER ALL INFORMATION CONTAINED IN THIS PROSPECTUS INCLUDING THE FOLLOWING INVESTMENT CONSIDERATIONS AND RISKS.**

### 5.1 RISKS AFFECTING OUR BUSINESS AND OPERATIONS

#### 5.1.1 Our business is dependent on our ability to secure new projects and replenish our order book

Due to the project-oriented nature of our construction business, our revenue relies on the execution and completion of construction projects. Such projects are contract-specific, requiring our Group to undertake amongst others, design and engineering work, project planning and management, and/or construction works for a period ranging from a few months to several years, depending on the scale and complexity of the projects awarded to us.

Therefore, our business and financial performance is dependent on our ability to secure new projects to continuously replenish our order book. Please refer to Section 7.7 of this Prospectus for details of the business development and marketing strategies employed by our Group in order to secure new projects.

[As at the LPD], we have 8 ongoing construction projects with a total unbilled contract value of RM1.08 billion, which is expected to contribute to our revenues for the FYEs 2024 to 2027. Please refer to Section 7.4.1 of this Prospectus for the details of our ongoing construction projects.

For the Period under Review, all of our construction revenue was derived from construction contracts awarded by the Ministry of Works, Malaysia and JKR Sabah. Our business is therefore materially dependent on our ability to continuously secure new construction contracts from Government agencies to replenish our order book. Despite our ability to secure large-scale infrastructure construction projects in the past from such Government agencies, there is no assurance that the Government or JKR Sabah will continue to award new large-scale infrastructure construction projects to us in the future, nor can we assure that new construction projects secured in the future would be as commercially favourable to us in terms of overall project profitability. As such, if we fail to secure new projects, the value of our order book may decrease, and this may have an adverse impact on our business and financial performance.

#### 5.1.2 We depend on the services of our subcontractors to perform specific tasks for our projects

We engage external subcontractors to carry out specific construction works for our projects particularly those requiring specialised expertise which our Group does not possess such as piling work, and other construction works which we deemed more cost effective to be subcontracted to external subcontractors.

The proportion of construction works subcontracted out to third parties as compared to construction works performed in-house is dependent on various factors, including the economical costing, the specific work required for any given stage of construction, the timeframe available to complete such works and if our in-house capabilities are better utilised for other projects. During the Period under Review, our subcontractor costs have reduced from 59.82% to 42.50% of our total cost of sales for the FYE 2021 and FYE 2023, respectively.

## 5. RISK FACTORS (CONT'D)

We select our subcontractors after considering such factors as their track record, financial capability, work quality, resource capacity and pricing. Their scope of work, contract value as well as any other terms and conditions such as retention sum, and milestone deadlines are set out in the contracts awarded to our subcontractors. We can seek damages or compensation in the event of late performance or non-performance by our subcontractors.

We are subject to the risks associated with poor, late or non-performance by our subcontractors. While we may attempt to seek compensation from the relevant subcontractors, we may, from time to time, be required to compensate our clients before receiving the said compensation from the relevant subcontractors.

In the event that we are unable to seek compensation from the relevant subcontractors or the amount of the claims from our clients cannot be recovered in full or at all from the subcontractors, we may be required to bear some or all the costs of the claims from our clients, which may in turn adversely affect our results of operations and financial performance. Furthermore, if the works performed by our subcontractors do not meet the standards of our clients, our reputation may also be adversely affected.

For the Period under Review and up to the LPD, we have not experienced any material claims from our clients relating to the work completed by our subcontractors. Nevertheless, there is no assurance that we would not experience any claims from our clients relating to the poor, late or non-performance of our subcontractors in the future.

### 5.1.3 We are subject to unanticipated increases in the cost of construction materials, subcontractors and labour costs

Prior to entering into a construction contract, we base our pricing on preliminary cost estimates which takes into account amongst others, quotations from our suppliers and subcontractors, the quantity and cost of construction materials required, project duration and complexity. We also allocate a budgeted contingency cost when determining our pricing to account for potential increases in the prices of such inputs.

Our construction contracts are typically based on a fixed rate contract where the contract value and the price of the scope of work is agreed at the point our Group is awarded the contract. In addition, certain of our contracts allow us to claim additional money to cover the significant increases in the cost of our construction materials, subject to the approval of our clients. Should we encounter any increase in costs that we are unable to pass on to our clients, it could result in project cost overruns, potentially exerting a negative impact on our profit margins and financial performance.

In the event the actual prices of such construction inputs are higher than originally estimated and we are unable to pass on such increases to our clients, this could have a material adverse impact on our business and financial performance. Such unexpected cost increases may occur due to the time gap between the original estimation of preliminary cost, to the ordering of the construction materials, appointing of the subcontractors and hiring of skilled and unskilled labour for each progressive stage of a construction contract, which could take years to complete.

For the Period under Review, we did not experience any material unanticipated increase in the cost of construction materials, subcontractors and/or labour. Whilst we are experienced in project cost estimation, there is no assurance that we will not face any unforeseen or persistent increase in construction costs which may adversely affect our profitability and financial performance.

## 5. RISK FACTORS (CONT'D)

### 5.1.4 Our joint arrangement with other construction companies to undertake construction projects are subject to the risk of non-performance / termination

Our Group undertakes certain construction projects jointly with other construction companies. Such arrangement may be established by way of the creation of a special purpose vehicle or construction consortium or by entering into a joint venture agreement to tender for and execute a particular construction project.

Whilst our Group is selective in our choices of construction companies to partner with, taking into consideration amongst others, their reputation, track record and financial capability, there is no guarantee that our construction partner(s) will be able or willing to continue fulfilling their obligations under the terms of the construction contract awarded to us or the terms of any agreements entered into with our Group.

In the event such partnership with the other construction company is terminated for any reason including the breach of the terms of any agreement entered into between our Group and the other construction company, the non-performance of the obligations of either party or the winding up of any member of the consortium / joint venture, the client of that particular project may be entitled to terminate the contract with us, even if the termination of the joint venture was due to no fault of our Group. In the event of such termination, there is no guarantee the client will re-award the contract to either our Group or to another consortium in which our Group is a member of.

For the Period under Review and up to the LPD, 2 of our ongoing projects, namely the Kota Belud Road Project and the Pan Borneo (WP13) Project, are undertaken via joint ventures with another construction company. Whilst we endeavour to fulfil our obligations in relation to our agreements with our partners, there is no assurance that such arrangements will not be terminated prematurely for whatever reason and such termination may have an adverse effect on our business and financial performance.

### 5.1.5 We may experience a delay in / non completion of our projects

We are obligated to complete our construction projects within the timeframe as stipulated in the construction contracts awarded to us. In the event of a delay, we would usually seek an EOT from our client, which is subject to their approval. Any unapproved extension in the amount of time it takes for us to fulfill our contracted obligations may subject us to LAD claims from our clients, which may have a material adverse effect on our reputation and financial performance. Delays in our projects may also result in project cost overruns which may also have a material adverse effect on our financial performance.

Delays may occur due to various reasons including delays in obtaining necessary permits or approvals from regulatory authorities, disruption in the supply of construction materials and equipment, shortage of construction workers, delays by our subcontractors, natural disasters including floods and landslides as well as mandatory shutdowns by the authorities for amongst others, on-site accidents and outbreaks of pandemics or other infectious diseases.

In the past, we had experienced delays in our construction projects due to the outbreak of COVID-19 and the imposition of the MCO on 18 March 2020. During the various phases of the MCOs, our subcontractors were issued with stop-work orders due to COVID-19 outbreaks, resulting in a slowdown in our completion of our ongoing projects. Nevertheless, we have applied for and were granted EOTs for all our ongoing projects, and as at the LPD, we are on track and expect to complete the projects within the current approved project timeline.

## 5. RISK FACTORS (CONT'D)

While we manage our projects closely to adhere to these timeframes, there is no assurance that factors beyond our control may hinder timely completion of our projects and such delays may have an adverse effect on our financial performance.

### 5.1.6 We are subject to the risk of defect liability claims from clients for our projects

The DLP for our construction projects varies from contract to contract, typically ranging from 12 months to 24 months from the issuance of the CPC, which signifies the official handover date of our completed projects to our clients. During the DLP, we are liable for repairing and rectifying of any defects related to our construction works, including those carried out by our subcontractors.

We are allowed to seek damages or compensation from our subcontractors in the event of delays, non-performance or subpar performance on their part. If we are unable to seek redress from our subcontractors, we may need to bear the cost for such repair or rectification, leading to potential project cost overruns. If these repairs, damages or defect are material, it would have an adverse impact on our business operations and financial performance. We have also purchase contractor all risks insurances for all our projects to protect us financially, including in the event of defect liability claims from our clients and other third-parties.

During the Period under Review up to the LPD, we have not experienced any defect liability claims or compensation demands from our clients. However, while we strive to maintain the quality of our construction work, there can be no assurance that we will not be subject to any material defect liability claims in the future.

### 5.1.7 Our construction activities are dependent on our continued ability to obtain the requisite permits, licenses, approvals and certifications

In Malaysia, contractors must comply with various requirements mandated by applicable laws and regulations, including the policies and procedures established by authorities for the enforcement of these legal provisions. All 4 of our Subsidiaries are registered as Grade 7 contractors with the CIDB which allows us to undertake construction projects with unlimited tendering capacity in Malaysia. In addition, Pembinaan AJ is registered as a holder of the SPKK issued by CIDB as well as a Class A contractor with the Registration Centre for Supply / Service Works Contractors and Consultants, Ministry of Finance, Sabah (PUKONSA) which allows Pembinaan AJ to participate in any government procurement in the field of construction with tendering capacity of RM5,000,001 and above in the State of Sabah. Pembinaan AJ has also been granted Bumiputera status certification from the Ministry of Entrepreneur and Cooperatives Development of Malaysia.

The requisite permits, licences, certificates and approvals required for the development and construction works includes, amongst others, planning permits, construction plans approvals, advertising and sale permits and certificates or confirmation of completion ("**Development and Construction Approvals**"). The Development and Construction Approvals must be obtained from the relevant authorities at the appropriate stage, corresponding to the development progress of our construction work and is subject to the satisfaction of the applicable conditions.

While we have thus far obtained the appropriate approvals in a timely manner, there can be no assurance that we will not encounter problems in obtaining such Development and Construction Approvals and fulfilling the associated conditions in the future.

## 5. RISK FACTORS (CONT'D)

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Further, there can be no guarantee that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to our construction business. If we fail to obtain the relevant Development and Construction Approvals in a timely manner or fulfil any of the conditions required, our projects may not be completed in accordance with the agreed project schedule, which may in turn result in termination of our contracts, thereby adversely affecting our business, reputation, financial performance as well as our future growth and prospects.

### 5.1.8 **We are dependent on our skilled and experienced personnel and the loss of their continued services may affect our operations and future growth**

Our Group's continued success depends largely on the experience, expertise and continuous efforts of our Executive Directors and Key Senior Management who are directly responsible for our Group's daily operations. The unexpected departure of any one of them could disrupt our business operations and hamper our growth. There is no assurance that in the event we lose any of our key people, that we would be able to identify and/or recruit suitable replacements in a timely manner, or at all.

The smooth operation of our construction projects also depends on the contributions and expertise of our skilled project management teams for each project. In addition, the shortage of any skilled employees such as project managers, quantity surveyors, and equipment operators could affect our construction operations, potentially hampering our construction operations.

Nevertheless, there is no assurance that any change in the executive directors and key management team will not have an adverse effect on our Group's business and future performance.

### 5.1.9 **We are dependent on project financing and the associated interest rate risk**

Our operations as well as the continued growth of our business are dependent on our ability to secure adequate project financing from financial institutions, thereby exposing us to the risk of unforeseen adverse interest rate fluctuations and potential financial distress should we fail to meet our obligation within our financing agreements.

Our primary sources of working capital funding encompass progress billings and bank borrowings including term loans, bank overdrafts and revolving credits. Furthermore, we may utilise bank guarantees to secure tender bonds and performance bonds, which are utilised throughout the entire construction contract lifecycle, from the initial tender process to the fulfilment of our obligations to our clients, in accordance with the respective contract terms.

Failure to secure the necessary project financing could limit our future growth as we would not be able to take on larger projects, adversely affecting our cash flow and working capital requirements. In the event we fail or experience challenges in meeting our financial commitments within our financing agreements, we could face financial distress which will adversely affect our operations and financial performance.

For the Period under Review and up to the LPD, we have managed all our project financing without defaults on either principal or interest payments relating to our borrowings. As at the LPD, our total borrowings amount to RM162.54 million, comprising RM100.07 million subject to floating interest rates and RM62.47 million subject to fixed interest rates. Any adverse interest rate fluctuation may result in an increase in finance costs which may have an adverse impact on our profitability and our financial performance.

## 5. RISK FACTORS (CONT'D)

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### 5.1.10 We are subject to risk associated with workplace safety and health at our construction sites

Our construction projects are carried out by our employees and subcontractors along with their respective employees. Despite implementation of safety protocols and procedures in our operations, there is no assurance that these protocols and procedures are all encompassing, or that our employees will consistently adhere to them.

In the event of personal injuries or fatal accidents occurring at our construction sites, we may be liable to claims or legal actions. Furthermore, we could also be subject to fines, penalties, investigation by relevant authorities such as the Department of Occupational Safety and Health, or receive prohibition notices and stop-work orders, potentially resulting in suspensions, disruptions in our operations and project completion delays. Although we have instituted control measures at our construction sites, there is no assurance that accidents can be averted. Any fines and penalties issued, or investigation conducted by relevant authorities in relation to accidents at our construction sites that occurred beyond our control, our business operations and financial performance may be adversely affected.

On 28 May 2023, we had an accident involving a site engineer at one of our construction sites which resulted in the amputation of a limb of said site engineer. Following an internal investigation conducted by our safety and health officer and reported to the Department of Occupational Safety and Health and JKR Sabah, it was concluded that the incident occurred due to a lack of supervision by our subcontractor and a malfunction in the reverse horn siren/alarm of the construction machinery of our subcontractor. As at the LPD, there were no fines, penalties or further investigations brought upon us by the authorities on the incident.

We have not experienced any claims or legal proceedings relating to personal injuries or fatal accidents for the Period under Review and up to the LPD. Nevertheless, there is no assurance that we would not experience such claims in the future.

We face operational risks that encompass accidents occurring at the project sites and damage to our construction equipment. To mitigate this risk, we have been maintaining certain insurance policies, including contractors' all risks insurance (providing coverage for damages to contract works or property and third-party liability in cases of accidental bodily injury or property damage involving third parties) workmen's compensation insurance for every project, coverage for our construction equipment and fire for our business operations. Despite our insurance coverage across various facets of our business, there can be no assurance that it will fully cover all losses, damages or liabilities that may arise during our business operations. Any losses or damages exceeding of our insured limits or occurring in areas where we lack insurance coverage could have an adverse effect on our business operations, financial performance and results of operations.

## 5. RISK FACTORS (CONT'D)

### 5.1.11 We may be materially and adversely affected by events relating to outbreak of diseases, epidemics or pandemics

The pandemics of the recent years have demonstrated the speed at which contagious diseases is able to spread globally. Examples of recent contagious diseases include the COVID-19 virus, Middle East respiratory syndrome, Ebola, severe acute respiratory syndrome, swine flu (e.g., H1N1) and avian flu (e.g., H5N1), and Zika virus highlight the continuing risks of contagious diseases that may affect our business and operations.

The recent COVID-19 pandemic had caused a major economic crisis globally. As a result, during the Period under Review, we had experienced delays in our construction projects due to the outbreak of COVID-19. However, we have applied for and were granted EOTs for all our ongoing projects, and we were not penalised from the delay in our projects from our client, which may have caused an impact on our financial condition.

Should the COVID-19 outbreak becomes severe again or an outbreak of a contagious disease occurs that result in restrictions imposed by the Malaysian government such that we and/or our suppliers and subcontractors are required to suspend all or parts of their business operations, we may experience a delay or shortage of construction materials, halt in our construction activities by our internal construction teams or subcontractors which may cause delays in project deliveries, etc. In such an event, our business, financial condition and results of operations may be materially and adversely affected. Our revenue and profitability may also be materially affected if any infectious disease outbreak affect Malaysia's overall economic and market conditions, resulting in an economy slowdown and/or negative business sentiments.

While the impact of the COVID-19 pandemic on our Group's business has not been material to date, there is no assurance that the risks associated from the outbreaks of any contagious diseases will not have a material and adverse effect on our business operations and financial performance in the future.

## 5.2 RISKS RELATING TO OUR INDUSTRY

### 5.2.1 We are dependent on the continued Government infrastructure spending in the state of Sabah

We are principally involved in the provision of construction services and have established ourselves as a road infrastructure specialist. For the Period under Review, all of our projects are infrastructure-related projects in the state of Sabah with all of our construction revenue derived from contracts with Government agencies. As such, our business is dependent on continued Government infrastructure spending in Sabah particularly on new infrastructure works. Any reduction in Government investment in new infrastructure in the state of Sabah would have a material impact on our business, operations, and financial performance.

Our Group has been involved in road infrastructure development in the state of Sabah for over 30 years, including as a main contractor and subcontractor for some of the largest infrastructure projects in the state of Sabah. As such, we have benefitted from continued Government investment in Sabah infrastructure over the years.

Government infrastructure spending in Sabah is subject to Government development policies and any adverse changes in such policies, particularly on infrastructure spending could adversely affect the performance of the construction sector in Sabah. There can be no assurance that any future unfavourable changes in Government policies will not adversely affect our Group in the future.

## 5. RISK FACTORS (CONT'D)

Further, if we are unable to secure construction contracts from the Government or JKR Sabah in the future, the loss of JKR Sabah as our client may adversely affect our business, results of operations and financial condition. Nonetheless, we hold existing contracts and have a long-standing track record with JKR Sabah. Please refer to Section 7.11 of this Prospectus for further details of our track record with JKR Sabah.

Despite our established track record, there is no assurance that JKR Sabah will continue to award us with new contracts in the future. Should this occur, we will need to source for new contracts from other clients to substitute the loss of revenue from JKR Sabah in a timely manner.

### 5.2.2 We face competition risk from other construction companies

The construction industry is highly fragmented and competitive. According to the IMR Report, there were 3,206 local Grade 7 contractors specialising in road and pavement construction under the civil engineering category in Malaysia as of June 2024, out of which 326 contractors were located in Sabah (4 of which are our Subsidiaries).

The barriers to entry for small road and pavement projects are relatively low, as the work involved for the construction of local roads on flat terrain is relatively straightforward and relies mainly on manual labour and a small number of specialised equipment such as asphalt pavers and road roller machines.

In comparison, over the last 30 years, our Group has been involved as a main contractor and subcontractor for some of the larger infrastructure projects in the state of Sabah, including the longest pre-stressed vehicular bridge in Sabah, the first vehicular tunnel constructed in Sabah and is currently engaged in 8 ongoing construction projects. Our ability to compete is based on our competitive advantages, including our fleet of machinery, our operating track record and technical expertise. According to the IMR Report, the value of civil engineering works (infrastructure construction) performed in the state of Sabah in 2023, was approximately RM4.62 billion and our construction revenue for the FYE 2023 of RM274.77 million represents approximately 5.94% of that amount.

Although we have our competitive strengths as further set out in Section 7.2 of this Prospectus, there is no assurance that we will be able to compete effectively against our competitors. In the event we are unable to build on our competitive strengths to remain competitive moving forward, our business and financial performance may be adversely affected.

### 5.2.3 We may be unable to procure an adequate supply of construction materials and/or labour

The primary inputs for construction activities are construction materials and labour. For construction works which are subcontracted out, our subcontractors are responsible for procuring the required construction materials and labour to fulfil such subcontracts. The inability of our Group or our subcontractors to procure adequate construction materials and/or labour in a timely manner would have a material adverse impact on our operations and financial performance.

The major construction materials used by our Group are earth soils, aggregates, bitumen, pre-mixed asphalt, diesel fuel, steel bars and reinforcements, pre-mixed concrete and ready mixed concrete, details of which are set out in Section 7.13 of this Prospectus. The supply of certain of these construction materials may fluctuate in tandem with the global commodity prices which are outside of our Group's control.



## 5. RISK FACTORS (CONT'D)

For the Period under Review, majority of our construction materials are supplied by local suppliers, and we have not encountered any major disruptions in the supply of construction materials. However, there can be no assurance that any shortages of construction materials or any increase in construction material prices will not have any adverse effect on our financial performance.

Construction activities are labour intensive, and any shortage of labour may potentially lead to delays in project completion and the risk of LAD claims from our clients. We and our subcontractors rely on both local and foreign labour to carry out our construction activities. Shortages in our labour may have a material adverse effect on our business, operations and financial performance. The supply of foreign workers in the Malaysian construction industry is subject to Government regulations that may undergo changes over time. Should there be restrictions imposed on the hiring of foreign workers, the construction industry could experience foreign labour shortages which would increase competition for local labour.

As at the LPD, 302 or 89.35% of our construction workers are local while only 36 or 10.65% of our construction workers are foreign, all of whom possessed valid work permits. For avoidance of doubt, any foreign workers pending renewed work permits will not engage in work at our sites until such work permits are renewed. Accordingly, our workforce may face shortages in the event the work permits are not renewed.

Although we mainly employ local workers, our construction operations remain contingent on the availability of labour, and there is no assurance that we will not require more foreign workers, nor can we assure that we would be able to procure an adequate supply of both local and foreign workers in the future.

### 5.2.4 We are subject to economic, social, political and regulatory risks as well as occurrence of force majeure events such as global pandemic risks

Our operations are solely in the state of Sabah in Malaysia and are governed by the terms of the licences awarded by relevant local authorities and federal government agencies. As such, the business prospects and financial performance of our Group depend on the political, economic and regulatory conditions in Malaysia, in particular the Sabah State Government. Any adverse developments or uncertainties in political, economic or regulatory conditions could unfavourably affect our financial position and business prospects.

Any other adverse change in the economic conditions of Malaysia including any unfavourable change in inflation rates, interest rates and foreign exchange rates, expropriations, changes in political leadership, unfavourable change in government policies and regulations such as introduction of new regulations, and changes in accounting and tax policies may have an adverse impact on our business, financial performance and prospects.

## 5. RISK FACTORS (CONT'D)

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### 5.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

#### 5.3.1 There is no prior market for our Shares

Prior to our Listing, there has been no public market or public trading for our Shares. The listing of our Shares on the Main Market does not guarantee that an active market for our Shares will develop.

There is also no assurance that our IPO Price will correspond to the price at which our Shares will be traded on the Main Market.

#### 5.3.2 Our Listing is exposed to the risk that it may be aborted or delayed

Our Listing may be aborted or delayed should any of the following occurs:

- (i) our Sole Underwriter exercising its rights under the Underwriting Agreement to discharge itself from its obligations therein;
- (ii) we are unable to meet the public shareholding spread requirement set by Bursa Securities, whereby at least 25.00% of our total number of Shares for which listing is sought must be held by a minimum number of 1,000 public shareholders each holding not less than 100 Shares upon the completion of our IPO and at the point of our Listing; or
- (iii) the revocation of approvals from the relevant authorities prior to our Listing and/or admission to the Official List for whatever reason.

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

- (a) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications for our IPO Shares shall be deemed to be withdrawn and cancelled and we or such other person who received the monies shall repay all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which we shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA; or
- (b) our Listing is aborted, investors will not receive any IPO Shares, and all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

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

- (aa) 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 shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA; or

## 5. RISK FACTORS (CONT'D)

(bb) our Listing is aborted other than pursuant to a stop order by the SC under Section 245(1) of the CMSA, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by the sanction of our shareholders by special resolution in a general meeting and supported by either:

- a 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
- a solvency statement from our Directors.

### 5.3.3 The trading price and trading volume of our Shares following our Listing may be volatile

The trading price and volume of our Shares may fluctuate due to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include variations in the results of our operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is also affected by external factors such as the performance of the regional and world bourses, inflow or outflow of foreign funds, 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 Shares.

### 5.3.4 Our Promoters will be able to exert significant influence over our Company

Our Promoters and persons connected to them will collectively hold approximately 73.53% of our enlarged share capital upon Listing. As a result, our Promoters will have significant influence on the outcome of certain matters requiring the vote of shareholders unless they are required to abstain from voting by law and/or as required by the relevant authorities.

### 5.3.5 Forward-looking/prospective statements in this Prospectus may not be achievable

Certain statements or expectations or forecasts in this Prospectus are based on historical data which may not be reflective of our future results. Forward-looking statements in this Prospectus are based on assumptions and subject to uncertainties and contingencies.

There can be no assurance that such prospective statements or expectations or forecasts will materialise and actual results may deviate significantly. Such deviation may have a material and adverse effect on us.