THIS CIRCULAR TO SHAREHOLDERS OF BM GREENTECH BERHAD ("BMG" OR THE "COMPANY") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.

BM GREENTECH BERHAD

(Registration No.: 201001013463 (897694-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE FOLLOWING:-

(I) PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN PLUS XNERGY HOLDING SDN BHD ("PXH") FOR A PURCHASE CONSIDERATION OF RM110.0 MILLION TO BE FULLY SATISFIED BY THE ISSUANCE OF 81,481,482 NEW ORDINARY SHARES IN BMG ("BMG SHARE(S)" OR "SHARE(S)") ("CONSIDERATION SHARE(S)") AT AN ISSUE PRICE OF RM1.35 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION");

(II) PROPOSED ISSUANCE OF 90,312,918 NEW BMG SHARES ("PLACEMENT SHARE(S)") TO QL GREEN RESOURCES SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF QL RESOURCES BERHAD ("QL")) AT AN ISSUE PRICE OF RM1.35 PER PLACEMENT SHARE ("PROPOSED ISSUANCE TO QL"); AND

(III) PROPOSED BONUS ISSUE OF 171,948,600 WARRANTS IN BMG ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING BMG SHARES HELD BY THE SHAREHOLDERS OF BMG WHOSE NAMES APPEAR IN THE COMPANY'S RECORD OF DEPOSITORS ON THE ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS"),

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOB KAY HIAN SECURITIES (M) SDN BHD

(Registration No.: 199001003423 (194990-K))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The resolutions in respect of the above Proposals will be tabled at the extraordinary general meeting of BMG ("**EGM**") which will be held at Zamrud Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 18 October 2024 at 10.00 a.m. The notice of EGM together with the Proxy Form, Administrative Guide and this Circular are available to be downloaded from the Company's website at http://bmgreentech.com/agm-egm.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Proxy Form should be lodged at the Share Registrar of BMG, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, their Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or electronically lodged with the Share Registrar of BMG via TIIH Online at https://tiih.online not less than forty-eight (48) hours before the time stipulated for holding the EGM. The lodging of the Proxy Form does not preclude you from attending and voting at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Proxy Form	:	Wednesday, 16 October 2024 at 10.00 a.m.
Date and time of the EGM	:	Friday, 18 October 2024 at 10.00 a.m.

This Circular is dated 3 October 2024

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

"Accumulated Guaranteed PAT"	:	The sum of at least RM44.0 million, being an aggregate accumulated audited PAT of PXH Group
"Act"	:	The Companies Act 2016
"Additional Funding"	:	The additional funding of up to RM50.0 million to be given by BMG to fund the capital expenditure for PXH Group's business growth and expansion in relation to the Proposed Acquisition in the manner as set out in **Note (2)** of **Section 5.1** of this Circular
"BMG" or the "Company"	:	BM GreenTech Berhad (Registration No.: 201001013463 (897694-T))
"BMG Group" or the "Group"	:	Collectively, BMG and its subsidiaries
"BMG Share(s)" or "Share(s)"	:	Ordinary share(s) in BMG
"Board"	:	The Board of Directors of BMG
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
"Circular"	:	This circular to shareholders of BMG dated 3 October 2024 in relation to the Proposals
"Completion Date"	:	The completion date of the Proposed Acquisition pursuant to the SAA
"Consideration Share(s)"	:	81,481,482 new BMG Shares to be allotted and issued at the Issue Price to the Vendors pursuant to the Proposed Acquisition
"Deed Poll"	:	The deed poll constituting the Warrants to be executed by BMG
"Deposited Securities"	:	32,592,593 Consideration Shares, representing 40.0% of the Purchase Consideration to be held by the Trustee, and to be released to the Vendors upon PXH Group achieving and maintaining the Profit Guarantee throughout the Guarantee Period in accordance with the terms of the SAA
"Director(s)"	:	The director(s) of BMG and shall have the same meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
"E&E"	:	Electrical and electronics
"EGM"	:	Extraordinary general meeting of BMG
"Entitled Shareholder(s)"	:	The shareholder(s) of BMG whose name(s) appear in the Record of Depositors of BMG on the Entitlement Date pursuant to the Proposed Bonus Issue of Warrants

"Entitlement Date"	:	A date after the completion of the Proposed Acquisition and Proposed Issuance to QL (to be determined and announced by our Board later) on which the names of the Entitled Shareholders must appear in the Record of Depositors of the Company in order to be entitled to the Warrants pursuant to the Proposed Bonus Issue of Warrants
"EPCC"	:	Engineering, procurement, construction and commissioning
"EPS"	:	Earnings per share
"ESA"	:	Executive service agreements to be entered into between PXH and the Executive Directors of PXH
"Executive Director(s) of PXH"	:	Collectively or individually, Ko Chuan Zhen and Oh Zhi Kang, who are also the Vendors
"FYE"	:	Financial year ended/ending, as the case may be
"Guarantee Period"	:	A period of 4 years from 1 April 2024 until 31 March 2028
"Indicative Exercise Price"	:	The illustrative exercise price of the Warrants adopted in this Circular, being RM1.6644 per Warrant, as set out in **Section 4.1** of this Circular
"Interested Directors"	:	Collectively, Chia Song Kun, Chia Lik Khai and Chia Seong Fatt
"Interested Parties"	:	Collectively, QL, QLGR and the Interested Directors
"Issue Price"	:	RM1.35 per Consideration Share/ Placement Share
"KLIBOR"	:	Kuala Lumpur Interbank Offered Rate
"Leaf Power"	:	Leaf Power Sdn Bhd (Registration No.: 201501003631 (1128963-T)), an associate company of Leaf Solar
"Leaf Solar"	:	Leaf Solar Sdn Bhd (Registration No.: 201201034719 (1019201-U)), a wholly-owned subsidiary of PXS
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LPD"	:	5 September 2024, being the latest practicable date prior to the printing and despatch of this Circular
"LSS"	:	Large-scale solar
"LTD"	:	14 June 2024, being the last trading day immediately prior to the date of signing of the Term Sheet
"NA"	:	Net assets
"NETR"	:	National Energy Transition Roadmap published by the Ministry of Economy Malaysia
"PAT"	:	Profit after tax
"PBT"	:	Profit before tax
"PE Multiple"	:	Price-to-earnings multiple

"Placement Share(s)"	:	90,312,918 BMG Shares to be allotted and issued at the Issue Price to QLGR pursuant to the Proposed Issuance to QL
"Profit Guarantee"	:	The Accumulated Guaranteed PAT over the Guarantee Period provided by the Vendors in proportion to their respective shareholdings in PXH
"Proposals"	:	Collectively, the Proposed Acquisition, Proposed Issuance to QL and Proposed Bonus Issue of Warrants
"Proposed Acquisition"	:	Proposed acquisition of 100% equity interest in PXH for the Purchase Consideration to be fully satisfied by the issuance and allotment of the Consideration Shares at the Issue Price
"Proposed Bonus Issue of Warrants"	:	Proposed bonus issue of 171,948,600 Warrants on the basis of 1 Warrant for every 4 existing BMG Shares held by the Entitled Shareholders on the Entitlement Date
"Proposed Issuance to QL"	:	Proposed issuance of 90,312,918 Placement Shares at the Issue Price to QLGR to maintain QL's current shareholdings (through QLGR) of 52.57% equity interest in BMG upon allotment and issuance of the Consideration Shares
"Purchase Consideration"	:	Purchase consideration of approximately RM110.0 million for the Proposed Acquisition to be fully satisfied by the issuance and allotment of the Consideration Shares at the Issue Price
"PV"	:	Photovoltaic
"PXH"	:	Plus Xnergy Holding Sdn Bhd (Registration No.: 201901010151 (1319479-U))
"PXH Group"	:	Collectively, PXH and its subsidiaries, associate company and joint venture companies
"PXH Share(s)" or "Sale Share(s)"	:	Ordinary share(s) in PXH
"PXM"	:	Plus Xnergy Micro Sdn Bhd (Registration No.: 201601024454 (1195393-D)), a wholly-owned subsidiary of PXS
"PXS"	:	Plus Xnergy Services Sdn Bhd (Registration No.: 201301020143 (1049973-X)), a wholly-owned subsidiary of PXH
"PXS Group"	:	Collectively, PXS and its subsidiaries, associate company and joint venture companies
"QL"	:	QL Resources Berhad (Registration No.: 199701013419 (428915-X))
"QLGR"	:	QL Green Resources Sdn Bhd (Registration No.: 198101003375 (69489-D)), a wholly-owned subsidiary of QL
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SAA"	:	Share acquisition agreement entered into between BMG and the Vendors on 11 July 2024 for the Proposed Acquisition

"SPSB"	:	Smiling Planet Sdn Bhd (Registration No.: 202201033298 (1478995-H))
"Term Sheet"	:	Legally binding term sheet entered into between BMG and the Vendors on 18 June 2024 in relation to the Proposed Acquisition
"Trustee"	:	A trustee company appointed/ to be appointed by BMG in relation to the Proposed Acquisition
"TWFSB"	:	Tenaga Wan Foong Sdn Bhd (Registration No.: 199301021914 (276652-X))
"Unconditional Date"	:	The date when all the conditions precedent of the SAA have been obtained/ fulfilled/ waived, as the case may be
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian Securities (M) Sdn Bhd (Registration No.: 199001003423 (194990-K))
"Vendors"	:	Collectively, Ko Chuan Zhen, Leong Beng Yew, Oh Siang Hwa, Oh Zhi Kang, Poh Tyng Huei, SPSB and TWFSB
"VWAP"	:	Volume-weighted average market price
"Warrant(s)"	:	171,948,600 free warrants in BMG to be issued pursuant to the Proposed Bonus Issue of Warrants

Units of measurement

"GW"	:	Gigawatts
"MWp"	:	Megawatt-peak

All references to "our Company" and "BMG" in this Circular are to BMG and references to "our Group" or "BMG Group" are to our Company and our subsidiaries. All references to "we", "us", "our" and "ourselves" are to our Company, and where the context requires, our Group or any of our subsidiaries. All references to "you" or "your" in this Circular are to the shareholders of BMG.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment or guidelines is a reference to that enactment or guidelines as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancies in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that BMG's plans and objectives will be achieved.

EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals, which entails the Proposed Acquisition, Proposed Issuance to QL and the Proposed Bonus Issue of Warrants. **Given that the Proposed Acquisition and Proposed Issuance to QL are inter-conditional upon each other, the Interested Parties (in particular, QL through QLGR) will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolutions pertaining to the Proposed Acquisition and Proposed Issuance to QL to be tabled at the forthcoming EGM.** You are advised to read the Circular in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposals before voting at the forthcoming EGM.

Key information	Description	Reference to the Circular
Details of the Proposed Acquisition	<u>Overview</u> The Proposed Acquisition entails the acquisition of the Sale Shares, free from all encumbrances and with all attached or accrued rights as at the Completion Date, by our Company from the Vendors for the Purchase Consideration (to be fully satisfied by the issuance of the Consideration Shares at the Issue Price), subject to the terms and conditions of the SAA. <u>Basis and justification of determining the Purchase Consideration</u> The Purchase Consideration was arrived at on a "willing-buyer willing-seller" basis, after taking into consideration the following:- (i) the Accumulated Guarantee PAT of at least RM44.0 million during and for the entire Guarantee Period; (ii) the historical pro forma financial track record of PXH Group for the past 4 financial years; (iii) the rationale and potential benefits to be accrued to our enlarged Group through the Proposed Acquisition; and (iv) the prospects of our enlarged Group. Further, in determining the Purchase Consideration, our Board has taken into consideration the PE Multiple of the comparable companies listed on Bursa Securities. <u>Basis and justification of determining the Issue Price of the Consideration Shares and mode of settlement</u> The Issue Price of RM1.35 per Consideration Share was agreed between our Company and the Vendors on a "willing-buyer willing-seller" basis, based on the 3-month VWAP of BMG Shares of RM1.35 up to and including the LTD, taking into consideration the following:- (i) the decision by both parties to adopt a 3-month basis was negotiated on a "willing-buyer willing-seller" basis to better reflect the trading market price of BMG Shares over a broader timeframe, which smoothens out short-term volatility whilst also reflecting the underlying market conditions prior to signing of the Term Sheet; (ii) the Issue Price is deemed sufficiently attractive for the Vendors to accept the Purchase Consideration in the form of Consideration Shares and for our Group to secure the commitment of the Vendors in closing the transaction; (iii) with the Vendors eventually holding equity in our Company, it will provide added motivation for the Vendors to assist in the growth of our enlarged Group and increase shareholders' value in the long term; and (iv) the settlement of the Purchase Consideration via the issuance of the Consideration Shares will enable our Group to enhance our asset base without relying on internally generated funds and/or bank borrowings.	**Section 2**

<table>
<tr><th>Key information</th><th>Description</th><th>Reference to the Circular</th></tr>
<tr><td>Details of the Proposed Acquisition (cont'd)</td><td>
<u>Mode of settlement</u>
Pursuant to the terms of the SAA, the Purchase Consideration is to be fully satisfied by the issuance and allotment of 81,481,482 Consideration Shares at the Issue Price, in the following manner:-
<table>
<tr><th>Payment term</th><th>Timing of settlement</th><th>No. of Consideration Shares</th><th>Value of Consideration Shares (RM'000)</th></tr>
<tr><td>60.0% of the Purchase Consideration</td><td>The Consideration Shares shall be issued and allotted to the Vendors within 30 days from the Unconditional Date or on such later date as the parties shall mutually agree in writing</td><td>48,888,889</td><td>66,000</td></tr>
<tr><td>40.0% of the Purchase Consideration</td><td>The Consideration Shares (i.e. Deposited Securities) shall be issued and allotted to the Trustee within 30 days from the Unconditional Date or on such later date as the parties shall mutually agree in writing</td><td>32,592,593</td><td>44,000</td></tr>
<tr><td>Total</td><td></td><td>81,481,482</td><td>110,000</td></tr>
</table>
</td><td></td></tr>
<tr><td>Details of the Proposed Issuance to QL</td><td>
<u>Overview</u>
In conjunction with the Proposed Acquisition, our Company shall also undertake the Proposed Issuance to QL with the aim to maintain QL's current shareholdings (through QLGR) at 52.57% equity interest in BMG to ensure that BMG remain as a subsidiary of QL group upon allotment and issuance of the Consideration Shares.

<u>Placement size</u>
The Proposed Issuance to QL involves an issuance of 90,312,918 Placement Shares to QLGR, representing approximately 13.13% of our enlarged issued share capital comprising 687,794,400 Shares, upon the completion of the Proposed Acquisition and Proposed Issuance to QL.

<u>Basis and justification of determining the Issue Price of the Placement Shares</u>
The Issue Price of the Placement Shares shall be equivalent to the Issue Price of the Consideration Shares (i.e. RM1.35 per Placement Share).
</td><td>Section 3</td></tr>
</table>

Key information	Description	Reference to the Circular
Details of the Proposed Bonus Issue of Warrants	Overview The Proposed Bonus Issue of Warrants will only be implemented upon the completion of the Proposed Acquisition and Proposed Issuance to QL. The Proposed Bonus Issue of Warrants entails the issuance of 171,948,600 Warrants on the basis of 1 Warrant for every 4 existing BMG Shares held by the Entitled Shareholders on the Entitlement Date. Basis and justification of determining the exercise price of the Warrants The Warrants will be issued at no cost to the Entitled Shareholders. The exercise price of the Warrants will be determined by our Board at a later date after all relevant approvals have been obtained but before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:- (i) the historical price movement of BMG Shares; (ii) the 5-day VWAP of BMG Shares and the prevailing market price of BMG Shares; and (iii) the future prospects and potential funding requirements of our Group.	**Section 4**
Rationale and justification of the Proposals	Proposed Acquisition Our Board expects that the Proposed Acquisition will foster a synergistic partnership between PXH Group and our Group and is envisaged to drive mutual growth of both groups of companies moving forward. Our Board also takes cognisance of the following factors in undertaking the Proposed Acquisition:- (i) the Proposed Acquisition involves the Profit Guarantee provided by the Vendors to us. As such, our Group will benefit from the Accumulated Guaranteed PAT during and for the entire Guarantee Period; and (ii) the Purchase Consideration is intended to be settled by the issuance and allotment of the Consideration Shares. This will also enable our Group to acquire PXH without any immediate impact on our cash position as opposed to a full cash settlement of the Purchase Consideration. Barring any unforeseen circumstances and based on the above, the Proposed Acquisition is expected to contribute positively to our Group's future revenue and earnings potential. Proposed Issuance to QL In conjunction with the SAA, our Company shall also undertake the Proposed Issuance to QL with the aim to maintain QL's current shareholdings (through QLGR) of 52.57% equity interest in BMG upon allotment and issuance of the Consideration Shares. The subscription of the Placement Shares by QLGR, being our controlling shareholder and our holding company, also indicates QL's commitment and confidence by making further investments in our Company to support our expansion and growth plan. Proposed Bonus Issue of Warrants Our Board is of the view that the Proposed Bonus Issue of Warrants is an appropriate avenue for our Company to reward our existing shareholders after taking into consideration the following:- (i) reward our existing shareholders for their continuous support; (ii) provide our existing shareholders with an opportunity to further increase their equity participation in our Company;	**Section 6**

Key information	Description	Reference to the Circular
Rationale and justification of the Proposals (cont'd)	(iii) allow our existing shareholders to benefit from any potential capital appreciation of the Warrants; and (iv) strengthen our Company's financial position and capital base. The Proposed Bonus Issue of Warrants will also serve as a reward to our existing shareholders for their loyalty and confidence in our Company in conjunction with the Proposed Acquisition and Proposed Issuance to QL.	
Risk factors of the Proposed Acquisition	The potential risks that may have an impact on our Group pursuant to the Proposed Acquisition, which may not be exhaustive, are set out below:- (i) completion risk; (ii) acquisition risk; (iii) business and operational risk; (iv) dependence on recruitment and retention of qualified personnel; and (v) political, economic and regulatory risk.	**Section 8**
Approvals required/ obtained	The Proposals are subject to the following approvals:- (i) Bursa Securities, for the following:- (a) listing of and quotation for 81,481,482 Consideration Shares to be issued pursuant to the Proposed Acquisition; (b) listing of and quotation for 90,312,918 Placement Shares to be issued pursuant to the Proposed Issuance to QL; (c) admission to the Official List of Bursa Securities and listing of and quotation for 171,948,600 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and (d) listing of and quotation for up to 171,948,600 new BMG Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities. The approval of Bursa Securities was obtained vide its letter dated 17 September 2024; (ii) our shareholders at the forthcoming EGM; (iii) the Board of Directors of QL as our holding company for the Proposed Issuance to QL; and (iv) any other relevant authority, if required.	**Section 12**
Conditionality of the Proposals	The Proposed Acquisition and Proposed Issuance to QL are inter-conditional upon each other. The Proposed Bonus Issue of Warrants is conditional upon the completion of both the Proposed Acquisition and Proposed Issuance to QL. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.	**Section 12**
Interests of Directors, major shareholders, chief executive and/or persons connected with them	<u>Proposed Acquisition</u> None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition as the Vendors are non-related parties. However, as the Proposed Acquisition is inter-conditional upon the Proposed Issuance to QL, the Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.	**Section 14**

<table>
<tr><th>Key information</th><th>Description</th><th>Reference to the Circular</th></tr>
<tr><td>Interests of Directors, major shareholders, chief executive and/or persons connected with them (cont'd)</td><td>In addition, the Interested Parties will also undertake to ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting in relation to the Proposed Acquisition at the relevant Board meetings.

<u>Proposed Issuance to QL</u>
Save for the Interested Parties as disclosed below, none of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Issuance to QL:-

(i) QL (being the holding company of QLGR);

(ii) QLGR (being our controlling shareholder (with 52.57% direct shareholding in BMG as at the LPD));

(iii) Chia Lik Khai (being our Group Managing Director, Executive Director of QL and Director of QLGR);

(iv) Chia Song Kun (being our Non-Independent Non-Executive Chairman, Executive Chairman of QL and Director of QLGR); and

(v) Chia Seong Fatt (being the Alternate Director to Chia Lik Khai, Executive Director of QL and Director of QLGR).

The Interested Parties are deemed interested in the Proposed Issuance to QL by virtue of the specific allotment and issuance of the Placement Shares to QLGR under the Proposed Issuance to QL. As such, the Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Issuance to QL to be tabled at the forthcoming EGM.

In addition, the Interested Parties will also undertake to ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Issuance to QL to be tabled at the forthcoming EGM.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting in relation to the Proposed Issuance to QL at the relevant Board meetings.

<u>Proposed Bonus Issue of Warrants</u>
None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of our Company under the Proposed Bonus Issue of Warrants, to which all other shareholders of our Company are similarly entitled.</td><td></td></tr>
<tr><td>Directors' statement/ recommendation</td><td><u>Proposed Acquisition and Proposed Issuance to QL</u>
Our Board, save for the Interested Directors, having considered all aspects of the Proposed Acquisition and Proposed Issuance to QL, including but not limited to the terms of the SAA, rationale and justification of the Proposed Acquisition and Proposed Issuance to QL as well as the financial effects of the Proposed Acquisition and Proposed Issuance to QL, is of the opinion that both the Proposed Acquisition and Proposed Issuance to QL are in the best interest of our Company.

Accordingly, our Board, save for the Interested Directors, recommends that you vote in favour of the resolutions pertaining to the Proposed Acquisition and Proposed Issuance to QL to be tabled at the forthcoming EGM.</td><td>Section 15</td></tr>
</table>

Key information	Description	Reference to the Circular
Directors' statement/ recommendation (cont'd)	<u>Proposed Bonus Issue of Warrants</u> Our Board having considered all aspects of the Proposed Bonus Issue of Warrants, including but not limited to the rationale and justification of the Proposed Bonus Issue of Warrants as well as the financial effects of the Proposed Bonus Issue of Warrants, is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of our Company. Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM.	

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BM GREENTECH BERHAD
(Registration No.: 201001013463 (897694-T))
(Incorporated in Malaysia)

Registered office
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

3 October 2024

Board of Directors

Chia Song Kun	*(Non-Independent Non-Executive Chairman)*
Chia Lik Khai	*(Group Managing Director)*
Chia Seong Fatt	*(Alternate Director to Group Managing Director, Chia Lik Khai)*
Gan Chih Soon	*(Executive Director)*
Tee Seng Chun	*(Alternate Director to Executive Director, Gan Chih Soon)*
Ng Swee Weng	*(Independent Non-Executive Director)*
Datuk Wira Roslan Bin AB Rahman	*(Independent Non-Executive Director)*
Koh Ee Huei	*(Independent Non-Executive Director)*

To: The shareholders of BMG

Dear Sir/Madam,

(I) PROPOSED ACQUISITION;
(II) PROPOSED ISSUANCE TO QL; AND
(III) PROPOSED BONUS ISSUE OF WARRANTS

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1. INTRODUCTION

Our Company had, on 18 June 2024, executed the Term Sheet with the Vendors to finalise and conclude the SAA.

Subsequent thereto, on 11 July 2024, UOBKH had on behalf of our Board, announced the following:-

(i) our Company had on 11 July 2024, entered into the SAA with the Vendors to acquire 66,600,000 PXH Shares, representing 100% equity interest in PXH, for a purchase consideration of RM110.0 million to be fully satisfied by the issuance and allotment of 81,481,482 Consideration Shares at the Issue Price of RM1.35 per Consideration Share;

(ii) in conjunction with the Proposed Acquisition, our Company shall also undertake the Proposed Issuance to QL at the same price as the Issue Price (i.e. RM1.35 per Placement Share) with the aim to maintain QL's current shareholdings (through QLGR) of 52.57% equity interest in BMG and to ensure that BMG remains a subsidiary of QL group upon the allotment and issuance of the Consideration Shares. For the avoidance of doubt, the allotment and issuance of the Consideration Shares and Placement Shares will be implemented concurrently; and

(iii) upon the completion of the Proposed Acquisition and Proposed Issuance to QL, our Company proposes to undertake the Proposed Bonus Issue of Warrants.

On 3 October 2024, UOBKH had on behalf of our Board announced that the parties had on 3 October 2024 mutually agreed to the extension of the conditional period of the SAA from 10 October 2024 to 31 October 2024 with the aim to accord the parties an additional period to fulfil the conditions precedent as set out in the SAA.

The Proposed Acquisition is undertaken in line with the business strategy of our Group to expand our business operations in order to improve our financial performance in the future, demonstrating our Group's long-term commitment to our vision to be the regional partner of choice for innovative and cost-effective green energy and water solutions to achieve lasting sustainability.

The Proposed Acquisition and Proposed Issuance to QL are inter-conditional upon each other. It is pertinent to note that the Interested Parties are not directly interested in the Proposed Acquisition. **However, in view that the Proposed Acquisition and Proposed Issuance to QL are inter-conditional upon each other, the Interested Parties are deemed interested in the Proposed Acquisition and Proposed Issuance to QL and would be required to abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on all the resolutions pertaining to the Proposed Acquisition and Proposed Issuance to QL to be tabled at the forthcoming EGM.** Please refer to **Section 14** of this Circular for further details.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE OUR SHAREHOLDERS WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK THE APPROVAL FROM OUR SHAREHOLDERS FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM. THE NOTICE OF THE FORTHCOMING EGM AND THE PROXY FORM ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED ACQUISITION

The Proposed Acquisition entails the acquisition of the Sale Shares, free from all encumbrances and with all attached or accrued rights as at the Completion Date, by our Company from the Vendors for the Purchase Consideration, subject to the terms and conditions of the SAA. Upon the completion of the Proposed Acquisition, PXH will become a wholly-owned subsidiary of BMG. The salient terms of the SAA are set out in **Appendix I** of this Circular.

As part of the terms of the SAA, the Vendors guaranteed to BMG in proportion to their respective shareholdings in PXH that PXH Group shall achieve and maintain the Accumulated Guaranteed PAT of at least RM44.0 million over the Guarantee Period. Further details of the Profit Guarantee are set out in **Section 2.5** and **Appendix I** of this Circular.

2.1 Information on PXH

PXH is a private limited company duly incorporated in Malaysia under the Act on 25 March 2019, and having its registered address at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, Petaling Jaya, 46200 Selangor Darul Ehsan. PXH is principally involved in investment holding and management services.

Further information on PXH is set out in **Appendix II** of this Circular.

2.2 Information on the Vendors

Please refer to **Appendix V** of this Circular for further information on the Vendors.

2.3 Basis and justification of determining the Purchase Consideration

The Purchase Consideration was arrived at on a “willing-buyer willing-seller” basis, after taking into consideration the following:-

(i) the Accumulated Guaranteed PAT of at least RM44.0 million during and for the entire Guarantee Period. Further details of the Profit Guarantee are set out in **Section 2.5** and **Appendix I** of this Circular;

(ii) the historical pro forma financial track record of PXH Group for the past 4 financial years as set out in **Appendix II** of this Circular and in particular, the unaudited PAT of PXH Group of RM8.34 million for the FYE 31 March 2024. For information purposes, the audited PAT of PXH Group for the FYE 31 March 2024 is RM7.28 million (after adjusting for the write-off of certain non-operational expenses of approximately RM0.65 million, provision of doubtful debts of approximately RM0.94 million and the reversal of provisions of approximately RM0.53 million);

(iii) the rationale and potential benefits to be accrued to our enlarged Group through the Proposed Acquisition including amongst others, deriving synergies with PXH Group and strengthening our Group’s position as the leader in diversified clean energy solutions provider, further information of which are set out in **Section 6.1** of this Circular; and

(iv) the prospects of our enlarged Group as set out in **Section 7.3** of this Circular.

Further, in determining the Purchase Consideration, our Board has taken into consideration the PE Multiple of the comparable companies (“**Comparable Companies**”) listed on Bursa Securities.

For information purposes, the PE Multiple is the measure of the market price of a company’s shares relative to its annual net income per share, and is computed as follows:-

$$\textit{PE Multiple} = \frac{\textit{Market price of the share}}{\textit{EPS}}$$

In respect of the Comparable Companies analysis, our Board noted that there are no comparable companies that may be identical to PXH Group in terms of composition of business, scale of operations, geographical spread of activities, track record, asset base, risk profile, future prospects and other criteria. However, for the purposes of the analysis, our Board has identified the Comparable Companies set out in the ensuing section based on the requirement that the principal activities of the Comparable Companies are similar to PXH Group’s principal activities.

The Comparable Companies are as follows:-

Comparable Companies	Principal activities	Listed on Bursa Securities	[1]Closing share price (RM)	[2]Revenue contribution from renewable energy segment (%)	[2]PAT (RM'000)	[2]EPS (sen)	[1]Market capitalisation (RM'million)	[3]PE Multiple (times)
Solarvest Holdings Berhad	Solarvest Holdings Berhad operates as a holding company. The company, through its subsidiaries, provides EPCC, management, and operation and maintenance services for solar projects.	Main Market	1.72	100.00	19,660	2.95	1,195.08	58.31
Pekat Group Berhad	Pekat Group Berhad provides renewable energy solutions. The company offers solar panel, lightning protection, earthing system and renewable energy systems.	ACE Market	0.96	67.83	13,724	2.13	619.17	45.07
Sunview Group Berhad	Sunview Group Berhad is a clean energy service provider. The company offers solar energy solutions for residential, commercial and industrial sectors.	ACE Market	0.78	100.00	13,006	2.78	398.97	28.06
Samaiden Group Berhad	Samaiden Group Berhad provides EPCC solutions. The company offers renewable energy and environmental consulting, waste management and maintenance services.	Main Market	1.34	100.00	10,079	2.61	560.82	51.34
							High	58.31
							Average	45.70
							Low	28.06
							PXH (valuation multiple)	[4]15.12
							PXH (valuation multiple)	[5]21.99

Notes:-

(1) Extracted from Bloomberg as at the LTD.

(2) Based on the latest annual reports of the respective Comparable Companies as at the LTD.

(3) Calculated based on the closing share price as at the LTD divided by EPS.

(4) Calculated based on the Purchase Consideration over the audited PAT of PXH Group for the FYE 31 March 2024 of RM7.28 million.

(5) Calculated based on the total sum of the Purchase Consideration and Additional Funding over the audited PAT of PXH Group for the FYE 31 March 2024 of RM7.28 million.

Our Board is of the view that the Purchase Consideration, which represents a PE Multiple of 15.12 times and 21.99 times (with Additional Funding), computed based on the audited PAT of PXH Group for the FYE 31 March 2024 of approximately RM7.28 million, is justifiable and attractive to our Group given that both the PE Multiples are below the average trading PE Multiple of the Comparable Companies.

2.4 Basis and justification of determining the Issue Price of the Consideration Shares and mode of settlement

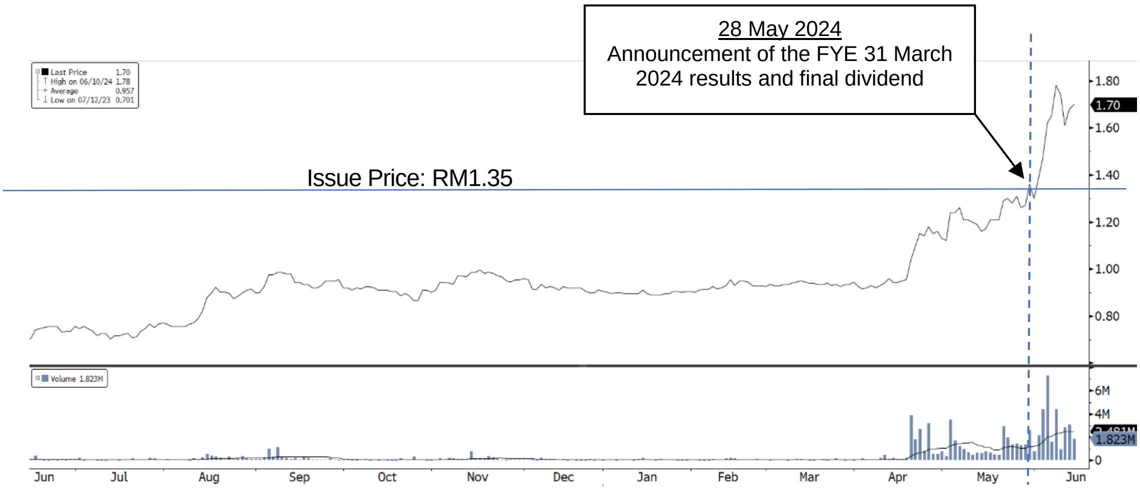
In accordance with the terms of the SAA, the Issue Price of RM1.35 per Consideration Share was agreed between our Company and the Vendors on a "willing-buyer willing-seller" basis, based on the 3-month VWAP of BMG Shares of RM1.35 up to and including the LTD.

The Issue Price represents the following premiums/discounts to the prevailing market prices of BMG Shares for the past 12 months up to the LTD:-

Price/VWAP up to and including the LTD	Share price	Premium/(Discount)	
	RM	RM	%
Last transacted price of BMG Shares	1.70	(0.35)	(20.59)
5-day VWAP of BMG Shares	1.69	(0.34)	(20.12)
1-month VWAP of BMG Shares	1.48	(0.13)	(8.78)
3-month VWAP of BMG Shares	1.35	-	-
6-month VWAP of BMG Shares	1.33	0.02	1.50
12-month VWAP of BMG Shares	1.26	0.09	7.14

(Source: Bloomberg)

The trading market prices of BMG Shares and volume traded for the past 12 months up to and including the LTD are shown in the chart below:-



(Source: Bloomberg)

Although the last transacted market price of BMG Shares on the LTD was RM1.70, our Board is of the view that the Issue Price of RM1.35 per Consideration Share (which is equivalent to the 3-month VWAP of BMG Shares up to and including the LTD) is fair and justifiable after taking into consideration the following:-

(i) the decision by both parties to adopt a 3-month basis was negotiated on a "willing-buyer willing-seller" basis to better reflect the trading market price of BMG Shares over a broader timeframe, which smoothens out short-term volatility whilst also reflecting the underlying market conditions prior to signing of the Term Sheet;

(ii) the Issue Price is deemed sufficiently attractive for the Vendors to accept the Purchase Consideration in the form of Consideration Shares and for our Group to secure the commitment of the Vendors in closing the transaction. It is pertinent to note that the Consideration Shares will be subject to market and volatility risks influenced by factors, which include changes to market sentiment and potential low trading liquidity in the future;

(iii) with the Vendors eventually holding equity in our Company, it will provide added motivation for the Vendors to assist in the growth of our enlarged Group and increase shareholders' value in the long term. It is pertinent to note that 32,592,593 Consideration Shares (i.e. Deposited Securities) shall be held by the Trustee, and to be released to the Vendors upon PXH Group achieving and maintaining the Profit Guarantee throughout the Guarantee Period in accordance with the terms of the SAA, further details of which are set out in **Section 2.5** and **Appendix I** of this Circular; and

(iv) the settlement of the Purchase Consideration via the issuance of the Consideration Shares will enable our Group to enhance our asset base without relying on internally generated funds and/or bank borrowings.

2.5 Profit Guarantee

Pursuant to the Proposed Acqusition, the Vendors have provided an Accumulated Guaranteed PAT of at least RM44.0 million over the Guarantee Period. For the avoidance of doubt, the Vendors' obligation under the Profit Guarantee shall be deemed satisfied upon PXH Group achieving and maintaining the aggregate audited PAT equivalent to the Accumulated Guaranteed PAT during and for the entire Guarantee Period.

Based on the terms of the SAA, BMG and the Vendors agreed that 32,592,593 Consideration Shares (i.e. Deposited Securities) shall be held by the Trustee as stakeholders as security for the Profit Guarantee, subject to the terms and conditions of the stakeholder agreement to be executed between BMG, the Vendors and the Trustee. For the avoidance of doubt, the terms of the Deposited Securities as stated in the SAA to secure the interest of BMG for the Accumulated Guaranteed PAT for the Guarantee Period will remain applicable in the stakeholder agreement to be entered into by the relevant parties.

The Deposited Securities shall be dealt with and released in stages in the manner as set out in the SAA, salient terms of which are set out in **Appendix I** of this Circular.

Our Board is of the view that the Profit Guarantee is achievable and realistic, taking into consideration the following factors:-

(i) the historical financial results of PXH Group as set out in **Appendix II** of this Circular;

(ii) the future prospects of the renewable energy industry (which PXH Group operates in) as set out in the **Section 7.2** of this Circular; and

(iii) the outstanding orderbook of approximately RM99.0 million from existing ongoing projects secured by PXH Group.

Notwithstanding the above, it is pertinent to note that the Profit Guarantee is secured by the Deposited Securities, which will only be released to the Vendors upon PXH Group achieving the Profit Guarantee in the manner as set out in the SAA (the relevant extracts of which are set out in **Section 4** of **Appendix I** of this Circular).

2.6 Mode of settlement

Pursuant to the terms of the SAA, the Purchase Consideration is to be fully satisfied by the issuance and allotment of 81,481,482 Consideration Shares at the Issue Price, in the following manner:-

Payment term	Timing of settlement	No. of Consideration Shares	Value of Consideration Shares (RM'000)
60.0% of the Purchase Consideration	The Consideration Shares shall be issued and allotted to the Vendors within 30 days from the Unconditional Date or on such later date as the parties shall mutually agree in writing	48,888,889	66,000
40.0% of the Purchase Consideration	The Consideration Shares (i.e. Deposited Securities) shall be issued and allotted to the Trustee within 30 days from the Unconditional Date or on such later date as the parties shall mutually agree in writing. The Deposited Securities shall be dealt with in the manner stated in **Section 2.5** and **Appendix I** of this Circular	32,592,593	44,000
Total		**81,481,482**	**110,000**

As stated in **Section 2.5** and **Appendix I** of this Circular, BMG and the Vendors agreed that 40.0% of the Consideration Shares, equivalent to the Accumulated Guaranteed PAT of RM44.0 million during and for the entire Guarantee Period, shall be held by the Trustee, to be released to the Vendors upon PXH Group achieving and maintaining the Profit Guarantee during and for the entire Guaranteed Period.

The Purchase Consideration shall be fully satisfied by the issuance of Consideration Shares to the Vendors in the following proportion:-

	Sale Shares to be sold		Consideration Shares to be issued		Purchase Consideration
Vendors	**No. of PXH Shares**	**%**	**No. of Shares**	**%**	**RM**
TWFSB	24,505,120	36.80	29,980,682	36.80	40,473,921
SPSB	13,320,000	20.00	16,296,297	20.00	22,000,001
Ko Chuan Zhen	12,254,400	18.40	14,992,593	18.40	20,240,000
Oh Zhi Kang	10,922,400	16.40	13,362,963	16.40	18,040,000
Poh Tyng Huei	5,594,400	8.40	6,844,445	8.40	9,240,001
Oh Siang Hwa	2,944	^	3,602	^	4,863
Leong Beng Yew	736	^	900	^	1,215
Total	**66,600,000**	**100.00**	**81,481,482**	**100.00**	**110,000,001**

Note:-

^ *Negligible.*

2.7 Source of funding

Pursuant to the terms of the SAA, the Purchase Consideration amounting to RM110.0 million shall be satisfied entirely through the issuance of 81,481,482 Consideration Shares at the Issue Price.

2.8 Liabilities to be assumed

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SAA as set out below and as detailed in **Appendix I** of this Circular, there are no other liabilities, including contingent liabilities and/or guarantees, to be assumed by our Group arising from the Proposed Acquisition:-

(i) the liabilities associated to the operations of PXH Group (which include contingent liabilities of RM3.73 million) in the balance sheet of PXH Group as at the Completion Date;

(ii) BMG shall provide and/or procure the Additional Funding for the business expansion of PXH Group as set out in **Section 5.1** of this Circular, subject to the utilisation of such Additional Funding being approved by BMG; and

(iii) the associated costs relating to the Proposed Acquisition and the liquidated damages, if any, arising from the termination of the Proposed Acquisition.

2.9 Additional financial commitment required

Upon the completion of the Proposed Acquisition, save for the Additional Funding (further details of which are set out in **Section 5.1** of this Circular), there are no additional financial commitments to be incurred by our Group to put the business of PXH Group on-stream in view that PXH Group is already an on-going business entity with an established historical profit track record as set out in **Appendix II** of this Circular.

2.10 Ranking of the Consideration Shares

The Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing BMG Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, where the entitlement date precedes the relevant date of allotment and issuance of the Consideration Shares.

2.11 Listing of and quotation for the Consideration Shares

Bursa Securities had, vide its letter dated 17 September 2024, approved the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 12** of this Circular.

3. DETAILS OF THE PROPOSED ISSUANCE TO QL

In conjunction with the Proposed Acquisition, our Company shall also undertake the Proposed Issuance to QL with the aim to maintain QL's current shareholdings (through QLGR) at 52.57% equity interest in BMG to ensure that BMG remains as a subsidiary of QL group upon allotment and issuance of the Consideration Shares. In the absence of the implementation of the Proposed Issuance to QL, our Company will cease to be a subsidiary of QL group as QL's (through QLGR) equity interest in BMG will be diluted to approximately 45.40%. This dilution will result in QL losing its statutory control in our Company, fundamentally altering the ownership structure and potentially impacting the strategic direction as well as synergistic and operational benefits that QL currently provides.

For the avoidance of doubt, the Proposed Issuance to QL will not result in QLGR triggering any mandatory take-over obligations under the Rules on Take-overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia as the allotment and issuance of the Consideration Shares and Placement Shares will be implemented concurrently.

In accordance with Paragraph 6.06(1) of the Listing Requirements, our Company intends to seek the approval of our non-interested shareholders for the placement of 90,312,918 Placement Shares to QLGR (being our controlling shareholder, who holds 271,263,106 BMG Shares, representing approximately 52.57% of the total number of issued BMG Shares as at the LPD).

3.1 Placement size

The Proposed Issuance to QL involves an issuance of 90,312,918 Placement Shares to QLGR, representing approximately 13.13% of our enlarged issued share capital comprising 687,794,400 Shares upon the completion of the Proposed Acquisition and Proposed Issuance to QL.

3.2 Information on QLGR

QLGR is a private limited company duly incorporated in Malaysia under the Act on 11 April 1981 and having its registered address at No. 16A, Jalan Astaka U8/83, Bukit Jelutong, 40150 Shah Alam, Selangor Darul Ehsan. QLGR is principally involved in investment holding.

QLGR has a total issued share capital of RM95,441,070 comprising 95,400,000 ordinary shares in QLGR as at the LPD.

QLGR is a wholly-owned subsidiary of QL as at the LPD. The directors of QLGR, all of whom are Malaysian, are Chia Lik Khai, Chia Song Kun, Chia Song Kooi and Chia Seong Fatt.

3.3 Basis and justification of determining the Issue Price of the Placement Shares

The Issue Price of the Placement Shares shall be equivalent to the Issue Price of the Consideration Shares (i.e. RM1.35 per Placement Share). Please refer to **Section 2.4** of this Circular for the basis and justification of determining the Issue Price of the Consideration Shares.

3.4 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing BMG Shares, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, where the entitlement date precedes the relevant date of allotment and issuance of the Placement Shares.

3.5 Listing of and quotation for the Placement Shares

Bursa Securities had, vide its letter dated 17 September 2024, approved the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 12** of this Circular.

4. DETAILS OF THE PROPOSED BONUS ISSUE OF WARRANTS

The Proposed Bonus Issue of Warrants will only be implemented upon the completion of the Proposed Acquisition and Proposed Issuance to QL. The Proposed Bonus Issue of Warrants entails the issuance of 171,948,600 Warrants on the basis of 1 Warrant for every 4 existing BMG Shares held by the Entitled Shareholders on the Entitlement Date.

The actual number of Warrants to be issued under the Proposed Bonus Issue of Warrants will depend on the number of BMG Shares in issue on the Entitlement Date. Fractional entitlements arising from the Proposed Bonus Issue of Warrants, if any, will be disregarded and dealt with in such manner as our Board may in its absolute discretion deem fit and expedient, and in the best interest of our Company.

The Warrants will be issued in registered form and constituted by the Deed Poll. The indicative salient terms of the Warrants are set out in **Appendix VI** of this Circular.

The Proposed Bonus Issue of Warrants will not be implemented in stages over a period of time.

4.1 Basis and justification of determining the exercise price of the Warrants

The Warrants will be issued at no cost to the Entitled Shareholders.

The exercise price of the Warrants will be determined by our Board at a later date after all relevant approvals have been obtained but before the announcement of the Entitlement Date, after taking into consideration, amongst others, the following:-

(i) the historical price movement of BMG Shares;

(ii) the 5-day VWAP of BMG Shares and the prevailing market price of BMG Shares; and

(iii) the future prospects and potential funding requirements of our Group.

In any case, it is the intention of our Board to fix the exercise price of the Warrants at a price equivalent to the 5-day VWAP of BMG Shares up to and including the date prior to the price-fixing date, in view that the Warrants will be issued at no cost, and are exercisable into new BMG Shares over a 3-year tenure.

An announcement will be made by our Board at a later date, after the receipt of all relevant approvals but before the announcement of the Entitlement Date, on the basis of arriving at the exercise price of the Warrants and justification for the quantum of the discount applied, where applicable. For illustrative purposes, the Indicative Exercise Price of the Warrants is assumed at RM1.6644, which equivalent to the 5-day VWAP of BMG Shares up to and including the LPD.

Our Board wishes to emphasise that the Indicative Exercise Price should not be taken as an indication of or reference to the actual exercise price of the Warrants as it will only be determined and announced at a later date and dependent on the abovementioned factors.

4.2 Ranking of the Warrants and the new BMG Shares to be issued arising from the exercise of the Warrants

The Warrant holders are not entitled to any voting rights in any general meeting of our Company or participation in any form of distribution and/or offer of securities in our Company until and unless such Warrant holders exercise their Warrants into new BMG Shares.

The new BMG Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with each other and with the existing BMG Shares, save and except that the new BMG Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, where the entitlement date precedes the relevant date of allotment and issuance of such new BMG Shares.

4.3 Listing of and quotation for the Warrants and new BMG Shares to be issued arising from the exercise of the Warrants

Bursa Securities had, vide its letter dated 17 September 2024, approved the admission of the Warrants to the Official List of Bursa Securities as well as the listing of and quotation for the Warrants and new BMG Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities, subject to the conditions as stated in **Section 12** of this Circular.

5. UTILISATION OF PROCEEDS

5.1 Proposed Issuance to QL

For illustrative purposes, assuming 90,312,918 Placement Shares are issued at the Issue Price of RM1.35 per Placement Share, the Proposed Issuance to QL is expected to raise gross proceeds of approximately RM121.92 million.

The gross proceeds to be raised from the Proposed Issuance to QL is expected to be utilised in the following manner:-

Details of utilisation	Timeframe for utilisation of proceeds	RM'000	%
Business expansion of our Group(1)	Within 36 months	50,000	41.01
Business expansion of PXH Group(2)	Within 36 months	50,000	41.01
Working capital(3)	Within 12 months	19,972	16.38
Estimated expenses for the Proposals(4)	Within 1 month	1,950	1.60
Total		**121,922**	**100.00**

Notes:-

*(1) Our Group intends to strategically deploy the proceeds to acquire assets under the Design-Build-Own-Operate ("**DBOO**") and/or Design-Build-Operate-Transfer ("**DBOT**") business models for our biomass and solar energy projects. The business models offer significant commercial advantages in terms of operational control, risk mitigation and long-term value creation. We aim to target strategic projects to increase our operational capabilities and enhance market penetration in NETR related projects.*

*Through the DBOO model, our Group will maintain full asset ownership throughout the lifecycle of the asset (i.e. the biomass and/or solar asset), allowing us to directly manage operations and secure stable revenue streams, primarily through long-term Power or Energy Purchase Agreements ("**PPA**"). Meanwhile, the DBOT model offers our Group the flexibility of transferring ownership at a specified time, which will in turn allow our Group to manage our initial capital outlay.*

We target to utilise RM50.0 million of the proceeds on DBOO/DBOT for our solar and/or biomass projects. This estimate encompasses construction costs, procurement of essential equipment and electrical components tailored to the technical specifications of biomass or solar projects, as well as the expenses related to integration with the national grid.

*In the event that we are unable to undertake the above business expansion within 3 years from the completion of the Proposed Acquisition and Proposed Issuance to QL, the proceeds earmarked for such purpose will be reallocated for our working capital purposes as disclosed in **Note (3)** below.*

(2) The proceeds raised would serve as Additional Funding (as stipulated in the SAA) to fund capital and project expenditure for PXH Group's future growth and expansion in the following segments:-

*(a) strategic equity investments in LSS/ Corporate Renewable Energy Supply Scheme ("**CRESS**") and PPA projects which would provide long term revenue to our Group; and*

(b) EPCC business focusing on growing our capacity to take on LSS/CRESS and PPA projects in addition to the existing commercial and industrial (C&I) projects. The capital funding would be utilised as working capital for the project expenditure of these projects.

In this regard, we intend to allocate RM50.0 million of the proceeds for the following:-

	RM'000
Strategic equity investments in LSS/CRESS and PPA projects	*25,000*
Working capital for EPCC projects (which include payment to contractors, purchase of equipment and construction costs)	*25,000*
Total	***50,000***

*In the event that we are unable to undertake the above business expansion within 3 years from the completion of the Proposed Acquisition and Proposed Issuance to QL, the proceeds earmarked for such purpose will be reallocated for our working capital purposes as disclosed in **Note (3)** below.*

(3) *The proceeds raised would be utilised for working capital to reduce the working capital requirements of our Group whilst improving cash flow which include, but not limited to partial repayment of trade creditors for importation of materials and other payables and payment of operational overheads on general upkeep and maintenance and other overhead general administrative expenses. The breakdown on utilisation of such proceeds has not been determined at this juncture and will be dependent on the operating and funding requirements at the time of utilisation.*

Notwithstanding that, and on a best estimate basis, the percentage of the allocation of the proceeds to be utilised for each component of the working capital are as follows, listed in order of priority:-

	Estimated allocation of proceeds (%)
Payment to suppliers/trade creditors of our Group for the biomass and solar segments	*70.0*
General administrative expenses, other staff-related costs, operating expenses utilities, statutory payments and any other overhead expenditures	*30.0*
Total	***100.0***

(4) *Comprises professional and transactional fees, regulatory fees as well as contingencies and other expenses in relation to the Proposals.*

Pending the utilisation of such proceeds from the Proposed Issuance to QL for the above purposes, the proceeds (together with interest earned) will be placed as deposits with licensed financial institutions or short-term money market instruments as our Board may deem fit. The interest to be derived from the deposits of the proceeds with the licensed financial institutions or any gain arising from the short-term money market instruments will also be used as working capital of our Group.

5.2 Proposed Bonus Issue of Warrants

The Proposed Bonus Issue of Warrants will not raise any immediate funds as the Warrants will be issued at no cost to the Entitled Shareholders.

The amount of proceeds to be raised from the exercise of Warrants would depend on the actual number of Warrants exercised during the exercise period as well as the exercise price of the Warrants, which is to be determined at a later date. As such, the exact quantum and timeframe for the utilisation of the proceeds to be raised cannot be determined at this juncture.

Assuming that all Warrants are exercised at the Indicative Exercise Price of RM1.6644 each, our Company will raise gross proceeds of approximately RM286.19 million.

The abovementioned proceeds will be utilised to fund the business expansion and working capital of our Group, which include, amongst others, capital and project expenditure for new projects, purchase of inventories, staff-related expenses, utilities as well as general administrative expenses. The proceeds to be utilised for each expenses component are subject to the operating requirements of our Group at the point of utilisation and therefore, the actual timeframe and breakdown have not been determined at this juncture.

Pending use of the proceeds raised as and when the Warrants are exercised, such proceeds will be placed as deposits with licensed financial institutions or short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the licensed financial institutions or any gain arising from the short-term money market instruments will also be used as working capital of our Group.

6. RATIONALE AND JUSTIFICATION OF THE PROPOSALS

6.1 Proposed Acquisition

As the regional leader in biomass energy solutions provider and an emerging rooftop solar PV company, the Proposed Acquisition will strengthen our position as the leader in diversified climate and clean energy solutions provider in the region.

PXH's established track record and capability in clean energy EPCC and asset development complements our Company in achieving our mission and vision. The Proposed Acquisition will also strengthen our Group's participation in Malaysia's net zero journey, as pledged by the Malaysian government through the 12th Malaysia Plan, aiming for carbon neutrality by 2050. The NETR projects a 32% reduction in greenhouse gas emissions in the energy sector by 2050, using 2019 as the baseline. As solar energy is pivotal to this energy transition, Malaysia is expected to significantly increase its installed solar energy capacity to meet its net zero target. To date, the government has launched various solar programs to boost the country's solar energy capacity, including Net Energy Metering (NEM), LSS, Corporate Green Power Programme (CGPP) and Third-Party-Access to spearhead such transition. These initiatives present substantial growth opportunities for the solar solution providers, a segment in which PXH Group primarily operates and excels in.

Our Board also expects that the Proposed Acquisition will foster a synergistic partnership between PXH Group and our Group and is envisaged to drive mutual growth of both groups of companies moving forward.

Further, our Board also takes cognisance of the following factors in undertaking the Proposed Acquisition:-

(i) the Proposed Acquisition involves the Profit Guarantee provided by the Vendors to us. As such, our Group will benefit from the Accumulated Guaranteed PAT during and for the entire Guarantee Period. This may enable our Group to enhance our asset base and earnings base through the consolidation of PXH Group's results moving forward.

Our Board has also taken cognisance of the future prospects of our enlarged Group as outlined in **Section 7.3** of this Circular and is of the opinion that the Profit Guarantee is achievable; and

(ii) the Purchase Consideration is intended to be settled by the issuance and allotment of the Consideration Shares, further details of which are set out in **Section 2.6** of this Circular. This will also enable our Group to acquire PXH without any immediate impact on our cash position as opposed to a full cash settlement of the Purchase Consideration. Further, the Vendors' decision to accept Consideration Shares signifies their commitment to aligning their interests with the long-term success and growth of our Group. This strategic decision not only reflects their commitment to our Group's future (taking into consideration our Group's prospects and synergies to be derived from the Proposed Acquisition) but also enables the Vendors to directly benefit from our Group's achievements. By holding BMG Shares, the Vendors secure a vested interest in our achievements, fostering a strong partnership that encourages collaborative growth and drives a shared vision for sustained success.

For information purposes, our Group's latest audited and unaudited cash and bank balances as at 31 March 2024 and 30 June 2024 are RM52.67 million and RM46.99 million respectively.

Barring any unforeseen circumstances and based on the above, the Proposed Acquisition is expected to contribute positively to our Group's future revenue and earnings potential.

6.2 Proposed Issuance to QL

In conjunction with the SAA, our Company shall also undertake the Proposed Issuance to QL with the aim to maintain QL's current shareholdings (through QLGR) of 52.57% equity interest in BMG upon allotment and issuance of the Consideration Shares. The subscription of the Placement Shares by QLGR, being our controlling shareholder and our holding company, also indicates QL's commitment and confidence by making further investments in our Company to support our expansion and growth plan (in addition to ensuring our continuity as a subsidiary of QL group).

Further, the proceeds to be raised from the Proposed Issuance to QL will primarily be channelled towards business expansion of our Group and PXH Group. Further details of the utilisation of the proceeds to be raised from the Proposed Issuance to QL are set out in **Section 5.1** of this Circular.

6.3 Proposed Bonus Issue of Warrants

After due consideration of the various options available, our Board is of the view that the Proposed Bonus Issue of Warrants is an appropriate avenue for our Company to reward our existing shareholders after taking into consideration the following:-

(i) reward our existing shareholders for their continuous support by enabling them to participate in our Company's listed convertible securities without incurring any cost;

(ii) provide our existing shareholders with an opportunity to further increase their equity participation in our Company by exercising the Warrants at a pre-determined price over the tenure of the Warrants;

(iii) allow our existing shareholders to benefit from any potential capital appreciation of the Warrants as the Warrants will be listed and can be traded on the Main Market of Bursa Securities; and

(iv) strengthen our Company's financial position and capital base, as the Warrants will potentially provide our Group with additional working capital as and when the Warrants are exercised without incurring interest costs as compared to bank borrowings.

The Proposed Bonus Issue of Warrants will also serve as a reward to our existing shareholders for their loyalty and confidence in our Company in conjunction with the Proposed Acquisition and Proposed Issuance to QL.

7. INDUSTRY OVERVIEW AND PROSPECTS

7.1 Overview and outlook of the Malaysian economy

Despite the challenging external environment, the Malaysian economy grew by 3.7% in 2023, supported by resilient domestic demand and further recovery in tourism activities. During the year, the economy faced multiple challenges from weak external demand, disruptions in commodity production and higher cost of living, which weighed on household spending. The more moderate growth also reflected normalising conditions from the high base in 2022, which was supported by the reopening of the economy and sizeable policy measures. The confluence of these factors led growth to reach its trough in the second quarter of 2023.

The Malaysian economy is projected to grow between 4% – 5% in 2024, driven by continued expansion in domestic demand, and improvement in external demand. Growth will be driven mainly by resilient domestic expenditure, with additional support emanating from the expected recovery in exports. Continued employment and wage growth will remain supportive of household spending. Tourist arrivals and spending are expected to improve further. Investment activity would be driven by continued progress of multi-year projects in both the private and public sectors, with some support from implementation of catalytic initiatives under the national master plans.

Trade activity is expected to recover gradually in tandem with a rebound in global trade. Gross exports are expected to expand (2024 forecast: 5%; 2023: -8%), driven by the recovery in global trade and the technology upcycle, supporting E&E and non-E&E exports, as well as higher commodity prices underpinning commodity exports. Gross imports, which contracted in 2023, are also projected to increase. This is attributable mainly to higher intermediate imports and stronger domestic demand for consumption goods, alongside continued expansion in imports of capital goods in tandem with investment growth.

Domestic demand is expected to remain the main driver of growth. Household spending is projected to expand at a faster pace (2024 forecast: 5.7%; 2023: 4.7%) supported by improving labour market conditions amid higher income growth and targeted Government assistance. These will partly cushion the impact of higher cost of living, the implementation of low-value goods (LVG) tax, and increase in sales and services tax (SST) on household spending.

Improving labour market conditions will continue to provide support to household spending. Employment will continue to expand, with growth trending closer to its historical average, supported by sustained demand for workers amid the ongoing recovery in tourism-related sectors and external trade activity. Coupled with continued expansion in labour force, the unemployment rate is expected to stabilise around its historical average of 3.3%.

(Source: Economic and Monetary Review 2023, Bank Negara Malaysia)

7.2 Overview and outlook of the renewable energy industry in Malaysia

Malaysia is committed to low-carbon development aimed at restructuring the economic landscape to a more sustainable one. In this context, the NETR sets the goal to accelerate energy transition and change the way energy is generated to improve climate resilience. NETR has developed the Responsible Transition ("**RT**") Pathway 2050 to shift Malaysia's energy systems from fossil fuel-based to greener and low-carbon systems. The Total Primary Energy Source ("**TPES**") modelling indicated that our energy demand will increase marginally at 0.2% annually from 95 million tonnes of oil equivalent ("**Mtoe**") in 2023 to 102 Mtoe in 2050. The RT Pathway 2050 has also shown promising decarbonisation results as evidenced by the phasing out of coal and the reduction of fossil-fuel reliance from 96% in 2023 to 77% in 2050. Natural gas is set to be not only a transitional fuel, but also the primary contributor of TPES at 57 Mtoe (56%) followed by renewables that include solar, hydro and bioenergy, which collectively contribute 23% of TPES in 2050 from a mere 4% in 2023.

Malaysia is blessed with substantial renewable energy ("**RE**") resources, with almost 290 GW of technical potential estimated across the country. Solar PV technical potential alone is estimated to reach 269 GW. Just a small fraction of this RE potential has yet been realised, with just over 9 GW of installed capacity, and greater than 95% untapped technical potential.

Over the last decade, the Government of Malaysia has established long-standing programmes and supporting policies to catalyse rollout of RE technologies. These programmes have helped stimulate significant RE growth over the past decade. Since 2011, solar PV remains the most encouraging segment of the national RE landscape with an installed capacity compound annual growth rate of 48%, expanding from 0.1 GW to 2.6 GW.

Malaysia has also successfully established itself as a major international hub for solar PV components manufacturing, building a globally recognised green energy industry. 6 out of 10 of the world's largest solar PV companies operate in Malaysia, listing Malaysia as one of the top exporters in the global solar PV industry.

NETR outlines several key observations for the dynamics of Malaysia's power mix as the nation progresses along this pathway:-

- Renewables will constitute the majority share of installed capacity by 2050. However, the contribution of RE to the total generation mix will be comparatively lower than fossil fuels, particularly natural gas. This reflects the inherent low-capacity factor associated with solar, compared against the high-capacity factor of gas.

- The share of coal-fired power generation is expected to ramp down over time, driven by natural retirement timelines of existing coal-fired power plants. No new coal-fired power generation will be developed, leading to almost complete phase out by 2045.

- Gas is expected to act as a lower-carbon transition fuel away from baseload coal, and will be the dominant source of fuel for baseload power.

- The ambition to achieve 70% RE share of installed capacity by 2050 is expected to be achieved, predominantly driven by solar PV installation. Significant solar capacity growth is required in the next three decades, with 59 GW of installed capacity by 2050.

(Source: NETR, Ministry of Economy)

7.3 Prospects of our enlarged Group

Our Group is principally involved in the following business segments as at the LPD:-

Business segments	Description
Bio-energy	Manufacturing, installation and technical support of bio-energy systems (which involve the generation of energy from bio-based materials), technical support and trading of related parts and accessories
Water treatment	Installation and technical support of water treatment equipment and trading of related chemicals
Solar energy	Installation of solar PV systems, technical support and trading of related parts and accessories

The businesses of PXH Group are expected to be complementary and synergistic to the existing business of our Group. Please refer to **Appendix II** of this Circular for further details on PXH Group.

Upon the completion of the Proposed Acquisition, PXH will become a wholly-owned subsidiary of our Group and the revenue generated by PXH Group will contribute to the revenue of our Group's solar energy business. Our equity interest in PXH will be accounted for using the consolidated method in our financial statements in accordance with the Malaysian Financial Reporting Standards. Under the consolidated method of accounting, our Group will benefit from the potential revenue and profit contribution from PXH Group.

After taking into consideration the principal activities and potential of PXH Group, our Board opines that the Proposed Acquisition provides our Group with an opportunity to undertake larger projects within the clean energy ecosystem, including solar energy, battery storage and smart energy management solutions. Our Board also intends to leverage on the track record, management expertise, talent and customer base of PXH Group to capitalise on the growing market for renewable energy and the expanding solar energy industry. This strategic move will enable our Group to expand our capabilities and become a diversified climate solutions provider, fostering synergistic benefits such as an increased customer base from our enlarged Group and the sharing of workforce and production facilities to minimise costs and improve gross profit margins.

Barring any unforeseen circumstances and taking cognisance of the above, our Board opines that the Proposed Acquisition bodes well with our Group's business expansion plans and remains optimistic regarding the future prospects of our enlarged Group.

8. RISK FACTORS OF THE PROPOSED ACQUISITION

Our Board does not foresee any material risk pursuant to the Proposed Acquisition, save for the inherent risk factors associated with the renewable energy industry of which our Group is already involved in. Notwithstanding that, the potential risks that may have an impact on our Group pursuant to the Proposed Acquisition, which may not be exhaustive, are set out below:-

8.1 Completion risk

The Proposed Acquisition is subject to, amongst others, the approval of our shareholders as well as the fulfilment of the conditions precedent in the SAA as disclosed in **Appendix I** of this Circular, some of which may be beyond our Group's control. In the event any of the conditions precedent in the SAA are not fulfilled or waived (as the case may be) by the relevant cut-off dates as stipulated in the SAA, the Proposed Acquisition may be delayed or terminated, and the potential benefits arising therefrom may not materialise.

To mitigate such risk, our Board and management will constantly monitor the fulfilment of these conditions and take all reasonable steps to ensure the conditions are satisfied within the stipulated timeframe to ensure the completion of the Proposed Acquisition.

8.2 Acquisition risk

There is no assurance that the anticipated benefits arising from the Proposed Acquisition will be realised or that PXH Group will be able to meet and/or maintain the Profit Guarantee as set out in **Section 2.5** of this Circular. The Profit Guarantee was derived based on the profit forecasts and assumptions, and are similarly subject to uncertainties and contingencies that may be outside of the control of the management of PXH Group. Such uncertainties may include any delay or interruption in solar projects and/or the production output of PXH Group and the risks inherent in the renewable energy industry.

While our Board has taken reasonable steps to assess the achievability of PXH Group's profit forecast and the Profit Guarantee, which include assessing PXH Group's past financial performance as well as the prospects and future plans of our enlarged Group as set out in **Appendix II** and **Section 7.3** of this Circular respectively, there can be no assurance that PXH Group's profit forecast or the Profit Guarantee will be met and/or maintained.

We will constantly monitor the performance of PXH Group and to leverage on our management expertise and experience to properly manage the operations of PXH Group. However, there can be no assurance that any adverse conditions to the renewable energy industry, economic factors and/or increased competition will not affect our Group's business operations. Notwithstanding thereof, in the event PXH Group fails to meet and/or maintain the Profit Guarantee during and for the entire Guarantee Period, it should be noted that our Group may claim the Shortfall Compensation (as defined herein) from the Vendors in the manner as set out in **Appendix I** of this Circular.

8.3 Business and operational risk

The Proposed Acquisition is subject to inherent risks in the renewable energy industry of which our Group is already involved in and will be addressed as part of our Group's ordinary course of business. Some of these challenges and risk may include, amongst others, escalating costs of equipment, raw material and labour wages as well as performance of third-party sub-contractors. Any adverse changes in these conditions may have an adverse material effect on the renewable energy industry in Malaysia and our Company.

Our Group will adopt prudent management and efficient operating procedures to adapt to any negative changes in the renewable energy industry. However, no assurance can be given that any changes in these factors will not have any material adverse effect on our Group's business and financial performance.

8.4 Dependence on recruitment and retention of qualified personnel

The success of the Proposed Acquisition is dependent on, to a significant extent, the abilities, skills, experience, competency and continued efforts of the key management of PXH Group. As at the LPD, Ko Chuan Zhen's and Oh Zhi Kang's employment as the Executive Directors of PXH is on a permanent basis and following the completion of the Proposed Acquisition, they will be on the ESA to continue serving as the Executive Directors of PXH.

Additionally, upon the completion of the Proposed Acquisition, Ko Chuan Zhen (together with Oh Zhi Kang acting as his alternate) shall be appointed as a member of our Board which serves as an added incentive for their continuation with PXH Group). Notwithstanding the above, the loss of key personnel without suitable and timely replacement and the inability to attract or retain qualified and suitable personnel could adversely affect PXH Group's ability to operate its business or to compete effectively, which in turn, could affect its financial performance and prospects. There can be no assurance that there will be continuity in PXH Group's present management team after the completion of the Proposed Acquisition and the cessation of the ESA.

To mitigate the abovementioned risk, our Group will assess and implement suitable measures, including incentives and remuneration packages for its employees. Additionally, if required, the engagement of consultants or other professionals may be considered to assist in the operation and management of PXH Group.

8.5 Political, economic and regulatory risk

The future growth and financial performance of PXH Group could be affected by changes in, amongst others, economic growth, taxation, accounting policies and standards, regulations, government policies and political stability.

Any adverse changes in these conditions could have a negative effect on the renewable energy industry and potentially affect the financial performance and growth of PXH Group, which will in turn affect PXH Group's share of profit contribution to our Group.

Our management is expected to adopt prudent management and efficient operating procedures to mitigate these factors. However, there can be no assurance that adverse economic, political and regulatory changes will not materially affect PXH Group's business.

9. EFFECTS OF THE PROPOSALS

9.1 Issued share capital

For illustrative purposes, the pro forma effects of the Proposals on our issued share capital are as follows:-

	No. of Shares	RM
Our issued share capital as at the LPD	516,000,000	51,600,000
Issuance of the Consideration Shares	81,481,482	(1)110,000,001
	597,481,482	**161,600,001**
Issuance of the Placement Shares	90,312,918	(1)121,922,439
	687,794,400	**283,522,440**
No. of new BMG Shares to be issued assuming full exercise of the Warrants	171,948,600	(2)286,191,250
Enlarged issued share capital	**859,743,000**	**569,713,690**

Notes:-

(1) Computed based on the Issue Price of RM1.35 per Consideration Share/ Placement Share.

(2) Computed based on the Indicative Exercise Price of RM1.6644 per Warrant.

9.2 Convertible securities

As at the LPD, we do not have any outstanding convertible securities.

Paragraph 6.50 of the Listing Requirements states that a listed issuer must ensure that the number of new shares which will arise from the exercise or conversion of all outstanding convertible equity securities does not exceed 50% of the total number of issued shares of the listed issuer (excluding treasury shares and before the exercise of the convertible equity securities) at all times.

The issuance of the Warrants pursuant to the Proposed Bonus Issue of Warrants will comply with Paragraph 6.50 of the Listing Requirements as illustrated below:-

	No. of Shares
Our issued share capital upon the completion of the Proposed Acquisition and Proposed Issuance to QL [Total number of issued Shares]	687,794,400
No. of new BMG Shares to be issued assuming full exercise of the Warrants [All Warrants]	171,948,600
[All Warrants] / [Total number of issued Shares]	**25%**
In compliance with Paragraph 6.50 of the Listing Requirements	Yes

9.3 NA per Share and gearing

For illustrative purposes, the pro forma effects of the Proposals on the consolidated NA, NA per Share and gearing of our Group based on the latest audited consolidated financial statements of our Group as at 31 March 2024 are as follows:-

		Pro forma I	**Pro forma II**
	Audited as at 31 March 2024	**After the Proposed Acquisition and Proposed Issuance to QL**	**After pro forma I and assuming full exercise of the Warrants**
	(RM'000)	**(RM'000)**	**(RM'000)**
Share capital	51,600	(2)(3)283,522	(8)569,714
Merger deficit	(21,810)	(21,810)	(21,810)
Reserves	(75)	(75)	(75)
Retained earnings	231,826	(4)(5)(6)244,875	(9)254,262
Shareholders' equity/ NA	**261,541**	(7)**506,512**	**802,091**
Non-controlling interest	15,176	15,176	15,176
Total equity	**276,717**	**521,688**	**817,267**
No. of BMG Shares ('000)	516,000	(2)(3)687,794	(7)859,743
NA per Share (RM)	**0.51**	**0.74**	**0.93**
Total borrowings(1) (RM'000)	4,073	4,073	4,073
Gearing (times)	**0.02**	**0.01**	**0.01**

Notes:-

(1) Include lease liabilities.

(2) Assuming 81,481,482 Consideration Shares are issued at the Issue Price of RM1.35 per Consideration Share pursuant to the Proposed Acquisition.

(3) Assuming 90,312,918 Placement Shares are issued at the Issue Price of RM1.35 per Placement Share pursuant to the Proposed Issuance to QL.

(4) After deducting the estimated expenses of approximately RM1.95 million in relation to the Proposals.

(5) Assuming the following:-

(i) an average Profit Guarantee of RM11.0 million per annum over the Guarantee Period and PXH Group achieving the Profit Guarantee within the Guarantee Period (i.e. from 1 April 2024 until 31 March 2028); and

(ii) proceeds raised from the Proposed Issuance to QL amounting to approximately RM121.92 million will be placed as deposits with licensed financial institutions and expected to earn interest of approximately RM4.00 million per annum assuming an interest rate of 3.28% per annum based on 1-month KLIBOR as at the LPD.

(6) In accordance with Malaysian Financial Reporting Standards 3, the Proposed Acquisition will result in the recognition of goodwill on our Group's balance sheet. The goodwill arising from the Proposed Acquisition will only be computed and finalised subject to the purchase price allocation, taking into account the fair value consideration to be transferred and the fair value of PXH Group's NA acquired at the Completion Date.

For illustrative purposes, assuming that the estimated fair value of identifiable assets and liabilities of PXH Group on the Completion Date is as per the audited NA of PXH Group as at 31 March 2024 of approximately RM71.99 million and assuming that the fair value of the Consideration Shares is at the last transacted market price of RM1.6644 per BMG Share (being the 5-day VWAP of BMG Shares up to and including the LPD) as at the Completion Date, the estimated goodwill will be approximately RM63.63 million. Upon the completion of the Proposed Acquisition, the goodwill would be subject to the assessment of the fair value of the Purchase Consideration and the fair value of PXH Group's NA acquired at the Completion Date as it is dependent on the abovementioned factors.

(7) For the avoidance of doubt, the NA of our Group will differ upon the completion of the Proposed Acquisition.

(8) Assuming 171,948,600 Warrants are exercised at the Indicative Exercise Price of RM1.6644 per Warrant.

(9) Assuming the proceeds raised from the Proposed Bonus Issue of Warrants amounting to approximately RM286.19 million will be placed as deposits with licensed financial institutions and expected to earn interest of approximately RM9.39 million per annum assuming an interest rate of 3.28% per annum based on 1-month KLIBOR as at the LPD.

9.4 Earnings and EPS

For illustrative purposes, based on the latest audited consolidated financial statements of our Group for the FYE 31 March 2024 and assuming that the Proposals had been completed on 1 April 2023, being the beginning of the FYE 31 March 2024, the pro forma effects of the Proposals on the consolidated earnings and EPS of our Group are as follows:-

	Audited FYE 31 March 2024	**Pro forma I** **After the Proposed Acquisition and Proposed Issuance to QL**	**Pro forma II** **After pro forma I and assuming full exercise of the Warrants**
PAT attributable to owners of our Company (RM'000)	33,638	(1)(2)46,687	(3)56,074
Total number of Shares in issue ('000)	516,000	687,794	859,743
EPS (sen)	**6.52**	**6.79**	**6.52**

Notes:-

(1) After deducting the estimated expenses of approximately RM1.95 million in relation to the Proposals.

(2) Assuming the following:-

(i) an average Profit Guarantee of RM11.0 million per annum over the Guarantee Period and PXH Group achieving the Profit Guarantee within the Guarantee Period (i.e. from 1 April 2024 until 31 March 2028); and

(ii) proceeds raised from the Proposed Issuance to QL amounting to approximately RM121.92 million will be placed as deposits with licensed financial institutions and expected to earn interest of approximately RM4.00 million per annum assuming an interest rate of 3.28% per annum based on 1-month KLIBOR as at the LPD.

(3) *Assuming the proceeds raised from the Proposed Bonus Issue of Warrants amounting to approximately RM286.19 million will be placed as deposits with licensed financial institutions and expected to earn interest of approximately RM9.39 million per annum assuming an interest rate of 3.28% per annum based on 1-month KLIBOR as at the LPD.*

The Proposed Acquisition and Proposed Issuance to QL are expected to contribute positively to the earnings of our Group for the FYE 31 March 2025 and beyond, taking into consideration the Profit Guarantee over the Guarantee Period and the benefits to be realised arising from the Additional Funding support and utilisation of proceeds as set out in **Section 5.1** of this Circular. Nevertheless, there may be a corresponding dilution in the EPS of our Group as a result of the overall increase in the number of BMG Shares in issue pending the recognition of profits from the Proposed Acquisition and deployment of proceeds from the Proposed Issuance to QL.

The Proposed Bonus Issue of Warrants is not expected to have any immediate impact on our Group's earnings for the FYE 31 March 2025. However, there may be a dilution in the EPS of our Group as a result of the increase in the number of BMG Shares in issue assuming the full conversion of the Warrants at the relevant point in time that is not supported by a corresponding increase in our Group's profitability.

9.5 Substantial shareholders' shareholdings

For illustrative purposes, the pro forma effects of the Proposals on our substantial shareholders' shareholdings are as follows:-

	Shareholdings as at the LPD				Pro forma I After the Proposed Acquisition and Proposed Issuance to QL			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	(1)%	No. of Shares	(1)%	No. of Shares	(2)%	No. of Shares	(2)%
QLGR	271,263,106	52.57	-	-	361,576,024	52.57	-	-
Chia Song Kun	400,000	0.08	(4)272,217,806	52.76	400,000	0.06	(4)362,530,724	52.71
QL	-	-	(5)271,263,106	52.57	-	-	(5)361,576,024	52.57
CBG (L) Pte Ltd	-	-	(6)271,263,106	52.57	-	-	(6)361,576,024	52.57
CBG (L) Foundation	-	-	(7)271,263,106	52.57	-	-	(7)361,576,024	52.57

	Pro forma II After pro forma I and assuming full exercise of the Warrants			
	Direct		Indirect	
	No. of Shares	(3)%	No. of Shares	(3)%
QLGR	451,970,030	52.57	-	-
Chia Song Kun	500,000	0.06	(4)453,163,405	52.71
QL	-	-	(5)451,970,030	52.57
CBG (L) Pte Ltd	-	-	(6)451,970,030	52.57
CBG (L) Foundation	-	-	(7)451,970,030	52.57

Notes:-

(1) *Based on our existing issued share capital comprising 516,000,000 Shares as at the LPD.*

(2) *Based on our enlarged issued share capital comprising 687,794,400 Shares after the Proposed Acquisition and Proposed Issuance to QL.*

(3) *Based on our enlarged issued share capital comprising 859,743,000 Shares after the Proposals, assuming full exercise of the Warrants.*

(4) *Deemed interested by virtue of shares held by QLGR via his and his spouse's interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, which is a substantial shareholder of QL, the holding company of QLGR, as well as his and his spouse's interest in Song Bak Holdings Sdn Bhd.*

(5) *Deemed interested by virtue of its wholly-owned subsidiary, QLGR, pursuant to Section 8 of the Act.*

(6) *Deemed interested by virtue of its substantial shareholdings in QL, the holding company of QLGR, pursuant to Section 8 of the Act.*

(7) *Deemed interested by virtue of being the holding company of CBG (L) Pte Ltd, which is a substantial shareholder of QL, the holding company of QLGR.*

For the avoidance of doubt, none of the Vendors will emerge as a substantial shareholder upon the completion of the Proposed Acquisition and Proposed Issuance to QL. The details of the shareholdings of the Vendors in BMG as at the LPD and after the completion of the Proposed Acquisition and Proposed Issuance to QL are as follows:-

	As at the LPD		**After the Proposed Acquisition and Proposed Issuance to QL**	
	No. of Shares	**%**	**No. of Shares**	**(1)%**
TWFSB	-	-	29,980,682	4.36
SPSB	-	-	16,296,297	2.37
Ko Chuan Zhen	-	-	14,992,593	2.18
Oh Zhi Kang	-	-	13,362,963	1.94
Poh Tyng Huei	-	-	6,844,445	1.00
Oh Siang Hwa	-	-	3,602	^
Leong Beng Yew	-	-	900	^
Total	**-**	**-**	**81,481,482**	**11.85**

Notes:-

^ *Negligible.*

(1) *Based on our enlarged issued share capital comprising 687,794,400 Shares after the Proposed Acquisition and Proposed Issuance to QL.*

9.6 Public shareholding spread

The public shareholding spread of our Company is 30.37% as at the LPD. Upon the completion of the Proposed Acquisition and Proposed Issuance to QL, the pro forma public shareholding spread will be approximately 25.15%. Nonetheless, we will ensure that our public shareholding spread will comply with the minimum requirement of at least 25.00% under the Listing Requirements upon the completion of the Proposed Acquisition and Proposed Issuance to QL.

10. PERCENTAGE RATIOS UNDER THE LISTING REQUIREMENTS

The highest percentage ratio applicable to the Proposed Acquisition (pursuant to Paragraph 10.02(g) of the Listing Requirements) on the date of signing the SAA and announcement of the Proposed Acquisition (i.e. 11 July 2024) was approximately 59.26%, which was calculated based on the audited consolidated financial statements of BMG for the FYE 31 March 2023.

11. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of BMG Shares as traded on Bursa Securities for the past 12 months preceding the date of this Circular from October 2023 to September 2024 are as follows:-

	High (RM)	**Low (RM)**
<u>2023</u>		
October	0.92	0.85
November	0.99	0.89
December	0.95	0.89
<u>2024</u>		
January	0.90	0.87
February	0.95	0.89
March	0.94	0.91
April	1.20	0.90
May	1.34	1.10
June	1.93	1.32
July	2.12	1.61
August	2.09	1.57
September	1.87	1.60
Last transacted market price of BMG Shares as at 10 July 2024, being the last trading date prior to the announcement of the Proposals (RM)		1.83
Last transacted market price of BMG Shares as at the LPD (RM)		1.63

(Source: Bloomberg)

12. APPROVALS REQUIRED/OBTAINED AND CONDITIONALITY OF THE PROPOSALS

The Proposals are subject to the following approvals:-

(i) Bursa Securities, for the following:-

(a) listing of and quotation for 81,481,482 Consideration Shares to be issued pursuant to the Proposed Acquisition;

(b) listing of and quotation for 90,312,918 Placement Shares to be issued pursuant to the Proposed Issuance to QL;

(c) admission to the Official List of Bursa Securities and listing of and quotation for 171,948,600 Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants; and

(d) listing of and quotation for up to 171,948,600 new BMG Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities.

The approval of Bursa Securities was obtained vide its letter dated 17 September 2024 and is subject to the following conditions:-

Condition(s)		Status of compliance
(a)	BMG and UOBKH must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposals, including compliance with the public shareholding spread requirement pursuant to Paragraph 8.02(1) of the Listing Requirements upon the issuance of the Consideration Shares and Placement Shares pursuant to the Proposed Acquisition and Proposed Issuance to QL;	To be complied
(b)	UOBKH to inform Bursa Securities upon the completion of the Proposals;	To be complied
(c)	UOBKH to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposals are completed;	To be complied
(d)	BMG/UOBKH to furnish Bursa Securities with a certified true copy of the resolutions passed by shareholders at the EGM for the Proposed Acquisition and Proposed Issuance to QL prior to the listing and quotation of the Consideration Shares and Placement Shares to be issued pursuant to the Proposed Acquisition and Proposed Issuance to QL; and	To be complied
(e)	BMG to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) our shareholders at the forthcoming EGM;

(iii) the Board of Directors of QL as our holding company for the Proposed Issuance to QL; and

(iv) any other relevant authority, if required.

The Proposed Acquisition and Proposed Issuance to QL are inter-conditional upon each other. The Proposed Bonus Issue of Warrants is conditional upon the completion of both the Proposed Acquisition and Proposed Issuance to QL. The Proposals are not conditional upon any other corporate proposals undertaken or to be undertaken by our Company.

13. CORPORATE PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save for the Proposals, which are the subject matter of this Circular, there are no other outstanding proposals announced by us but have yet to be completed as at the date of this Circular.

For information purposes, we have not undertaken any equity fund-raising exercises during the preceding 12 months from 11 July 2024, being the date of the announcement of the Proposals.

14. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

14.1 Proposed Acquisition

None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Acquisition as the Vendors are non-related parties.

However, as the Proposed Acquisition is inter-conditional upon the Proposed Issuance to QL, the following Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM:-

(i) QL (being the holding company of QLGR);

(ii) QLGR (being our controlling shareholder (with 52.57% direct shareholding in BMG as at the LPD));

(iii) Chia Lik Khai (being our Group Managing Director, Executive Director of QL and Director of QLGR);

(iv) Chia Song Kun (being our Non-Independent Non-Executive Chairman, Executive Chairman of QL and Director of QLGR); and

(v) Chia Seong Fatt (being the Alternate Director to Chia Lik Khai, Executive Director of QL and Director of QLGR).

The direct and indirect shareholdings of the Interested Parties in BMG as at the LPD are as follows:-

	Direct		Indirect	
Interested Parties	**No. of Shares**	**(1)%**	**No. of Shares**	**(1)%**
QL	-	-	(2)271,263,106	52.57
QLGR	271,263,106	52.57	-	-
Chia Lik Khai	5,500,000	1.07	-	-
Chia Song Kun	400,000	0.08	(3)272,217,806	52.76
Chia Seong Fatt	200,000	0.04	-	-

Notes:-

(1) Based on our existing issued share capital comprising 516,000,000 Shares as at the LPD.

(2) Deemed interested by virtue of its wholly-owned subsidiary, QLGR, pursuant to Section 8 of the Act.

(3) Deemed interested by virtue of shares held by QLGR via his and his spouse's interest in CBG (L) Foundation, the holding company of CBG (L) Pte Ltd, which is a substantial shareholder of QL, the holding company of QLGR, as well as his and his spouse's interest in Song Bak Holdings Sdn Bhd.

In addition, the Interested Parties will also undertake to ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Acquisition to be tabled at the forthcoming EGM.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting in relation to the Proposed Acquisition at the relevant Board meetings.

14.2 Proposed Issuance to QL

Save for the Interested Parties, none of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Issuance to QL.

The Interested Parties are deemed interested in the Proposed Issuance to QL by virtue of the specific allotment and issuance of the Placement Shares to QLGR under the Proposed Issuance to QL. As such, the Interested Parties will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Issuance to QL to be tabled at the forthcoming EGM.

In addition, the Interested Parties will also undertake to ensure that all persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in our Company, if any, on the resolution pertaining to the Proposed Issuance to QL to be tabled at the forthcoming EGM.

The Interested Directors have abstained and will continue to abstain from all deliberations and voting in relation to the Proposed Issuance to QL at the relevant Board meetings.

14.3 Proposed Bonus Issue of Warrants

None of our Directors, major shareholders, chief executive and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Bonus Issue of Warrants, save for their respective entitlements as shareholders of our Company under the Proposed Bonus Issue of Warrants, to which all other shareholders of our Company are similarly entitled.

15. DIRECTORS' STATEMENT/RECOMMENDATION

15.1 Proposed Acquisition and Proposed Issuance to QL

Our Board, save for the Interested Directors, having considered all aspects of the Proposed Acquisition and Proposed Issuance to QL, including but not limited to the terms of the SAA, rationale and justification of the Proposed Acquisition and Proposed Issuance to QL as well as the financial effects of the Proposed Acquisition and Proposed Issuance to QL, is of the opinion that both the Proposed Acquisition and Proposed Issuance to QL are in the best interest of our Company.

Accordingly, our Board, save for the Interested Directors, recommends that you vote in favour of the resolutions pertaining to the Proposed Acquisition and Proposed Issuance to QL to be tabled at the forthcoming EGM.

15.2 Proposed Bonus Issue of Warrants

Our Board having considered all aspects of the Proposed Bonus Issue of Warrants, including but not limited to the rationale and justification of the Proposed Bonus Issue of Warrants as well as the financial effects of the Proposed Bonus Issue of Warrants, is of the opinion that the Proposed Bonus Issue of Warrants is in the best interest of our Company.

Accordingly, our Board recommends that you vote in favour of the resolution pertaining to the Proposed Bonus Issue of Warrants to be tabled at the forthcoming EGM.

16. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposals are expected to be completed by 4th quarter of 2024.

The tentative timetable in relation to the Proposals are set out below:-

Timeline	Events
18 October 2024	• EGM • Fulfilment of conditions precedent in respect of the SAA
End October 2024	• Listing of the Consideration Shares and Placement Shares on the Main Market of Bursa Securities • Completion of the Proposed Acquisition and Proposed Issuance to QL

Timeline	Events
Early November 2024	• Announcement of the Entitlement Date for the Proposed Bonus Issue of Warrants
Mid November 2024	• Entitlement Date • Listing of the Warrants on the Main Market of Bursa Securities • Completion of the Proposed Bonus Issue of Warrants

17. EGM

The resolutions in respect of the Proposals will be tabled at the forthcoming EGM, which will be held at Zamrud Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 18 October 2024 at 10.00 a.m. The notice of EGM together with the Proxy Form, Administrative Guide and this Circular are available to be downloaded from our website at http://bmgreentech.com/agm-egm.

A member entitled to attend and vote at the EGM is entitled to appoint a proxy or proxies to attend and vote on his/her behalf. In such event, the Proxy Form should be lodged at the Share Registrar of BMG, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, their Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or electronically lodged with the Share Registrar of BMG via TIIH Online at https://tiih.online not less than forty-eight (48) hours before the time stipulated for holding the EGM. The lodging of the Proxy Form does not preclude you from attending and voting at the EGM, should you subsequently wish to do so.

18. FURTHER INFORMATION

You are advised to refer to the appendices set out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board of
BM GREENTECH BERHAD

GAN CHIH SOON
Executive Director

SALIENT TERMS OF THE SAA

The salient terms of the SAA are as follows:-

1. CONDITIONS PRECEDENT

Notwithstanding anything to the contrary contained in the SAA, the completion of the Proposed Acquisition is conditional upon the following conditions being satisfied within a period of 3 months[(1)] from the date of the SAA or within such other period as may be mutually agreed upon by the parties in writing, namely:-

(i) the approval of our shareholders (to be obtained at the forthcoming EGM) for the Proposed Acquisition and the issuance and allotment of the Consideration Shares to the Vendors in accordance with the terms of the SAA;

(ii) the approval of our shareholders (to be obtained at the forthcoming EGM) for the Proposed Issuance to QL;

(iii) the approval of Bursa Securities for the listing of and quotation for the Consideration Shares and Placement Shares on the Main Market of Bursa Securities;

(iv) the approval of the board of directors of QL as our parent company for the Proposed Acquisition;

(v) the approval or waiver of any regulatory requirement by any other relevant authorities, if required,

(each, an "**Approval**" and collectively, "**Approvals**"); and

(vi) satisfactory resolution of any issues arising from the findings of the full financial, taxation, legal, management and operational due diligence exercise in relation to the business, accounts, taxation and affairs of PXH Group ("**Due Diligence**") (conducted by us and communicated to the Vendors) and/or any matters raised in the disclosure letter provided/ to be provided by the Vendors.

Note:-

(1) The parties had on 3 October 2024 mutually agreed to extend the conditional period of the SAA from 10 October 2024 to 31 October 2024 with the aim to accord the parties an additional period to fulfil the conditions precedent as set out in the SAA.

2. UNCONDITIONAL DATE

Unless otherwise agreed by the parties in writing, the SAA shall become unconditional upon:-

(i) all the Approvals being satisfied, or waived by us, or if conditions have been imposed in respect of any of the Approvals, such conditions are acceptable to the parties, or upon the conditions to the approvals of the authorities having been modified to the acceptance of and notified to the party where the conditions or terms affect such party and are unacceptable to such party; and

(ii) all the other conditions precedent stipulated in the SAA having been satisfied in accordance with the terms of the SAA.

3. METHOD OF PAYMENT

The Purchase Consideration shall be fully satisfied entirely by way of issuance and allotment of 81,481,482 Consideration Shares to the Vendors on the Completion Date in the following manner:-

(i) on the Completion Date, 48,888,889 Consideration Shares (equivalent to approximately 60.0% of the total Consideration Shares) shall be issued and allotted to the Vendors in the proportions as stated in the SAA (see **Section 2.6** of this Circular); and

(ii) the remaining 32,592,593 Consideration Shares, being the Deposited Securities shall be issued and allotted to the Trustee to hold as stakeholders as security for the Profit Guarantee, subject to the terms and conditions of the stakeholder agreement to be executed between BMG, the Vendors and the Trustee and shall be dealt with in the manner stipulated in the SAA.

4. PROFIT GUARANTEE

(i) In consideration of the Purchase Consideration, the Vendors jointly and severally guarantee to BMG that PXH Group shall achieve and maintain an accumulated actual PAT of not less than the Accumulated Guaranteed PAT during and for the entire Guarantee Period. For the avoidance of doubt, the Vendors guaranteed to BMG in proportion to their respective shareholding in PXH that PXH Group shall achieve the Accumulated Guaranteed PAT at the expiry of the Guarantee Period.

(ii) The release of the Deposited Securities shall be dealt with in the following manner:-

(a) The number of the Deposited Securities to be released to the Vendors at the end of each of the first 3 financial years of the Guarantee Period shall be subject to the actual PAT achieved by PXH Group and calculated as below:-

Number of Deposited Securities to be released equivalent to the value of the PAT achieved / the PAT target $= \frac{A}{B} \times C$

where:

A = Actual PAT achieved for the relevant financial year of the Guarantee Period, PROVIDED ALWAYS that the value of A shall be capped at the value of the PAT target for the corresponding financial year

B = Accumulated Guaranteed PAT

C = Total Deposited Securities

(b) Notwithstanding the above, for the purpose of the Profit Guarantee, a final determination shall be conducted at the end of the Guarantee Period ("**Final Review**") of the accumulated actual PAT of PXH Group based on the following formula:-

Number of Deposited Securities to be released $= \frac{AA}{BB} \times CC$

where:

AA = Accumulated actual PAT achieved at the Final Review, PROVIDED ALWAYS that the value of AA shall be capped at the value of BB

BB = Accumulated Guaranteed PAT

CC = Total Deposited Securities

(c) In the event that, upon the Final Review, the accumulated actual PAT of PXH Group is determined to be less than the Accumulated Guaranteed PAT ("**Shortfall**"), the Shortfall shall be satisfied by the transfer of such number of Deposited Securities which shall be determined in the following manner irrespective of the prevailing market price of such Deposited Securities, and the surrender of such Deposited Securities by the Vendors to the Trustee for the benefit of BMG shall be deemed as full and final compensation to BMG ("**Shortfall Compensation**"). BMG shall thereafter be entitled to instruct the Trustee to deal with such Deposited Securities as we deem fit (without any reference required from the Vendors):-

(aa) $$F = \frac{(D - E)}{D} \times 100$$

where:

F = Shortfall (%)

D = Accumulated Guaranteed PAT

E = Accumulated actual PAT achieved by PXH Group at the expiry of the Guarantee Period

Thereafter,

(bb) Shortfall Compensation = F × G

where:

F = Shortfall (%)

G = Total Deposited Securities

In the event that the number of the Deposited Securities remaining with the Trustee is lesser than the Shortfall Compensation, the Vendors undertake to top up the balance Deposited Securities by transferring to the Trustee such number of BMG Shares (on a pro-rated basis based on their respective shareholding in PXH as at the date of the SAA) to make good the deficit to the balance Deposited Securities.

(d) The determination of the audited PAT of PXH Group shall be based on the audited accounts of PXH Group and shall be performed within 4 months after each financial year as certified by the auditors of PXH Group.

(iii) In the event of the termination of the ESA ("**ESA Termination Event**") prior to the expiry of the Guarantee Period, the said Vendor shall not be entitled to his portion of the Deposited Securities or balance Deposited Securities (as the case may be) and that portion shall be forfeited to the benefit of BMG. For the avoidance of doubt, the occurrence of an ESA Termination Event on a Vendor shall not prejudice or affect the rights of the remaining Vendors towards their portion of the Deposited Securities or balance Deposited Securities (as the case may be), provided that the Profit Guarantee has been achieved in accordance with the terms of the SAA.

(iv) The parties agree that for the duration of the Guarantee Period, Ko Chuan Zhen, Oh Zhi Kang and Poh Tyng Huei shall remain as directors of each of the companies of PXH Group respectively.

5. COMPLETION

Unless otherwise agreed by the parties in writing, the completion of the SAA shall take place on a date within 30 days of the Unconditional Date, or on such later date as the parties shall mutually agree in writing ("**Completion Date**") when:-

(i) the Vendors shall deliver or cause to be delivered the Vendors' documents listed in the SAA to BMG for the Sales Shares;

(ii) the Executive Directors of PXH (namely Ko Chuan Zhen and Oh Zhi Kang) shall each execute an ESA with PXH in such form as may be mutually agreed and on terms to be mutually agreed;

(iii) BMG and the Executive Directors of PXH shall have mutually agreed on the parameters of the limits of authority;

(iv) BMG and the Vendors shall execute a stakeholder agreement with the Trustee in respect of the Deposited Securities; and

(v) BMG shall issue and allot the Consideration Shares to the Vendors and the Trustee respectively, in accordance with the terms of the SAA.

6. NON-COMPETITION

(i) The Vendors expressly agree and undertake to BMG that the Vendors shall not, without BMG's prior written consent:-

(a) be engaged or interested, either directly or indirectly, in any capacity in any trade, business or occupation, or in any manner take part in or lend its name, counsel or assistance to any person in any capacity whatsoever, for any purpose which would or could reasonably expected to be in competition with the business of PXH Group in Malaysia or such country(ies) where PXH Group currently operates in;

(b) solicit, induce or encourage any employee or consultant of PXH Group to curtail, terminate or cease their employment or affiliation with PXH Group;

(c) criticise, denigrate or disparage PXH Group or BMG and/or its affiliates and their businesses; or

(d) be engaged in any act which is premeditated or in preparation or in readiness to effect or put in place any of the matters set out above.

(ii) The parties agree that the non-competition clause shall not restrict the Vendors from participating in:-

(a) companies which are operating in the clean energy business and including those similar to the business of PXH Group for which the Vendors have already invested into prior to the Term Sheet, provided always that the Vendors shall disclose to BMG such investments, on or before the execution of the SAA; or

(b) any equity investment in any company which is already publicly listed, provided that such investment in a public listed company shall not exceed 5% of the said public listed company's share capital.

(iii) Each of the Vendors further covenant to BMG not to divulge or make use of any of PXH Group's confidential information, technology and know-how to any third party, other than necessary to carry on the business of PXH Group.

7. TERMINATION

(i) In addition but not in derogation to other provisions of the SAA, on the occurrence of any of the events set out below with respect to a party ("**Defaulting Party**"), the other party ("**Non-Defaulting Party**") may give notice in writing to the Defaulting Party specifying the relevant event or events and requiring the Defaulting Party to remedy the same (if capable of remedy) within 30 days of the receipt of such notice, or such other period as may be agreed between the parties. The events are set out as follows:-

(a) Breach

The Defaulting Party has committed a material breach of any term or condition of the SAA or if he/it fails to perform or observe any material undertaking, obligation or agreement expressed or implied in the SAA or is a material breach of any representation or warranty of the SAA which affects in a material respect of the business, operations, financial prospects and/or value propositions of PXH Group;

(b) Receiver/Special administrator

A receiver, receiver and manager, trustee or similar official is appointed over any of the assets or undertaking of the Defaulting Party or PXH;

(c) Insolvency/Bankruptcy

The Defaulting Party, where the Defaulting Party is a company, or PXH, is or becomes unable to pay its debts when they are due or becomes unable to pay its debts within the meaning of the Act, or in the case where the Defaulting Party is an individual, the Defaulting Party is declared a bankrupt within the meaning of the Insolvency Act 1967;

(d) Arrangements

The Defaulting Party or PXH enters into or resolves to enter into any arrangement, composition or compromise with, or assignment for the benefit of, its creditors or any class of them;

(e) Winding up

An application or order is made for the winding up or dissolution of the Defaulting Party or PXH or a resolution is passed or any steps are taken to pass a resolution for the winding up or dissolution of the Defaulting Party or PXH otherwise than for the purpose of an amalgamation or reconstruction which has the prior written consent of the Non-Defaulting Party; and

(f) Cessation of business

The Defaulting Party or PXH ceases or threatens to cease carrying on all or a substantial portion of its business.

(ii) The Vendors and BMG shall within 7 days after notice has been given under **Section 7(i)** of this **Appendix I**, meet to discuss the event or events giving rise to the notice with a view to the Defaulting Party or PXH (where appropriate) remedying the event. In the event that the breach is not remedied within 30 days of the Non-Defaulting Party having given notice under **Section 7(i)** of this **Appendix I** or such other period as the parties may mutually agree, at the option of the Non-Defaulting Party, the SAA may be terminated forthwith without any requirement or need for the Non-Defaulting Party to give any further notice or reasons therefor; or the Non-Defaulting Party may proceed to completion so far as practicable but without prejudice to its right to claim damages or any other rights or remedies whatsoever.

(iii) Upon the termination of the SAA under **Section 7(ii)** of this **Appendix I**, the SAA shall be null and void and none of the parties shall have any claim against each other save for any antecedent breach and any documents including the Vendors' documents if the same have been delivered shall be returned to the Vendors with the Vendors' interest remaining intact.

(iv) In the alternative, any party shall be entitled to the rights of specific performance against the other under the provisions of the SAA and it is hereby mutually agreed that in the event of any party exercising its right to specific performance of the SAA, an alternative remedy of monetary compensation shall not be regarded as sufficient compensation for the other party's default in the performance of the terms and conditions of the SAA.

8. ADDITIONAL FUNDING AND GUARANTEES

(i) BMG undertakes that following the Completion Date:-

(a) BMG shall provide and/or procure Additional Funding of up to RM50,000,000 to fund the capital expenditure for PXH Group's business for its growth and expansion. The utilisation of the Additional Funding shall be subject to BMG's approval. For the avoidance of doubt, minimum of no less than 50% of the Additional Funding shall be in the form of equity and the remaining in such other form as may be determined by BMG; and

(b) BMG shall ensure that all existing loan guarantees granted by the Vendors and other third parties to secure the loans granted to PXH Group shall be discharged and replaced by guarantees to be given by BMG.

9. OTHER SALIENT TERMS

(i) The parties agree, without prejudice to all other rights and remedies of BMG, that the Purchase Consideration shall be subject to downward adjustment on a fair basis to be mutually agreed in the event that the Due Diligence conducted by BMG on PXH Group shall reveal any material adverse deviations from the basis and conditions of the Proposed Acquisition as set out in the SAA (which include, amongst others, compliances with regulatory approvals and requirements, no changes to the agreed structure of PXH Group, consents to be obtained from BMG Group for new borrowings to be obtained and other operational requirements as set out in the SAA).

For the purposes of this term, a "fair basis" shall mean an equitable adjustment to be mutually agreed that reflects the true value of PXH Group at the time of the completion of the Proposed Acquisition, taking into account the deviations identified during the course of the Due Diligence that are deemed to materially affect the financial, legal and/or operational standing of PXH Group.

(ii) The parties agree to appoint 1 representative of the Vendors (namely Ko Chuan Zhen and Oh Zhi Kang as his alternate) to be a member of BMG's Board upon the completion of the SAA subject always to the prevailing requirements of the Listing Requirements and the Act.

(iii) Upon the completion of the Proposed Acquisition, BMG agrees to change its name to incorporate the elements of "Plus" and/or "PlusX" into its name, SUBJECT ALWAYS to the prior consultation with stakeholders of BMG and the approval of shareholders of BMG for the change of name at a general meeting to be convened.

(iv) Notwithstanding anything to the contrary contained herein, the parties agree that BMG shall be entitled to review and evaluate if the following companies shall form part of the final composition of the group companies within PXH Group prior to the Completion Date. In the event that BMG decides that said companies should be removed from PXH Group, the parties shall mutually agree on any adjustment[(1)] to be made to the Purchase Consideration:-

(a) Leaf Solar;

(b) Leaf Power; and

(c) LGH Construction Sdn Bhd (Registration No.: 201501001140 (1126472-W)).

Note:-

(1) The said adjustment may take into account the book value and market value of the affected entities.

For information purposes, this term is intended to provide BMG Group with the flexibility to determine the final composition of the companies within PXH Group. This ensures that only strategically aligned and financially viable entities are included in the final structure of PXH Group. This approach preserves the integrity of the potential group composition of PXH Group (which will be wholly-owned subsidiaries of BMG Group upon the completion of the Proposed Acquisition) while safeguarding BMG Group from unforeseen liabilities or operational risks. Finalising and fixing the group composition prior to the signing of the SAA will limit BMG Group's flexibility in shaping the final structure, potentially forcing divestment of certain entities after the completion of the Due Diligence process.

INFORMATION ON PXH

1. BACKGROUND INFORMATION ON PXH

PXH (Registration No.: 201901010151 (1319479-U)) is a private limited company duly incorporated in Malaysia under the Act on 25 March 2019 and commenced its business operation in April 2021. PXH's registered address is at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, Petaling Jaya, 46200 Selangor Darul Ehsan. PXH's principal office address is at L4-I-1 & L4-I-2, Enterprise 4 Technology Park Malaysia, Lebuhraya Puchong-Sungai Besi, Bukit Jalil, 57000 Kuala Lumpur. In addition to its principal office, PXH maintains other offices in Penang, Johor and Perak. As at the LPD, PXH Group does not own or operate in any manufacturing facilities.

In September 2023, PXH Group completed an internal restructuring which involves the acquisition of 100% equity interest in PXS from Ko Chuan Zhen, Oh Zhi Kang, Poh Tyng Huei, TWFSB and SPSB. After the completion of the internal restructuring, PXS became the wholly-owned subsidiary of PXH. The internal restructuring has resulted in the consolidation of PXS Group under PXH.

PXH is principally involved in investment holding and provision of management services. Through its subsidiaries and associate company, PXH is principally involved in the provision of clean energy solutions for commercial, industrial, residential and utilities scale projects including solar farms. PXH Group devotes itself towards enhancing its Xnergy Ecosystem, which comprises, amongst others, energy generation, energy efficiency, battery energy storage solutions (BESS) and electric vehicle ("**EV**") charging.

The principal market of PXH Group's products is Malaysia, where PXH Group generates 100% of its revenue.

PXH Group primarily sources its raw materials and supplies from Malaysia and overseas which mainly comprises amongst others, solar panels, inverters, mounting structures, cables and subcontractors, details of which are as follows:-

	Unaudited FYE 31 March						**Audited FYE 31 March**	
	2021		**2022**		**2023**		**2024**	
	(RM'000)	**(%)**	**(RM'000)**	**(%)**	**(RM'000)**	**(%)**	**(RM'000)**	**(%)**
Overseas	47,977	67.92	56,080	69.95	111,653	76.57	122,282	69.83
Malaysia	22,659	32.08	24,087	30.05	34,169	23.43	52,820	30.17
Total	**70,636**	**100.00**	**80,167**	**100.00**	**145,822**	**100.00**	**175,102**	**100.00**

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Based on the audited financial statements of PXH Group as at 31 March 2024, the total assets of PXH Group amounting to approximately RM151.61 million, which comprises the following:-

Assets	As at 31 March 2024 (RM'000)
Property, plant and equipment	5,076
Right-of-use assets	1,662
Intangible assets	910
Investment in associate	1,210
Investments in joint ventures	6,469
Finance lease receivables	6,194
Deferred tax assets	1,118
Inventories	26,287
Trade and other receivables	39,248
Contract assets	25,384
Current tax assets	2,533
Cash and bank balances	35,522
Total assets	**151,613**

2. SHARE CAPITAL

PXH has a total issued share capital of RM66,600,000 comprising 66,600,000 PXH Shares as at the LPD.

3. DIRECTORS AND SHAREHOLDERS

The directors of PXH and their respective shareholdings in PXH as at the LPD are as follows:-

		Shareholdings as at the LPD			
		Direct		Indirect	
Name	Nationality	No. of PXH Shares	%	No. of PXH Shares	%
Ko Chuan Zhen	Malaysian	12,254,400	18.40	-	-
Oh Zhi Kang	Malaysian	10,922,400	16.40	-	-
Oh Siang Hwa	Malaysian	2,944	^	(1)35,427,520	53.19
Poh Tyng Huei	Malaysian	5,594,400	8.40	-	-

Notes:-

^ *Negligible.*

(1) Deemed interested by virtue of his shareholdings in TWFSB and through his child, Oh Zhi Kang.

INFORMATION ON PXH (CONT'D)

The shareholders of PXH and their respective shareholdings in PXH as at the LPD are as follows:-

Company/Name	Place of incorporation/ Nationality	Shareholdings as at the LPD			
		Direct		Indirect	
		No. of PXH Shares	%	No. of PXH Shares	%
TWFSB	Malaysia	24,505,120	36.80	-	-
SPSB	Malaysia	13,320,000	20.00	-	-
Ko Chuan Zhen	Malaysian	12,254,400	18.40	-	-
Oh Zhi Kang	Malaysian	10,922,400	16.40	-	-
Poh Tyng Huei	Malaysian	5,594,400	8.40	-	-
Oh Siang Hwa	Malaysian	2,944	^	(1)35,427,520	53.19
Leong Beng Yew	Malaysian	736	^	(2)24,505,120	36.80
Teng Chee Wai	Malaysian	-	-	(3)13,320,000	20.00

Notes:-

^ *Negligible.*

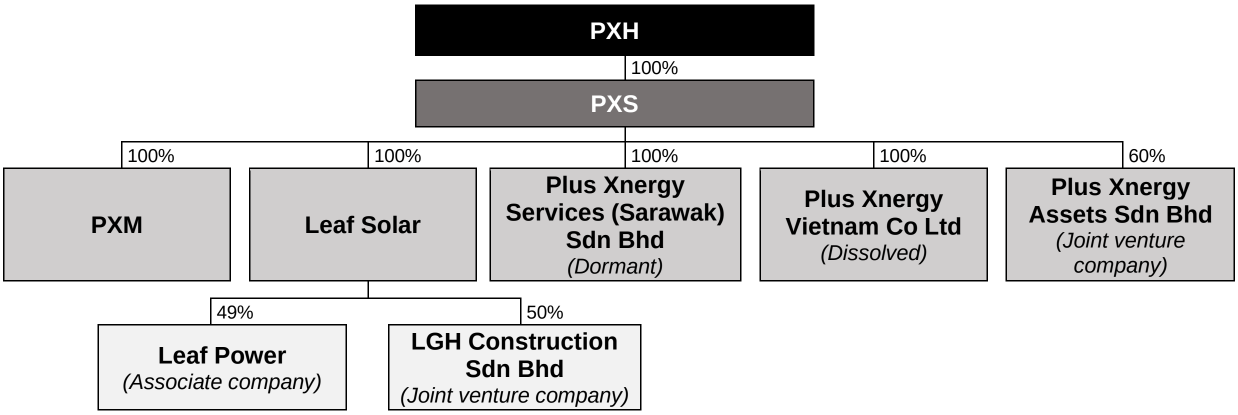
(1) Deemed interested by virtue of his shareholdings in TWFSB and through his child, Oh Zhi Kang.

(2) Deemed interested by virtue of his shareholdings in TWFSB.

(3) Deemed interested by virtue of his shareholdings in SPSB.

4. INFORMATION ON PXH GROUP

The structure of PXH Group as at the LPD is illustrated in the diagram below:-



The details of the subsidiaries of PXH as at the LPD are set out as follows:-

Companies	Date and place of incorporation	Share capital	Effective equity interest (%)	Principal activities
Subsidiary of PXH				
PXS	14 June 2013 (Malaysia)	RM1,000,000 comprising 1,000,000 ordinary shares	100.0	Developing, installing, providing and maintaining solar PV system and to provide consultancy for the development, management, designing, integration, improvement and construction of all kinds of solar energy systems.

INFORMATION ON PXH (CONT'D)

Companies	Date and place of incorporation	Share capital	Effective equity interest (%)	Principal activities
Subsidiaries of PXS				
PXM	21 July 2016 (Malaysia)	RM1,500,000 comprising 1,500,000 ordinary shares	100.0	Developing, installing, providing and maintaining solar PV systems, solar energy systems and related services.
Leaf Solar	2 October 2012 (Malaysia)	RM1,000,000 comprising 1,000,000 ordinary shares	100.0	Development of solar and renewable energy projects and related activities.
Plus Xnergy Services (Sarawak) Sdn Bhd	14 July 2020 (Malaysia)	RM2 comprising 2 ordinary shares	100.0	Dormant.
Plus Xnergy Vietnam Co Ltd	11 May 2021 (Vietnam)	-	100.0	Dormant. Dissolved on 20 August 2024.

The details of the associate company of PXH Group as at the LPD are set out as follows:-

Company	Date and place of incorporation	Share capital	Effective equity interest (%)	Principal activities
Associate company of Leaf Solar				
Leaf Power	26 January 2015 (Malaysia)	RM2,200,000 comprising 50,000 ordinary shares and 1,150,000 preference shares	49.0	Installation and operation of facilities for the generation of electricity energy.

The details of the joint venture companies of PXH Group as at the LPD are set out as follows:-

Companies	Date and place of incorporation	Share capital	Effective equity interest (%)	Principal activities
Joint venture company of PXS				
Plus Xnergy Assets Sdn Bhd	5 March 2019 (Malaysia)	RM6,475,000 comprising 6,475,000 ordinary shares	60.0	Development, implementation, leasing of solar energy systems and sale of energy through commercial and industrial rooftop solar PV power projects in Malaysia, providing evaluation, technical, commercial and advisory services relating to electrical and engineering works and other related activities and investment in power generation assets.

INFORMATION ON PXH (CONT'D)

Companies	Date and place of incorporation	Share capital	Effective equity interest (%)	Principal activities
Joint venture company of Leaf Solar				
LGH Construction Sdn Bhd	9 January 2015 (Malaysia)	RM2,850,000 comprising 50,000 ordinary shares and 2,800,000 preference shares	50.0	Manage and operate solar energy system. The activities contribute to the energy generation business segment of PXH Group.

5. SUMMARY OF FINANCIAL INFORMATION

A summary of the financial information of PXH Group based on its audited financial statements for the past 4 financial years up to the FYE 31 March 2024 are as follows:-

	Audited FYE 31 March			
	2021 (RM)	2022 (RM)	2023 [1](Restated) (RM)	2024 (RM)
Revenue	122,957	6,569,047	179,790,237	209,760,369
(Loss before tax)/PBT	(1,405,742)	(2,333,923)	6,528,141	9,352,224
(Loss after tax)/PAT	(1,405,742)	(2,333,923)	5,637,055	7,276,868
Share capital	100	100	1,010,000	66,600,000
(Capital Deficiency)/ Shareholders' funds	**(2,681,795)**	**(5,015,718)**	**64,712,477**	**71,989,345**
Cash and cash equivalents	246,472	488,898	46,344,170	35,522,520
Total borrowings[2]	46,970	-	35,360,730	34,239,621
No. of PXH Shares in issue	100	100	1,010,000	66,600,000
(Loss per PXH Share)/EPS (RM)	**(14,057)**	**(23,339)**	**5.58**	**0.11**
NA per PXH Share (RM)	**N/A**	**N/A**	**64.07**	**1.08**
Current ratio (times)	0.11	0.47	1.65	2.07
Gearing ratio (times)	N/A	-	0.55	0.48

Notes:-

N/A *Not applicable.*

(1) *The restatement was made to reflect the pooling of interest method of accounting following the completion of the internal restructuring undertaken by PXH Group in September 2023, which resulted in the consolidation of PXS Group under PXH (i.e. being the current structure of PXH Group as at the LPD as set out in **Section 4** of this **Appendix II**). Please refer to **Section 7(i)** of **Appendix II** of this Circular for further details of the internal restructuring.*

(2) *Include lease liabilities.*

Based on the information provided by the Vendors and for illustrative purposes only, a summary of the unaudited consolidated financial information of PXH Group has been prepared (assuming the current PXH Group structure was formed since the beginning of the FYE 31 March 2021) and the audited consolidated financial information of PXH Group for the FYE 31 March 2024 are as follows:-

	Unaudited FYE 31 March			Audited FYE 31 March
	2021 (RM)	2022 (RM)	2023 (RM)	2024 (RM)
Revenue	112,183,818	100,838,792	174,581,269	209,760,369
PBT	22,212,512	4,716,137	5,632,624	9,352,224
PAT	18,242,158	2,079,300	4,792,541	7,276,868
Share capital	66,600,000	66,600,000	66,600,000	66,600,000
Shareholders' funds	**58,630,736**	**59,910,036**	**64,712,477**	**71,989,345**
Cash and cash equivalents	51,730,561	26,205,161	46,344,170	35,522,520
Total borrowings(1)	15,932,124	29,861,421	35,360,730	34,239,621
No. of PXH Shares in issue	66,600,000	66,600,000	66,600,000	66,600,000
EPS (RM)	**0.27**	**0.03**	**0.07**	**0.11**
NA per PXH Share (RM)	**0.88**	**0.90**	**0.97**	**1.08**
Current ratio (times)	2.49	1.98	1.65	2.07
Gearing ratio (times)	0.27	0.50	0.55	0.48

Note:-

(1) Include lease liabilities.

During the financial years under review:-

(i) there were no exceptional and/or extraordinary items in the financial statements of PXH Group;

(ii) there have been no accounting policies adopted by PXH Group which are peculiar to PXH Group because of the nature of its business or the industry in which it is involved in; and

(iii) there have been no audit qualifications to the financial statements of PXH Group.

<u>Commentary on past performance</u>

(i) FYE 31 March 2022

For the FYE 31 March 2022, PXH Group recorded revenue of approximately RM100.84 million, representing a decrease of approximately 10.11% or RM11.34 million as compared to the revenue of approximately RM112.18 million recorded in the previous financial year. The lower revenue was mainly due to the lower pricing in the projects secured during the financial year under review despite increase in the number of projects secured.

In line with the decrease in revenue, PXH Group recorded a lower PAT of approximately RM2.08 million in the FYE 31 March 2022, representing a decrease of approximately 88.60% or RM16.16 million as compared to the PAT of approximately RM18.24 million recorded in the previous financial year. The decrease in profit was mainly due to the drop in revenue and significant drop in gross profit resulted from market competition and higher material cost, in particular solar panels.

PXH Group recorded a lower average gross profit margin of 19% for EPCC projects in the FYE 31 March 2022 as compared to the average gross profit margin of 36% recorded in the FYE 31 March 2021. The decline in gross profit margin was mainly due to the project and project mix during the financial year where the gross profit margin of the major projects of PXH Group during the financial year ranged from 14% to 20%.

(ii) FYE 31 March 2023

For the FYE 31 March 2023, PXH Group recorded revenue of approximately RM174.58 million, representing an increase of approximately 73.13% or RM73.74 million as compared to the revenue of approximately RM100.84 million recorded in the previous financial year. The increase was mainly due to the commencement of 2 LSS projects located in Perak and Kedah with an aggregate installed capacity of approximately 49 MWp in the financial year under review amounting to approximately RM30.59 million and the revenue contribution of RM10.70 million from a group project.

As a result of PXH Group recording a higher revenue in the financial year under review, PXH Group recorded a higher PAT of approximately RM4.79 million in the FYE 31 March 2023, representing an increase of approximately 130.29% or RM2.71 million as compared to the PAT of approximately RM2.08 million recorded in the previous financial year. The increase in profit was mainly due to the increase in revenue recorded in the financial year.

Notwithstanding the increase in revenue in the financial year, PXH Group recorded a lower average gross profit margin of 15% for EPCC projects in the FYE 31 March 2023 as compared to the average gross profit margin of 19% recorded in the FYE 31 March 2022. The decline in gross profit margin was mainly due to the project and product mix during the year where the gross profit margins of the major projects of PXH Group during the financial year ranged from 10% to 20%.

(iii) FYE 31 March 2024

For the FYE 31 March 2024, PXH Group recorded revenue of approximately RM209.76 million, representing an increase of approximately 20.15% or RM35.18 million as compared to the revenue of approximately RM174.58 million recorded in the previous financial year. The increase was mainly due to the completion of the 2 LSS projects in the financial year under review amounting to RM66.88 million and revenue contribution of RM31.09 million from another major group project.

In line with the increase in revenue, PXH Group recorded a higher PAT of approximately RM7.28 million in the financial year under review, representing an increase of approximately 51.98% or RM2.49 million as compared to the PAT of approximately RM4.79 million recorded in the previous financial year. The increase in profit was mainly due to the increase in revenue and gross profit as well as lower operating expenses incurred in the FYE 31 March 2024 mainly due to lower payroll cost and lower marketing expenses.

PXH Group recorded an average gross profit margin of 15% for EPCC projects in the FYE 31 March 2024, where the gross profit margins of the major projects of PXH Group during the financial year ranged from 15% to 20%.

6. MATERIAL COMMITMENTS

As at the LPD, there are no material commitments incurred or known to be incurred by PXH Group which upon becoming enforceable, may have a material impact on the financial results or position of PXH Group.

7. MATERIAL CONTRACTS

Save as disclosed below, PXH Group has not entered into any material contracts (not being contracts entered into in its ordinary course of business) within 2 years immediately preceding the LPD:-

(i) shares sale and purchase agreement dated 1 August 2023 ("**SSA-PXS**") entered into between Ko Chuan Zhen, Oh Zhi Kang, Poh Tyng Huei, TWFSB and SPSB, as the vendors (collectively, "**PXS Vendors**"), and PXH as the purchaser in respect of the acquisition by PXH of the entire issued share capital of PXS comprising 1,000,000 ordinary shares in PXS, representing the entire issued and paid-up shares in PXS for a total purchase consideration of RM66,590,000 which was entirely satisfied by the issuance of 66,590,000 PXH Shares to the PXS Vendors. The SSA-PXS was completed on 1 September 2023. Following the completion of the SSA-PXS, PXS became the wholly-owned subsidiary of PXH;

(ii) share subscription agreement dated 12 May 2022 ("**SSA-PXA**") entered into between YR C&I Pte Ltd ("**Yinson**"), PXS and Plus Xnergy Assets Sdn Bhd ("**PXA**") in respect of the subscription of shares in PXA to which Yinson and PXS have respectively subscribed for and were issued 1,600,000 and 400,000 ordinary shares in PXA. The SSA-PXA was completed on 14 September 2022;

(iii) agreement dated 21 March 2023 ("**Settlement Agreement**") entered into between Plus Xnergy Edge Sdn Bhd ("**PXE**"), Plus Xnergy Edge Technologies Sdn Bhd ("**PXET**") and PXS in which the parties agreed as follows:-

   (a) PXE agreed to settle the debts owing to PXS as at 15 March 2023 together with any subsequent borrowing, in accordance to the term in the Settlement Agreement;

   (b) PXET agreed to settle the debts owing to PXS as at 15 March 2023 together with any subsequent borrowing in accordance to the term in the Settlement Agreement; and

   (c) PXET agreed to guarantee to PXS for all monies owning and liable arising from trade and non-trade activities undertaken between PXE and PXS.

   The outstanding amount has been fully settled on 23 August 2024; and

(iv) share sale agreement dated 21 March 2023 ("**SSA-PXET**") entered into between PXH and Zensen Capital Sdn Bhd regarding the disposal of 250,000 ordinary shares in PXET, representing the entire equity interest of PXET. Under the conditions precedent of the SSA-PXET, PXS is required to enter into the Settlement Agreement with PXET and PXE (details as set out in item (iv) above). The SSA-PXET was completed on 29 March 2023.

8. CONTINGENT LIABILITIES

As at the LPD, save for the material contingent liabilities (amounting to RM3.73 million pertaining to warranties related to the projects undertaken to-date), there are no other contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of PXH Group.

9. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, PXH Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has a material effect on the financial position or the business of PXH Group, and the board of directors of PXH does not have any knowledge of any proceeding pending or threatened against PXH Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of PXH Group.

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DIRECTORS' REPORT ON PXH GROUP

PLUS XNERGY
REINVENTING ENERGY

PLUS XNERGY HOLDING SDN. BHD. 201901010151 (1319479 - U)
L4-I-1 & L4-I-2, Enterprise 4, Technology Park Malaysia,
Lebuhraya Puchong- Sg Besi, Bukit Jalil, 57000 W.P. Kuala Lumpur
T +603 8993 9050 F +603 8993 9006 E hello.pxh@plusxnergy.com

Date: 30 September 2024

The Board of Directors
BM GREENTECH BERHAD
Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Dear Sir/Madam,

(I) PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN PLUS XNERGY HOLDING SDN BHD ("PXH") BY BM GREENTECH BERHAD ("BMG") FOR A PURCHASE CONSIDERATION OF RM110.0 MILLION TO BE FULLY SATISFIED BY THE ISSUANCE OF 81,481,482 NEW ORDINARY SHARES IN BMG ("BMG SHARE(S)") ("CONSIDERATION SHARE(S)") AT AN ISSUE PRICE OF RM1.35 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION");

(II) PROPOSED ISSUANCE OF 90,312,918 NEW BMG SHARES ("PLACEMENT SHARE(S)") TO QL GREEN RESOURCES SDN BHD (A WHOLLY-OWNED SUBSIDIARY OF QL RESOURCES BERHAD ("QL")) AT AN ISSUE PRICE OF RM1.35 PER PLACEMENT SHARE ("PROPOSED ISSUANCE TO QL"); AND

(III) PROPOSED BONUS ISSUE OF 171,948,600 WARRANTS IN BMG ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING BMG SHARES HELD BY THE SHAREHOLDERS OF BMG WHOSE NAMES APPEAR IN THE COMPANY'S RECORD OF DEPOSITORS ON THE ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE OF WARRANTS"),

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

On behalf of the board of directors of PXH ("**Board**"), we wish to report that after making due enquiries during the period between 31 March 2024, being the date on which the last audited financial statements of PXH and its subsidiaries, associate company and joint venture companies ("**PXH Group**") have been made up, and the date hereof, being a date not earlier than 14 days prior to the date of the circular to the shareholders of BMG in relation to the Proposals, that:-

(i) the business of PXH Group, in the opinion of the Board, has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited financial statements of PXH Group which have adversely affected the trading or the value of the assets of PXH Group;

(iii) the current assets of PXH Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by PXH Group;

(v) there have been no default or any know event that could give rise to a default situation, in respect of payments of either interest and/or principal sums in relation to any borrowings by PXH Group since the last audited financial statements of PXH Group; and

PLUS XNERGY
REINVENTING ENERGY

PLUS XNERGY HOLDING SDN. BHD. 201901010151 (1319479 - U)

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(vi) there have been no material changes to the published reserves or any unusual factors affecting the financial performance of PXH Group since the last audited financial statements of PXH Group.

Yours faithfully,
For and on behalf of
PLUS XNERGY HOLDING SDN BHD

Ko Chuan Zhen
Group Chief Executive Officer and Director

Registration No.
201901010151 (1319479 - U)

PLUS XNERGY HOLDING SDN. BHD.

Registration No. 201901010151 (1319479 - U)

(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

31 MARCH 2024

Registration No.
201901010151 (1319479 - U)

PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

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PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are mainly development of solar and renewable energy projects and related activities, developing, installing, providing and maintaining solar photovoltaic systems, solar energy systems and related services, and development, implementation, leasing of solar systems and sale of energy through commercial and industrial rooftop solar photovoltaic power projects in Malaysia, providing evaluation, technical, commercial and advisory services relating to electrical and engineering works and other related activities and investment in power generation assets. The details of the subsidiaries are as set out in Note 9(a) to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	7,276,868	(327,697)

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

On 1 September 2023, the Company further increased its issued and paid-up share capital from RM10,000 to RM66,600,000 by way of issuance of 66,590,000 new ordinary shares at an issue price of RM1.00 each for shares in Plus Xnergy Services Sdn. Bhd. ("PXS"). The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company.

There was no other issue of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Oh Siang Hwa
Oh Zhi Kang
Poh Tyng Huei
Ko Chuan Zhen

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 March 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	----- Number of ordinary shares -----			
	Balance as at 1.4.2023	**Bought**	**Sold**	**Balance as at 31.3.2024**
Shares in the Company				
Direct interests:				
Oh Siang Hwa	2,944	-	-	2,944
Oh Zhi Kang	1,640	10,920,760	-	10,922,400
Poh Tyng Huei	840	5,593,560	-	5,594,400
Ko Chuan Zhen	1,840	12,252,560	-	12,254,400
Indirect interest:				
Oh Siang Hwa*	1,640	35,425,880	-	35,427,520

* Indirect interest by virtue of Section 8 of the Companies Act 2016, held through Tenaga Wan Foong Sdn. Bhd. and child.

By virtue of his interests in the Company, Oh Siang Hwa is also deemed to have interests in the shares of the subsidiaries to the extent of the shares held by the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than any deemed benefit which may arise from transactions as disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 were as follows:

	Group RM	Company RM
Salaries, wages, bonuses and allowances	976,152	808,152
Contributions to defined contribution plan	105,382	86,662
Social security contribution	4,057	3,017
	1,085,591	897,831

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

There was no indemnity given to or insurance effected for the Directors, officers and auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 1 September 2023, the Company acquired 1,000,000 ordinary shares in Plus Xnergy Services Sdn. Bhd. ("PXS") at RM66.59 each for a total consideration of RM66,590,000 by way of issuance of ordinary shares to PXS's shareholders. Following the acquisition, the Company owns the entire equity interest in PXS.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 March 2024 amounted to RM156,000 and RM17,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the Directors.

....
Ko Chuan Zhen
Director

....
Poh Tyng Huei
Director

Kuala Lumpur
11 September 2024

Registration No.
201901010151 (1319479 - U)

PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 11 to 92 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board,

Ko Chuan Zhen Director	**Poh Tyng Huei** Director

Kuala Lumpur
11 September 2024

STATUTORY DECLARATION

I, Ko Chuan Zhen, being the Director responsible for the financial management of Plus Xnergy Holding Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 11 to 92 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
11 September 2024)

Ko Chuan Zhen

Before me:

PESURUHJAYA SUMPAH
W 729
MARDHIYYAH
ABDUL WAHAB
1 JAN 2024-31 DIS 2026
MALAYSIA

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Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Plus Xnergy Holding Sdn. Bhd., which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 92.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

BDO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLUS XNERGY HOLDING SDN. BHD. (continued)
(Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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201901010151 (1319479 - U)

BDO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
PLUS XNERGY HOLDING SDN. BHD. (continued)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLUS XNERGY HOLDING SDN. BHD. (continued)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Brendan Francis Lim Jern Zhen
03591/09/2025 J
Chartered Accountant

Kuala Lumpur
11 September 2024

Registration No.
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PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM (Restated*)	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	5,075,623	5,449,614	25,667	4,281
Right-of-use assets	7	1,661,977	1,871,639	-	-
Intangible assets	8	910,133	1,033,123	-	-
Investments in subsidiaries	9	-	-	66,590,000	-
Investment in an associate	10	1,209,855	1,102,276	-	-
Investments in joint ventures	11	6,469,359	4,213,202	-	-
Goodwill	12	-	-	-	-
Finance lease receivables	13	4,200,827	6,069,853	-	-
Deferred tax assets	14	1,118,173	615,606	-	-
		20,645,947	20,355,313	66,615,667	4,281
Current assets					
Inventories	15	26,287,093	13,589,889	-	-
Trade and other receivables	16	39,247,869	42,178,213	381,943	1,168,963
Finance lease receivables	13	1,992,977	1,874,228	-	-
Contract assets	18	25,383,870	44,042,825	-	-
Current tax assets		2,532,503	2,997,016	-	-
Derivative assets	17	-	440,664	-	-
Cash and bank balances	19	35,522,520	46,344,170	239,768	628,904
		130,966,832	151,467,005	621,711	1,797,867
TOTAL ASSETS		151,612,779	171,822,318	67,237,378	1,802,148
EQUITY AND LIABILITIES					
Equity attributable to the owners of the Company					
Share capital	21	66,600,000	1,010,000	66,600,000	10,000
Reserves	22	5,389,345	63,702,477	(2,013,483)	(1,685,786)
TOTAL EQUITY/ CAPITAL DEFICIENCY		71,989,345	64,712,477	64,586,517	(1,675,786)

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PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024 (continued)

	Note	Group 2024 RM	Group 2023 RM (Restated*)	Company 2024 RM	Company 2023 RM
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	1,068,416	1,231,019	-	-
Deferred tax liabilities	14	3,496	15,844	-	-
Contract liabilities	18	2,833,588	2,031,604	-	-
Borrowings	23	12,461,335	12,306,702	-	-
		16,366,835	15,585,169	-	-
Current liabilities					
Lease liabilities	7	495,576	506,188	-	-
Contract liabilities	18	15,814,831	14,169,534	-	-
Borrowings	23	20,214,294	21,316,821	-	-
Trade and other payables	24	26,731,898	55,532,129	2,650,861	3,477,934
		63,256,599	91,524,672	2,650,861	3,477,934
TOTAL LIABILITIES		79,623,434	107,109,841	2,650,861	3,477,934
TOTAL EQUITY AND LIABILITIES/CAPITAL DEFICIENCY NET OF LIABILITIES		151,612,779	171,822,318	67,237,378	1,802,148

* After applying the pooling of interest method of accounting on the acquisition of Plus Xnergy Services Sdn. Bhd. and its subsidiaries, as disclosed in Note 9 to the financial statements.

The accompanying notes form an integral part of the financial statements.

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PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM (Restated*)	2024 RM	2023 RM
Continuing operations					
Revenue	25	209,760,369	179,790,237	4,790,841	4,830,841
Cost of sales		(175,101,942)	(149,965,465)	-	-
Gross profit		34,658,427	29,824,772	4,790,841	4,830,841
Other operating income		1,654,809	4,420,172	6,701	14,036
Administrative and other expenses		(24,279,392)	(25,972,105)	(5,125,239)	(5,010,853)
Net loss on impairment of financial assets and contract assets		(1,815,468)	(443,943)	-	-
Finance costs	26	(1,719,888)	(1,813,086)	-	-
Share of profit of equity-accounted associate, net of tax		107,579	80,151	-	-
Share of profit of equity-accounted joint ventures, net of tax		746,157	432,180	-	-
Profit/(Loss) before tax	28	9,352,224	6,528,141	(327,697)	(165,976)
Tax expense	29	(2,075,356)	(891,086)	-	-
Profit/(Loss) for the financial year from continuing operations		7,276,868	5,637,055	(327,697)	(165,976)
Discontinued operations					
Gain/(Loss) on disposal of discontinued operations	9(d)	-	7,402,534	-	(150,000)
Loss for the financial year from discontinued operations, net of tax	34	-	(3,806,034)	-	-
Profit/(Loss) for the financial year from discontinued operations		-	3,596,500	-	(150,000)
Profit/(Loss) for the financial year		7,276,868	9,233,555	(327,697)	(315,976)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income/(loss)		7,276,868	9,233,555	(327,697)	(315,976)

* After applying the pooling of interest method of accounting on the acquisition of Plus Xnergy Services Sdn. Bhd. and its subsidiaries, as disclosed in Note 9 to the financial statements.

The accompanying notes form an integral part of the financial statements.

PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

Group	**Note**	**Share capital RM**	**Other reserve RM**	**Retained earnings RM**	**Total RM**
At 1 April 2022 (Restated*)		1,000,100	99,999	54,468,922	55,569,021
Profit for the financial year		-	-	9,233,555	9,233,555
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	9,233,555	9,233,555
Transactions with owners					
Issuance of ordinary shares	21	9,900	-	-	9,900
Disposal of subsidiaries	9(d)	-	(99,999)	-	(99,999)
Total transactions with owners		9,900	(99,999)	-	(90,099)
At 31 March 2023/1 April 2023		1,010,000	-	63,702,477	64,712,477
Profit for the financial year		-	-	7,276,868	7,276,868
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	7,276,868	7,276,868
Transaction with owners					
Acquisition of subsidiaries in business combinations under common control	21	(1,000,000)	(65,590,000)	-	(66,590,000)
Issuance of ordinary shares	21	66,590,000	-	-	66,590,000
Total transaction with owners		65,590,000	(65,590,000)	-	-
At 31 March 2024		66,600,000	(65,590,000)	70,979,345	71,989,345

* After applying the pooling of interest method of accounting on the acquisition of Plus Xnergy Services Sdn. Bhd. and its subsidiaries, as disclosed in Note 9 to the financial statements.

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PLUS XNERGY HOLDING SDN. BHD.
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (continued)

Company	**Note**	**Share capital RM**	**Accumulated losses RM**	**Total RM**
At 1 April 2022		100	(1,369,810)	(1,369,710)
Loss for the financial year		-	(315,976)	(315,976)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(315,976)	(315,976)
Transaction with owners				
Issuance of ordinary shares	21	9,900	-	9,900
Total transaction with owners		9,900	-	9,900
At 31 March 2023/1 April 2023		10,000	(1,685,786)	(1,675,786)
Loss for the financial year		-	(327,697)	(327,697)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(327,697)	(327,697)
Transaction with owners				
Issuance of ordinary shares	21	66,590,000	-	66,590,000
Total transaction with owners		66,590,000	-	66,590,000
At 31 March 2024		66,600,000	(2,013,483)	64,586,517

The accompanying notes form an integral part of the financial statements.

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PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM	2023 RM (Restated*)	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax from:					
Continuing operations		9,352,224	6,528,141	(327,697)	(165,976)
Discontinued operations		-	3,596,500	-	(150,000)
		9,352,224	10,124,641	(327,697)	(315,976)
Adjustments for:					
Amortisation of:					
- intangible assets	8	328,285	783,855	-	-
- transaction costs	26	3,983	-	-	-
Depreciation of:					
- property, plant and equipment	6	491,266	540,632	5,614	1,114
- right-of-use assets	7	601,152	490,912	-	-
Fair value gain on derivative assets		-	(440,664)	-	-
Loss/(gain) on disposal of:					
- property, plant and equipment		-	12,895	-	-
- investment properties		-	(3,588,799)	-	-
- right-of-use assets		(15,971)	-	-	-
- subsidiaries		-	(7,360,102)	-	150,000
Gain on lease modification	7	-	(16,629)	-	-
Gain on lease termination	7	(617)	(6,555)	-	-
Interest income		(689,914)	(481,547)	-	-
Interest expense		1,715,905	1,821,461	-	-
Inventories written off	15	36,533	8,982	-	-
Inventories written down	15	292,536	-	-	-
Plant and equipment written off		-	1,559	-	-
Net impairment losses on financial assets and contract assets		1,815,468	443,943	-	-
Net unrealised loss/(gain) on foreign exchange		(1,122,502)	(23,157)	-	-
Share of profit of equity-accounted associate	10	(107,579)	(80,151)	-	-
Share of profit of equity-accounted joint ventures	11	(746,157)	(432,180)	-	-
Operating profit/(loss) before working capital changes		11,954,612	1,799,096	(322,083)	(164,862)

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PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (continued)

	Note	Group 2024 RM	Group 2023 RM (Restated*)	Company 2024 RM	Company 2023 RM
Operating profit/(loss) before working capital changes (continued)		11,954,612	1,799,096	(322,083)	(164,862)
Working capital changes:					
Inventories		(13,026,273)	6,472,676	-	-
Contract assets/liabilities		21,156,005	(28,869,555)	-	-
Finance lease receivables		1,759,072	(3,084,847)	-	-
Trade and other receivables		(2,193,922)	(11,123,781)	764,821	3,700,759
Trade and other payables		(27,237,179)	44,491,434	(320,110)	237,665
Cash (used in)/generated from operations		(7,587,685)	9,685,023	122,628	3,773,562
Tax paid		(2,208,423)	(2,092,541)	-	-
Tax refunded		82,665	-	-	-
Net cash (used in)/from operating activities		(9,713,443)	7,592,482	122,628	3,773,562
CASH FLOWS FROM INVESTING ACTIVITIES					
Addition of interests in joint ventures		(1,510,000)	-	-	-
Addition of interests in an associate	10	-	(24,500)	-	-
Additions of right-of-use assets	7(c)	(29,600)	-	-	-
Advances from subsidiaries		-	-	2,253,302	(3,406,932)
Advances to an associate		(84)	-	-	-
Dividend received from a joint venture/ an associate		168,000	179,095	-	-
Interest received		689,914	481,547	-	-
Withdrawal/(Placements) of deposits pledged to licensed banks		634,475	(12,007,774)	-	-
Proceeds from disposal of:					
- right-of-use assets		39,944	-	-	-
- investment properties		-	12,000,000	-	-
Purchase of property, plant and equipment	6	(117,275)	(4,322,785)	(27,000)	-
Purchase of intangible assets	8	(205,295)	(12,100)	-	-
Repayments from related parties		3,036,037	(2,889,970)	(2,738,066)	-
Net cash (outflow)/inflow on disposal of subsidiaries		-	(2,602,705)	-	1
Net cash from/(used in) investing activities		2,706,116	(9,199,192)	(511,764)	(3,406,931)

PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (continued)

	Note	Group 2024 RM	Group 2023 RM (Restated*)	Company 2024 RM	Company 2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		-	(800,000)	-	-
Drawdown of:					
- term loans		3,379,778	25,874,400	-	-
- trade financing facilities		11,621,486	12,726,083	-	-
Interest expenses paid		(1,633,532)	(1,604,126)	-	-
Payment of lease liabilities	7	(640,834)	(565,448)	-	-
Proceeds from issuance of new ordinary shares	21	-	9,900	-	9,900
Repayments of:					
- term loans		(2,484,269)	(8,102,060)	-	-
- trade financing facilities		(13,465,671)	(14,851,248)	-	-
Repayment to a Director		-	(5,188,060)	-	-
Net (used in)/from financing activities		(3,223,042)	7,499,441	-	9,900
Net (decrease)/increase in cash and cash equivalents		(10,230,369)	5,892,731	(389,136)	376,531
Effects of foreign exchange		43,194	(9,827)	-	-
Cash and cash equivalents at the beginning of financial year		23,526,162	17,643,258	628,904	252,373
Cash and cash equivalents at the end of financial year	19	13,338,987	23,526,162	239,768	628,904

* After applying the pooling of interest method of accounting on the acquisition of Plus Xnergy Services Sdn. Bhd. and its subsidiaries, as disclosed in Note 9 to the financial statements.

PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024 (continued)

Note to the statements of cash flows

Reconciliation of liabilities arising from financing activities

The table below details changes in the liabilities of the Group arising from financing activities. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows as cash flows from financing activities.

Group	**Borrowings (Note 23) RM**	**Lease liabilities (Note 7) RM**	**Total RM**
At 1 April 2022	28,383,893	1,477,528	29,861,421
Cash flows	14,043,049	(565,448)	13,477,601
Non-cash flows:			
Additions	-	1,311,799	1,311,799
Accretion of interest	1,604,126	90,064	1,694,190
Lease terminations	-	(14,309)	(14,309)
Lease modification	-	(140,670)	(140,670)
Disposal of subsidiaries	(10,374,400)	(421,757)	(10,796,157)
Foreign exchange movement	(33,145)	-	(33,145)
	(8,803,419)	774,127	(8,029,292)
At 31 March 2023/1 April 2023	33,623,523	1,737,207	35,360,730
Cash flows	(2,582,208)	(640,834)	(3,223,042)
Non-cash flows:			
Additions	-	391,608	391,608
Reclassification of transaction costs	(46,201)	-	(46,201)
Amortisation of transaction costs	3,983	-	3,983
Foreign exchange movement	43,000	-	43,000
Lease termination	-	(6,362)	(6,362)
Accretion of interest	1,633,532	82,373	1,715,905
	1,634,314	467,619	2,101,933
At 31 March 2024	32,675,629	1,563,992	34,239,621

The accompanying notes form an integral part of the financial statements.

PLUS XNERGY HOLDING SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2024

1. CORPORATE INFORMATION

Plus Xnergy Holding Sdn. Bhd. ("the Company") is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at L4-I-1 & L4-I-2, Enterprise 4, Technology Park Malaysia, Lebuhraya Puchong-Sg. Besi, Bukit Jalil, 57000 Kuala Lumpur.

The consolidated financial statements for the financial year ended 31 March 2024 comprise the financial statements of the Company, its subsidiaries and the interests of the Group in an associate and joint ventures. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 11 September 2024.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services.

The principal activities of the subsidiaries are mainly development of solar and renewable energy projects and related activities, developing, installing, providing and maintaining solar photovoltaic systems, solar energy systems and related services, and development, implementation, leasing of solar systems and sale of energy through commercial and industrial rooftop solar photovoltaic power projects in Malaysia, providing evaluation, technical, commercial and advisory services relating to electrical and engineering works and other related activities and investment in power generation assets. The details of the subsidiaries are as set out in Note 9(a) to the financial statements.

There have been no significant changes in the nature of these principal activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 36(a) to the financial statements.

3. BASIS OF PREPARATION (continued)

The Group applied pooling of interest method of accounting on a retrospective basis in respect of the acquisition of the entire equity interest of Plus Xnergy Services Sdn. Bhd. ("PXS") and its subsidiaries, as disclosed in Note 9(b) to the financial statements, by the Company under business combinations under common control. Consequently, the Group presented comparative information as if the business combinations had taken place before the start of the earliest period presented in the financial statements.

Consequently, the following accounting treatments have been applied in the consolidated financial statements arising from the business combinations under common control:

(a) Assets and liabilities of PXS and its subsidiaries are recognised and measured at their pre-business combination carrying amount without restatement to fair value;

(b) Retained earnings of the Group as at 1 April 2022 are those of the Company, of PXS and of the subsidiaries of PXS; and

(c) Share capital as at 1 April 2022 reflects the share capital of the Company and of PXS.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements and also on the basis of accounting principles applicable to a going concern.

During the financial year ended 31 March 2024, the Company incurred a loss of RM327,697 and, as of that date, the Company's current liabilities exceeded its current assets by RM2,029,150. Notwithstanding that, the Directors considered that the application of the going concern basis in the preparation of financial statements is appropriate as the subsidiary, Plus Xnergy Services Sdn. Bhd. ("PXS") had given an undertaking not to demand repayment of the amount owing to PXS of RM2,257,044, except insofar as the funds of the Company permits repayments and that such repayments will not adversely affect the ability of the Company to carry on its business operations as a going concern.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts, or to amounts or classification of liabilities that may be necessary, if the going concern basis of preparing the financial statements of the Group and of the Company is not appropriate.

The preparation of financial statements in conformity with MFRSs and IFRS Accounting Standards requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect its returns.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Intragroup losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;

(b) Rights arising from other contractual agreements; and

(c) The voting rights of the Group and potential voting rights.

Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the statements of profit or loss and other comprehensive income and within equity in the statements of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year, if any, are included in the statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(a) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 Business combinations

Business combinations are accounted for by applying the purchase method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacements by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.3 Business combinations (continued)

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Other contingent consideration that:

(i) is within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9.

(ii) is not within the scope of MFRS 9 shall be measured at fair value at end of each reporting period and changes in fair value shall be recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combination involving entities under common control are accounted for by applying the pooling of interest method of accounting. The assets and liabilities of the entities are reflected at their carrying amounts reported in the consolidated financial statements of the Group. Any difference between the consideration paid and the share capital and the capital reserves of the "acquired" entity is reflected within equity as other reserve. The statements of profit or loss and other comprehensive income reflects the results of the entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.3 Business combinations (continued)

Entities under common control are entities, which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements from the day that control commences until the date that control ceases.

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the Company and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation rates are as follows:

Building	2%
Plant and machineries	5% - 20%
Office equipment, furniture and fittings	10% - 20%
Motor vehicles	20%

Land and buildings shall be accounted for separately, even when they are acquired together. Freehold land has an unlimited useful life and is not depreciated. Plant and equipment under construction are not depreciated as these assets are not yet available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write-down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.4 Property, plant and equipment and depreciation (continued)

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.5 Leases

The Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

(a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

(b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use asset and lease liability for short-term leases and leases of low-value assets of RM20,000 and below. Short-term leases are leases with a lease term of twelve (12) months or less. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Leases (continued)

The Group as a lessee (continued)

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability.

The right-of-use assets are depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Buildings	2 to 21 years
Motor vehicles	5 years
Plant and machineries	20 years

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales, if any, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.5 Leases (continued)

The Group as a lessor

The Group classifies its leases as either operating leases or finance leases. Leases where the Group retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incur in negotiating an operating lease are added to the carrying amount of the leased asset and recognise over the lease term on the same basis as rental income.

If the Group transfers substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

4.6 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less any accumulated impairment losses.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

(b) Associate

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.6 Investments (continued)

(b) Associate (continued)

The share of the profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(c) Joint venture

Joint venture is arrangement of which the Group and the Company have joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangement's returns and the Group and the Company have rights only to the net assets of the arrangements. The Group and the Company account for their interests in a joint venture in the same manner as investment in an associate (i.e. using the equity method as disclosed in Note 4.6(b) to the financial statements).

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Intangible assets

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associates' identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

(b) Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met. Intangible assets are initially measured at cost.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the other operating expenses line item.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.7 Intangible assets (continued)

(b) Other intangible assets (continued)

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Such intangible assets are not amortised. Their useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from the derecognition is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

Computer software

Acquired computer software is capitalised on the basis of the cost incurred to acquire and bring to use the specific software. This cost is amortised over its estimated useful life of five (5) years on a straight-line basis. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. Computer software under development is not amortised until the software is completed and is ready for its intended use.

Development costs

Expenditure on development activities of internally developed products was recognised as an intangible asset when it relates to the production of new or substantively improved products and processes and when the Group can demonstrate that it is technically feasible to develop the product or processes, adequate resources are available to complete the development and that there is an intention to complete and sell the product or processes to generate future economic benefits. This cost is amortised over its useful lives of five (5) years on a straight-line basis. The estimated useful lives represent the common life expectancies applied in the industry within which the Group operates.

4.8 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and interests in an associate and joint ventures), inventories, deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.8 Impairment of non-financial assets (continued)

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the CGU of the Group that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible assets, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of conversion includes cost directly related to the units of production, and a proportion of fixed production overheads based on normal capacity of the production facilities. Cost is determined on the weighted average cost formula.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses, if any.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group had elected an irrevocable option to designate its equity instruments not held for trading other than investments in subsidiaries, associates or joint ventures at initial recognition as financial assets measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Group in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities measured at FVTPL or financial liabilities measured at amortised cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for when the Group's own credit risk increases or decreases and which is recognised in other comprehensive income. Net gains or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

Financial guarantee contracts issued by the Company are those contracts that require payments to be made to reimburse the holders for losses they incur because the specified debtors fail to make payments when due in accordance with the terms of the debt instruments.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.10 Financial instruments (continued)

(b) Financial liabilities (continued)

(ii) Financial liabilities measured at amortised cost (continued)

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with the expected loss model under MFRS 9 and the amount initially recognised less amortisation.

The fair value of financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.11 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution.

On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Impairment of financial assets

The Group and the Company apply the simplified approach to measure expected credit loss ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables, finance lease receivables and contract assets.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the original effective interest rate of the asset.

Impairment for trade receivables and contract assets that do not contain a significant financing component and finance lease receivables are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

The Group and the Company consider credit loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

During this process, the probability of non-payment by the trade receivables, finance lease receivables and contract assets is adjusted by forward looking information on macroeconomic factors and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables, finance lease receivables and contract assets. For trade receivables, finance lease receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The Group and the Company have identified the Gross Domestic Product ("GDP") of Malaysia, in which they sell their goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

It requires management to exercise significant judgement in determining the probability of default by trade receivables, finance lease receivables and contract assets and appropriate forward looking information.

For all other financial assets, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for the financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result in default events on a financial instrument that are possible within twelve (12) months after the end of the reporting period.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.12 Impairment of financial assets (continued)

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to the contractual terms, payment delays more than 180 days past due in making contractual payments and past due information.

For the purpose of assessing whether the credit risk of the Group and of the Company have increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring at the reporting date with the risk of a default occurring at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that are reasonable and supportable, including historical experience and forward looking information, which are available without undue cost or effort.

It requires management to exercise significant judgement in determining the probabilities of default by other receivables, appropriate forward looking information and significant increase in credit risk.

4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.14 Income taxes

Income taxes include all domestic taxes on taxable profit.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as a current tax asset.

Current tax is measured at the amount the Group and the Company expect to pay or recover using the tax rates and laws that have been enacted or substantively enacted by the reporting date, and real property gains taxes payable on disposal of properties, if any.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.14 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that recognised deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Changes in current or deferred tax balances are recognised as an income tax expense or credit and are recognised in the same component of comprehensive income or equity as the transaction that resulted in the tax expense or credit.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

4.15 Contract assets and contract liabilities

Contract assets are the rights to consideration for goods or services transferred to the customers. Contract asset is the excess of cumulative revenue recognised over cumulative billings to date. Contract asset is stated at cost less accumulated impairment, if any.

Contract liabilities represent the Group's obligations to transfer goods or services to customers for which the Group has received the consideration or has billed to the customer. The contract liabilities of the Group represent deferred revenue where the Group has billed or collected the payment or consideration in advance before the goods are delivered or services are provided to the customers. Contract liabilities are recognised as revenue when performance obligations are satisfied.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.16 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting date and adjusted to reflect the current best estimate.

Provisions for restructuring are recognised when the Group and the Company have approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Provisions are not recognised for future operating losses. If the Group and the Company have a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.17 Contingent liabilities and contingent assets

A contingent liability is either a possible but uncertain obligation, a present obligation that cannot be reliably measured or one where it is less likely than not (but not remote) that there will be an outflow of economic benefits.

A contingent liability is either a possible but uncertain obligation or a present obligation that is not recognised because it is not probable that the entity will be required to transfer economic benefits in settlement or the amount of the obligation cannot be estimated reliably. The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements unless the possibility of outflow of resources is remote.

The Group and the Company do not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain. When future economic benefits become virtually certain, the asset is no longer considered contingent and is recognised in the statements of financial position.

In the acquisition of subsidiaries by the Group and the Company under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.18 Employee benefits

(a) Short-term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short-term accumulating compensated absences such as paid annual leave are recognised as a current liability when employees render services that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate of the obligation can be made.

(b) Defined contribution plan

The Company and its subsidiaries make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any amount already paid and as an expense in the period in which the employees render their services.

4.19 Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the entities of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the presentation currency of the Group and of the Company.

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.20 Revenue recognition

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Revenue recognition (continued)

Revenue from contracts with customers (continued)

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(a) Revenue from engineering, procurement, construction and commissioning ("EPCC") of solar photovoltaic systems

Revenue from EPCC of solar photovoltaic systems is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the actual costs incurred to date over the estimated total contract costs.

(b) Sales of goods

Revenue from sales of goods is recognised at a point in time when the products have been transferred to the customers and coincide with the delivery of products and acceptance by customers, net of discount.

(c) Services rendered - Operations and maintenance service

Revenue from operations and maintenance services within the contract of EPCC of solar photovoltaic systems and contract of sales of goods is recognised over time as and when the customer simultaneously receives and consumes the benefits provided by this service and it is probable that the Company would collect the consideration to which it will be entitled in exchange for the service that would be performed to the customer.

Revenue from operations and maintenance services performed at the customers' request is recognised at a point in time when customer has acknowledged the completion of the services and when the performance obligation is met.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.20 Revenue recognition (continued)

Revenue from contracts with customers (continued)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers: (continued)

(d) Supply of electricity

Revenue from the supply of electricity is recognised over time when electricity is supplied to the customer as the customer simultaneously received and consumed the benefits provided by the Group's performance.

(e) Revenue from installations of energy efficiency systems

Revenue from installations of energy efficiency systems is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the actual costs incurred to date over the estimated total contract costs.

(f) Revenue from sales of products of efficiency services

Revenue from sales of products of efficiency services is recognised at a point in time when the products have been transferred to the customers and coincide with the delivery of products and services and acceptance by customers.

(g) Revenue from subscription and maintenance services

Revenue from subscription and maintenance services is recognised over time when services are rendered.

(h) Management and accounting fees

Management and accounting fees are recognised over time when services are rendered.

Other revenue

(a) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease term.

(d) Finance lease income

Finance lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.21 Fair value measurements

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

4.22 Discontinued operations

A component of the Group was classified as a discontinued operation when the criteria to be classified as held for sale or held for distribution have been met or it has been disposed of, and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the beginning of the comparative period.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the management of the Group and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's and the Company's results and financial position are tested for sensitivity to changes in the underlying parameters.

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Impairment of trade receivables, finance lease receivables and contract assets

Impairment assessment of trade receivables, finance lease receivables and contract assets requires management to exercise significant judgement in determining the probability of default by trade receivables, finance lease receivables and contract assets as well as the use of appropriate forward looking information.

(b) Determination of incremental borrowing rate and lease term for leases

The Group determines the discount rates for leases based on the incremental borrowing rates of the Group. Significant judgement is required to be exercised by management in determining the appropriate discount rate for the respective leases based on prevailing market borrowing rates over similar lease terms, of similar value as the respective right-of-use assets in a similar economic environment.

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management is required to exercise significant judgement in considering the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease.

Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below: (continued)

(c) Allocation of transaction price to performance obligations of EPCC and service rendered

Significant judgement is required to be exercised by management in determining the allocation of transaction price between EPCC and service rendered, ascertaining the number of multiple arrangement elements embedded in the contracts, assessing the satisfaction of the performance obligations over time, completeness of the estimated costs to complete the respective performance obligations and accuracy of measurement of construction progress. These include assessing the subjectivity and estimation uncertainty on determining the estimated costs for the remaining obligations and contingencies of the project over the contractual period.

6. PROPERTY, PLANT AND EQUIPMENT

Group 2024	Freehold land RM	Building RM	Plant and machineries RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Total RM
Cost						
At the beginning of financial year	659,983	2,639,931	2,610,814	2,740,731	520,031	9,171,490
Additions	-	-	1,400	88,875	27,000	117,275
Written off	-	-	-	-	(64,500)	(64,500)
At the end of financial year	659,983	2,639,931	2,612,214	2,829,606	482,531	9,224,265
Accumulated depreciation						
At the beginning of financial year	-	316,793	913,785	1,971,267	520,031	3,721,876
Depreciation charge	-	52,799	130,611	303,356	4,500	491,266
Written off	-	-	-	-	(64,500)	(64,500)
At the end of financial year	-	369,592	1,044,396	2,274,623	460,031	4,148,642
Carrying amount	659,983	2,270,339	1,567,818	554,983	22,500	5,075,623

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 2023	Freehold land RM	Building RM	Plant and machineries RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Plant and equipment under construction RM	Total RM
Cost							
At the beginning of financial year	659,983	2,639,931	2,715,891	2,684,899	371,132	10,336,631	19,408,467
Additions	-	-	-	343,416	-	3,979,369	4,322,785
Reclassification from right-of-use assets	-	-	-	-	148,899	-	148,899
Reclassification to finance lease receivables	-	-	-	-	-	(12,968,000)	(12,968,000)
Written off	-	-	-	(13,919)	-	-	(13,919)
Disposals	-	-	-	(20,360)	-	-	(20,360)
Disposal of subsidiaries	-	-	(105,077)	(253,305)	-	(1,348,000)	(1,706,382)
At the end of financial year	659,983	2,639,931	2,610,814	2,740,731	520,031	-	9,171,490
Accumulated depreciation							
At the beginning of financial year	-	263,994	811,609	1,698,921	371,132	-	3,145,656
Depreciation charge	-	52,799	149,805	338,028	-	-	540,632
Reclassification from right-of-use assets	-	-	-	-	148,899	-	148,899
Written off	-	-	-	(12,360)	-	-	(12,360)
Disposals	-	-	-	(7,465)	-	-	(7,465)
Disposal of subsidiaries	-	-	(47,629)	(45,857)	-	-	(93,486)
At the end of financial year	-	316,793	913,785	1,971,267	520,031	-	3,721,876
Carrying amount	659,983	2,323,138	1,697,029	769,464	-	-	5,449,614

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Company 2024	Office equipment RM	Motor vehicle RM	Total RM
Cost			
At the beginning of financial year	5,570	-	5,570
Addition	-	27,000	27,000
At the end of financial year	5,570	27,000	32,570
Accumulated depreciation			
At the beginning of financial year	1,289	-	1,289
Depreciation charge	1,114	4,500	5,614
At the end of financial year	2,403	4,500	6,903
Carrying amount	3,167	22,500	25,667
2023			
Cost			
At the beginning/end of financial year	5,570	-	5,570
Accumulated depreciation			
At the beginning of financial year	175	-	175
Depreciation charge	1,114	-	1,114
At the end of financial year	1,289	-	1,289
Carrying amount	4,281	-	4,281

As at the end of the reporting period, property, plant and equipment of the Group that are charged to financial institutions for banking facilities granted to the Group as disclosed in Note 23 to the financial statements are as follows:

	Group 2024 RM	Group 2023 RM
Carrying amount		
Freehold land	659,983	659,983
Building	2,270,339	2,323,138
Plant and machineries	1,566,488	1,697,029
	4,496,810	4,680,150

7. LEASES

The Group as a lessee

Right-of-use assets

Group **Carrying amount**	**Buildings** **RM**	**Plant and machineries** **RM**	**Motor vehicles** **RM**	**Total** **RM**
2024				
At the beginning of financial year	1,480,565	337,369	53,705	1,871,639
Depreciation charge	(513,111)	(24,700)	(63,341)	(601,152)
Additions	161,608	-	259,600	421,208
Disposal	-	(23,973)	-	(23,973)
Lease termination	(5,745)	-	-	(5,745)
At the end of financial year	1,123,317	288,696	249,964	1,661,977
2023				
At the beginning of financial year	1,137,572	363,180	99,739	1,600,491
Depreciation charge	(419,067)	(25,811)	(46,034)	(490,912)
Additions	1,311,799	-	-	1,311,799
Disposal of a subsidiary	(417,944)	-	-	(417,944)
Lease modification	(124,041)	-	-	(124,041)
Lease terminations	(7,754)	-	-	(7,754)
At the end of financial year	1,480,565	337,369	53,705	1,871,639

Lease liabilities

Group **Carrying amount**	**Buildings** **RM**	**Motor vehicles** **RM**	**Total** **RM**
2024			
At the beginning of financial year	1,585,277	151,930	1,737,207
Additions	161,608	230,000	391,608
Lease payments	(571,513)	(69,321)	(640,834)
Lease termination	(6,362)	-	(6,362)
Accretion of interest	71,499	10,874	82,373
At the end of financial year	1,240,509	323,483	1,563,992
2023			
At the beginning of financial year	1,253,901	223,627	1,477,528
Additions	1,311,799	-	1,311,799
Lease payments	(486,568)	(78,880)	(565,448)
Lease modification	(140,670)	-	(140,670)
Lease terminations	(8,724)	(5,585)	(14,309)
Accretion of interest	77,296	12,768	90,064
Disposal of a subsidiary	(421,757)	-	(421,757)
At the end of financial year	1,585,277	151,930	1,737,207

7. LEASES (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

	Group	
	2024	**2023**
	RM	**RM**
Represented by:		
Non-current liabilities	1,068,416	1,231,019
Current liabilities	495,576	506,188
	1,563,992	1,737,207

(a) The Group leases certain items of buildings and motor vehicles used in their operations with lease terms ranging from two (2) to twenty-one (21) years. The lease arrangements generally do not allow for sub-leasing of the leased asset, unless there is a contractual right for the Group to sublet the leased asset to another party.

(b) The following are the amounts recognised in profit or loss:

	Group	
	2024	**2023**
	RM	**RM**
<u>Continuing operations</u>		
Included in other operating income:		
Gain on disposal of right-of-use assets	15,971	-
Gain on lease modification	-	16,629
Gain on lease termination	617	6,555
Included in administrative and other expenses:		
Depreciation charge of right-of-use assets	601,152	444,474
Expenses relating to short-term leases	16,332	168,318
Expenses relating to leases of low-value assets	7,200	-
Included in finance costs:		
Interest expense on lease liabilities	82,373	81,689

(c) During the financial year, the Group made the following cash payments on additions of right-of-use assets:

	Group	
	2024	**2023**
	RM	**RM**
Additions of right-of-use assets	421,208	1,311,799
Financed by lease liabilities	(391,608)	(1,311,799)
Cash payments on additions of right-of-use assets	29,600	-

7. LEASES (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

(d) The following are total cash outflows for leases as a lessee:

	Group 2024 RM	Group 2023 RM
Included in net cash used in operating activities:		
Payments relating to short-term leases	16,332	168,318
Payments relating to low-value assets	7,200	-
Included in net cash used in investing activities:		
Additions of right-of-use assets	29,600	-
Included in net cash used in financing activities:		
Payment of lease liabilities	640,834	565,448

8. INTANGIBLE ASSETS

Group 2024	**Development costs RM**	**Computer software RM**	**Computer software under development RM**	**Total RM**
Cost				
At the beginning of financial year	-	1,627,053	-	1,627,053
Additions	-	18,975	186,320	205,295
At the end of financial year	-	1,646,028	186,320	1,832,348
Accumulated amortisation				
At the beginning of financial year	-	593,930	-	593,930
Amortisation charge	-	328,285	-	328,285
At the end of financial year	-	922,215	-	922,215
Carrying amount	-	723,813	186,320	910,133

8. INTANGIBLE ASSETS (continued)

Group 2023	Development costs RM	Computer software RM	Computer software under development RM	Total RM
Cost				
At the beginning of financial year	3,125,657	1,472,781	149,672	4,748,110
Additions	7,500	-	4,600	12,100
Disposal of a subsidiary	(3,133,157)	-	-	(3,133,157)
Reclassifications	-	154,272	(154,272)	-
At the end of financial year	-	1,627,053	-	1,627,053
Accumulated amortisation				
At the beginning of financial year	314,913	286,518	-	601,431
Amortisation charge	476,443	307,412	-	783,855
Disposal of a subsidiary	(791,356)	-	-	(791,356)
At the end of financial year	-	593,930	-	593,930
Carrying amount	-	1,033,123	-	1,033,123

9. INVESTMENTS IN SUBSIDIARIES

	Company 2024 RM	Company 2023 RM
Unquoted shares, at cost	66,590,000	-

(a) The details of the subsidiaries are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity (%) 2024	Effective interest in equity (%) 2023	Principal activities
Plus Xnergy Services Sdn. Bhd.	Malaysia	100	100	Developing, installing, providing and maintaining Solar Photovoltaic system and to provide consultancy for the development, management, designing, integration, improvement and construction of all kind of solar energy systems.

9. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The details of the subsidiaries are as follows: (continued)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity (%) 2024	2023	Principal activities
Subsidiaries of Plus Xnergy Services Sdn. Bhd.				
Leaf Solar Sdn. Bhd.	Malaysia	100	100	Development of solar and renewable energy projects and related activities.
Plus Xnergy Micro Sdn. Bhd.	Malaysia	100	100	Developing, installing, providing and maintaining Solar Photovoltaic systems, Solar Energy systems and related services.
Plus Xnergy Services (Sarawak) Sdn. Bhd.	Malaysia	100	100	Dormant.
Plus Xnergy Vietnam Co., Ltd. *	Vietnam	100	100	Dissolved on 20 August 2024.
Subsidiaries of Leaf Solar Sdn. Bhd.				
Energy Juice Sdn. Bhd. *	Malaysia	-	100	Dissolved on 11 October 2023.
Full Power Sdn. Bhd. *	Malaysia	-	100	Dissolved on 20 October 2023.

* Subsidiary not audited by BDO PLT.

(b) On 1 August 2023, the Company had entered into a Share Sale and Purchase Agreement ("SSPA") to purchase 66,590,000 shares of Plus Xnergy Services Sdn. Bhd. ("PXS") at a purchase consideration of RM66,590,000 by way of issuance and allotment of the Company's shares ("Purchasers Shares"). The SSPA was completed on 1 September 2023. As a result, PXS and its subsidiaries effectively became subsidiaries of the Company on 1 September 2023.

Upon completion of the above, the Company became the legal parent of PXS. As PXS was under common control before and after acquisition, the Group applied the pooling interest method of accounting and the consolidated financial statements have been accounted for as if the acquisition had occurred from the date when the entity was under common control. Accordingly, the results of the Group have been accounted for as if the acquisition had occurred from the date when the entities were under common control.

9. INVESTMENTS IN SUBSIDIARIES (continued)

(c) In the previous financial year, on 12 May 2022, PXS, YR C&I Pte. Ltd. ("YRCI") and Plus Xnergy Assets Sdn. Bhd. ("PXA") had entered into a shares subscription agreement whereby the Company and YRCI had subscribed 400,000 and 1,600,000 ordinary shares in PXA for a total consideration of RM400,000 and RM1,600,000 respectively ("Proposed Shareholder Agreement"). Following the completion of the Proposed Shareholder Agreement on 14 September 2022, 60% of the equity interest in PXA was held by PXS and the remaining 40% was held by YRCI. PXA had then ceased to be a wholly-owned subsidiary of PXS and became a jointly controlled entity of the Group.

The total carrying amounts of the identifiable assets and liabilities of the subsidiary as at the date of deemed disposal were as follows:

	Group RM
Plant and equipment	1,348,000
Trade and other receivables	565,221
Finance lease receivables	13,018,116
Cash and bank balances	2,195,706
Borrowings	(10,374,400)
Trade and other payables	(4,195,560)
Current tax liabilities	(51,004)
Net identifiable assets	2,506,079

The loss on deemed disposal in the previous financial year was as follows:

	Group RM
Fair value of interest retained	2,463,647
Less: Net assets disposed	(2,506,079)
Loss on deemed disposal	(42,432)

The analysis of the net cash flow in respect of the deemed disposal of the subsidiary is as follows:

	Group RM
Total disposal consideration received	-
Cash and cash equivalents disposed of	(2,195,706)
Net cash outflow on deemed disposal	(2,195,706)

9. INVESTMENTS IN SUBSIDIARIES (continued)

(d) In the previous financial year, on 21 March 2023, the Company disposed its entire equity interests comprising 250,000 ordinary shares in PXET for a total cash consideration of RM1.

In accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the financial results of PXET and its subsidiary, Plus Xnergy Edge Sdn. Bhd. ("PXE") (collectively known as "PXET Group"), were presented separately under discontinued operations as disclosed in Note 34 to the financial statements.

The total carrying amounts of the identifiable assets and liabilities of the subsidiaries as at the date of disposal were as follows:

	Group RM
Plant and equipment	264,896
Right-of-use asset	417,944
Intangible assets	2,341,801
Inventories	315,901
Contract assets	616,105
Trade and other receivables	671,287
Current tax assets	2,375
Bank balances	407,000
Contract liabilities	(539,148)
Trade and other payables	(11,378,938)
Lease liability	(421,757)
Net identifiable liabilities	(7,302,534)
Less: Business combination reserve previously recognised	(99,999)
Total net identifiable liabilities	(7,402,533)

The gain on disposal of subsidiaries in the previous financial year was as follows:

	Group RM
Total net identifiable liabilities	(7,402,533)
Less: Disposal consideration	(1)
Gain on disposal	(7,402,534)

9. INVESTMENTS IN SUBSIDIARIES (continued)

(d) (continued)

The analysis of the net cash flow in respect of the disposal of subsidiaries was as follows:

	Group RM
Total disposal consideration received	1
Cash and cash equivalents disposed of	(407,000)
Net cash outflow of the Group on disposal	(406,999)

The loss and net cash flow in respect of the disposal of investments in subsidiaries in the previous financial year were as follows:

	Company RM
Cost of investments	150,001
Less: Disposal consideration	(1)
Loss on disposal	150,000
Total disposal consideration received/Net cash inflow of the Company on disposal	1

10. INVESTMENT IN AN ASSOCIATE

	Group 2024 RM	Group 2023 RM
Unquoted shares	1,078,000	1,078,000
Share of post-acquisition reserves, net of dividends received	131,855	24,276
	1,209,855	1,102,276

10. INVESTMENT IN AN ASSOCIATE (continued)

(a) The details of the associate are as follows:

Name of associate	Country of incorporation/ Principal place of business	Effective interest in equity (%) 2024	2023	Nature of relationship
Held by Leaf Solar Sdn. Bhd.				
Leaf Power Sdn. Bhd.	Malaysia	49	49	Installation and operation of facilities for the generation of electricity energy. The activities contribute to the energy generation business segment of the Group.

(b) The summarised financial information in respect of the associate of the Group is set out below:

(i) Summarised statement of financial position

	Group 2024 RM	2023 RM
Non-current assets	1,830,555	1,955,236
Current assets	1,237,734	901,967
Non-current liabilities	(566,741)	(576,920)
Current liabilities	(32,457)	(30,740)
Net assets of the associate	2,469,091	2,249,543

(ii) Summarised statement of profit or loss and other comprehensive income

	Group 2024 RM	2023 RM
Revenue	381,102	358,198
Profit/Total comprehensive income	219,548	163,574
Dividends received/receivable	-	179,095

10. INVESTMENT IN AN ASSOCIATE (continued)

(b) The summarised financial information in respect of the associate of the Group is set out below: (continued)

(iii) Reconciliation of net assets to carrying amount of interest in the associate of the Group

	Group	
	2024	**2023**
	RM	**RM**
Share of net assets		
Net assets of the associate	2,469,091	2,249,543
Proportion of ownership interest held by the Group	49%	49%
Group's share of net assets/ Carrying amount of Group's interest in the associate	1,209,855	1,102,276
Share of results		
Group's share of profit/total comprehensive income	107,579	80,151

(c) In the previous financial year, on 15 March 2023, Leaf Solar Sdn. Bhd. ("LSSB") had further subscribed 24,500 new ordinary shares in Leaf Power Sdn. Bhd. ("LPSB") at an issue price of RM1.00 per ordinary share for a total cash consideration of RM24,500. Pursuant to the subscription, LSSB's equity interest in LPSB remains at 49%. The transfer had no impact to the effective equity interest of the Group in the associate.

11. INVESTMENTS IN JOINT VENTURES

	Group	
	2024	**2023**
	RM	**RM**
Unquoted shares	5,310,000	3,800,000
Share of post-acquisition reserves, net of dividends received	1,159,359	413,202
	6,469,359	4,213,202

The contractual arrangement stipulates unanimous consent of all parties over relevant activities of the joint ventures and provides the Group with only the rights to the net assets of the joint arrangements, with the rights to the assets and obligation for liabilities of the joint arrangements resting primarily with the joint ventures.

11. INVESTMENTS IN JOINT VENTURES (continued)

(a) The details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation/ Principal place of business	Effective interest in equity (%) 2024	2023	Nature of relationship
Held by Plus Xnergy Services Sdn. Bhd.				
Plus Xnergy Assets Sdn. Bhd. ("PXA")	Malaysia	60	60	Development, implementation, leasing of solar systems and sale of energy through commercial and industrial rooftop solar photovoltaic power projects in Malaysia, providing evaluation, technical, commercial and advisory services relating to electrical and engineering works and other related activities and investment in power generation assets. The activities contribute to the energy generation business segment of the Group.
Held by Leaf Solar Sdn. Bhd.				
LGH Construction Sdn. Bhd. ("LGH") ^#	Malaysia	50	50	Manage and operate solar system. The activities contribute to the energy generation business segment of the Group.

^ Joint venture not audited by BDO PLT.

\# Joint venture had financial year ended 30 June 2023 and was equity-accounted based on management accounts for the financial year ended 31 March 2024.

11. INVESTMENTS IN JOINT VENTURES (continued)

(b) The summarised financial information in respect of the Group's joint ventures is set out below:

(i) Summarised statement of financial position

Group	**LGH**	**PXA**	**Total**
2024	**RM**	**RM**	**RM**
Non-current assets	2,077,063	24,022,416	26,099,479
Current assets	1,865,141	2,965,889	4,831,030
Non-current liabilities	(848,634)	(13,611,726)	(14,460,360)
Current liabilities	(4,248)	(5,168,749)	(5,172,997)
Net assets of joint ventures	3,089,322	8,207,830	11,297,152
2023			
Non-current assets	2,256,905	19,492,868	21,749,773
Current assets	1,525,386	1,613,439	3,138,825
Non-current liabilities	(855,135)	(10,718,690)	(11,573,825)
Current liabilities	(4,936)	(5,759,131)	(5,764,067)
Net assets of joint ventures	2,922,220	4,628,486	7,550,706

(ii) Summarised statement of profit or loss and other comprehensive income

Group	**LGH**	**PXA**	**Total**
2024	**RM**	**RM**	**RM**
Revenue	394,428	2,164,761	2,559,189
Profit/Total comprehensive income	167,102	1,104,344	1,271,446
2023			
Revenue	477,475	1,443,261	1,920,736
Profit/Total comprehensive income	237,470	522,407	759,877
Dividends received/receivable	168,000	-	168,000

11. INVESTMENTS IN JOINT VENTURES (continued)

(b) The summarised financial information in respect of the Group's joint ventures is set out below: (continued)

(iii) Reconciliation of net assets to carrying amounts of the Group's interest in the joint ventures

Group	**LGH**	**PXA**	**Total**
2024	**RM**	**RM**	**RM**
Share of net assets			
Net assets of the joint ventures	3,089,322	8,207,830	11,297,152
Proportion of ownership interest held by the Group	50%	60%	
Carrying amount of Group's interests in joint ventures	1,544,661	4,924,698	6,469,359
Share of results			
Group's share of profit/total comprehensive income	83,551	662,606	746,157
2023			
Share of net assets			
Net assets of the joint ventures	2,922,220	4,628,486	7,550,706
Less: Equity not attributable to the Group	(50,000)	-	(50,000)
	2,872,220	4,628,486	7,500,706
Proportion of ownership interest held by the Group	50%	60%	
Carrying amount of Group's interests in joint ventures	1,436,110	2,777,092	4,213,202
Share of results			
Group's share of profit/total comprehensive income	118,735	313,445	432,180

(c) On 18 December 2023, LSSB had further subscribed 25,000 new ordinary shares in LGH Construction Sdn. Bhd. ("LGH") at an issue price of RM1.00 per ordinary share for a total cash consideration of RM25,000. Pursuant to the subscription, LSSB's equity interest in LGH remains at 50%. The transfer had no impact to the effective equity interest of the Group in the joint venture.

(d) On 26 April 2023, the PXS had further subscribed 1,485,000 new ordinary shares in Plus Xnergy Assets Sdn. Bhd. ("PXA") at an issue price of RM1.00 per ordinary share for a total cash consideration of RM1,485,000. Pursuant to the subscription, PXS's equity interest in PXA remains at 60%. The transfer had no impact to the effective equity interest of the Group in the joint venture.

11. INVESTMENTS IN JOINT VENTURES (continued)

(e) In the previous financial year, on 12 May 2022, the Group, YR C&I Pte. Ltd. ("YRCI") and PXA had entered into a shares subscription agreement whereby the Company and YRCI had subscribed 400,000 and 1,600,000 ordinary shares in PXA for a total consideration of RM400,000 and RM1,600,000 respectively ("Proposed Shareholder Agreement"). Following the completion of the Proposed Shareholder Agreement on 14 September 2022, 60% of the equity interest in PXA was held by the Group and the remaining 40% was held by YRCI. PXA had then ceased to be a wholly-owned subsidiary of the Group and became a jointly controlled entity of the Group.

12. GOODWILL

	Group	
	2024	**2023**
	RM	**RM**
Cost	32,675	32,675
Accumulated impairment losses	(32,675)	(32,675)
Carrying amount	-	-

13. FINANCE LEASE RECEIVABLES

	Group	
	2024	**2023**
	RM	**RM**
Non-current		
One (1) year to five (5) years	4,221,937	6,100,355
Less: Impairment losses	(21,110)	(30,502)
Non-current finance lease receivables, net	4,200,827	6,069,853
Current		
Less than one (1) year	2,002,992	1,883,646
Less: Impairment losses	(10,015)	(9,418)
Current finance lease receivables, net	1,992,977	1,874,228
Total finance lease receivables	6,193,804	7,944,081

13. FINANCE LEASE RECEIVABLES (continued)

(a) The maturity analysis of finance lease receivables is as follows:

	Group	
	2024	**2023**
	RM	**RM**
Gross finance lease receivables:		
Less than one (1) year	2,290,210	2,182,942
One (1) year to five (5) years	4,370,868	6,520,394
Undiscounted lease payments receivables	6,661,078	8,703,336
Less: Unearned interest income	(436,149)	(719,335)
	6,224,929	7,984,001
Less: Impairment losses	(31,125)	(39,920)
Net finance lease receivables	6,193,804	7,944,081
Present value of finance lease receivables:		
Less than one (1) year	2,002,992	1,883,646
One (1) year to five (5) years	4,221,937	6,100,355
	6,224,929	7,984,001
Less: Impairment losses	(31,125)	(39,920)
	6,193,804	7,944,081

(b) The movements in the carrying amounts of finance lease receivables are as follows:

	Group	
	2024	**2023**
	RM	**RM**
At the beginning of financial year	7,944,081	4,874,658
Additions	216,000	4,808,355
Termination during the financial year	(33,173)	(16,581)
Reclassification from property, plant and equipment	-	12,968,000
Disposal of a subsidiary	-	(13,018,116)
Finance lease income (Note 25)	305,094	673,791
Lease payments received	(2,246,993)	(2,330,602)
Reversal of impairment losses/(Impairment losses)	8,795	(15,424)
At the end of financial year	6,193,804	7,944,081

(c) The Group enters into finance lease arrangements to supply solar panels to customers. The term of finance leases entered is five (5) years (2023: five (5) years). The credit term of finance lease receivables of the Group is 14 days (2023: 14 days) from the date of invoice.

(d) The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The average effective interest rate contracted is approximately 10.25% (2023: 9.71%) per annum.

13. FINANCE LEASE RECEIVABLES (continued)

(e) Movements in the impairment allowance for finance lease receivables of the Group are as follows:

Group 2024	Lifetime ECL* allowance RM
At the beginning of financial year	39,920
Reversal of impairment losses	(8,795)
At the end of financial year	31,125
2023	
At the beginning of financial year	24,496
Charge for the financial year	15,424
At the end of financial year	39,920

* Expected credit losses

(f) Finance lease receivables are denominated in Ringgit Malaysia ("RM").

14. DEFERRED TAX (ASSETS)/LIABILITIES

(a) The deferred tax (assets)/liabilities are made up of the following:

	Group 2024 RM	 2023 RM
At the beginning of financial year	(599,762)	(144,613)
Recognised in profit or loss (Note 29)	(514,915)	(455,149)
At the end of financial year	(1,114,677)	(599,762)
Presented after appropriate offsetting:		
Deferred tax assets, net*	(1,118,173)	(615,606)
Deferred tax liabilities, net*	3,496	15,844
	(1,114,677)	(599,762)

* The amounts of set-off between deferred tax assets and deferred tax liabilities of the Group was RM373,122 (2023: RM440,584) respectively.

14. DEFERRED TAX (ASSETS)/LIABILITIES (continued)

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Group **2024**	**Property, plant and equipment** **RM**	**Other deductible temporary differences** **RM**	**Total** **RM**
At the beginning of financial year	440,584	(1,040,346)	(599,762)
Recognised in profit or loss	(67,462)	(447,453)	(514,915)
At the end of financial year	373,122	(1,487,799)	(1,114,677)
2023			
At the beginning of financial year	373,519	(518,132)	(144,613)
Recognised in profit or loss	67,065	(522,214)	(455,149)
At the end of financial year	440,584	(1,040,346)	(599,762)

(c) The amount of temporary differences for which no deferred tax asset has been recognised in the statements of financial position is as follows:

	Group and Company	
	2024 **RM**	**2023** **RM**
<u>**Continuing operations**</u>		
Unused tax losses		
- Expires by 2032	508,268	560,798
Unabsorbed capital allowances	15,125	-
Other deductible temporary differences	315,287	70,854
	838,680	631,652

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profits of the Group and of the Company would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority. Unutilised tax losses of the holding company and subsidiaries incorporated in Malaysia can be carried forward up to ten (10) consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

15. INVENTORIES

	Group	
	2024 RM	2023 RM
At cost		
Solar panels	19,197,382	8,226,863
Inverters, mounting structures and others	6,594,759	5,363,026
	25,792,141	13,589,889
At net realisable value		
Solar panels	494,952	-
	26,287,093	13,589,889

(a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM125,487,398 (2023: RM105,451,541).

(b) During the financial year, the Group has written off and written down inventories of RM36,533 (2023: RM8,982) and RM292,536 (2023: Nil) respectively.

16. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	30,175,095	22,989,364	-	-
Amounts owing by a subsidiary	-	-	117,135	-
Amount owing by a joint venture	3,010,000	4,135,972	-	-
Amounts owing by related parties	-	-	-	431,987
Retention sums owing by third parties	2,728,859	1,150,192	-	-
Retention sums owing by a joint venture	603,000	-	-	-
	36,516,954	28,275,528	117,135	431,987
Less: Impairment losses	(4,006,361)	(2,124,897)	-	-
Total trade receivables	32,510,593	26,150,631	117,135	431,987
Other receivables and deposits				
Sundry receivables	1,840,288	5,325,834	-	-
Amount owing by a subsidiary	-	-	3,742	-
Amounts owing by related parties	2,542,525	5,281,247	-	25,941
Amount owing by a joint venture	-	118,064	-	-
Dividend receivable from a joint venture	-	168,000	-	-
Refundable deposits	422,357	353,094	199,826	-
	4,805,170	11,246,239	203,568	25,941
Less: Impairment losses	(147,632)	(155,072)	-	-
Total other receivables and deposits	4,657,538	11,091,167	203,568	25,941
Total trade and other receivables, excluding prepayments	37,168,131	37,241,798	320,703	457,928
Prepayments	2,079,738	4,936,415	61,240	711,035
	39,247,869	42,178,213	381,943	1,168,963

16. TRADE AND OTHER RECEIVABLES (continued)

(a) Trade receivables are non-interest-bearing and the normal trade credit terms granted by the Group and the Company range from 14 days to 60 days (2023: 14 days to 60 days). They are recognised at their original invoice amount which represent their fair values on initial recognition.

(b) The impairment loss allowances of trade receivables of the Group and of the Company as at the end of the reporting periods are set out below:

Group **2024**	**Gross carrying amount RM**	**Impairment loss allowance RM**	**Net balance RM**
Current	17,868,870	(258,164)	17,610,706
Past due:			
- 1 to 30 days	4,597,689	(124,304)	4,473,385
- 31 to 60 days	2,967,398	(65,596)	2,901,802
- 61 to 90 days	2,748,157	(210,119)	2,538,038
- More than 91 days	6,829,833	(1,843,171)	4,986,662
	17,143,077	(2,243,190)	14,899,887
Credit impaired			
Individually impaired	1,505,007	(1,505,007)	-
	36,516,954	(4,006,361)	32,510,593
2023			
Current	14,724,219	(868,143)	13,856,076
Past due:			
- 1 to 30 days	3,235,134	(106,539)	3,128,595
- 31 to 60 days	1,903,598	(67,589)	1,836,009
- 61 to 90 days	3,804,553	(152,553)	3,652,000
- More than 91 days	3,849,380	(171,429)	3,677,951
	12,792,665	(498,110)	12,294,555
Credit impaired			
Individually impaired	758,644	(758,644)	-
	28,275,528	(2,124,897)	26,150,631

Credit impaired refers to individually determined debtors who are in significant financial difficulties as at the end of the reporting period.

16. TRADE AND OTHER RECEIVABLES (continued)

(b) The impairment loss allowance of trade receivables of the Group and of the Company as at the end of the reporting period is set out below: (continued)

Company	**Gross carrying amount**	**Impairment loss allowance**	**Net balance**
2024	**RM**	**RM**	**RM**
Current	39,045	-*	39,045
Past due			
- 1 days to 30 days	39,045	-*	39,045
- 31 days to 60 days	39,045	-*	39,045
	117,135	-*	117,135
2023			
Current	46,896	-*	46,896
Past due			
- 1 days to 30 days	89,975	-*	89,975
- 61 days to 90 days	44,988	-*	44,988
- More than 91 days	250,128	-*	250,128
	431,987	-*	431,987

* The expected credit loss is negligible.

(c) Movements in the impairment allowance for trade receivables of the Group are as follows:

Group	**Lifetime ECL* allowance**	**Credit impaired**	**Total allowance**
2024	**RM**	**RM**	**RM**
At the beginning of financial year	1,366,253	758,644	2,124,897
Charge for the financial year	1,135,101	1,401,435	2,536,536
Reversal of impairment losses	-	(655,064)	(655,064)
Written off	-	(8)	(8)
At the end of financial year	2,501,354	1,505,007	4,006,361
2023			
At the beginning of financial year	1,234,547	259,187	1,493,734
Charge for the financial year	134,490	544,641	679,131
Disposal of a subsidiary	(2,784)	-	(2,784)
Written off	-	(45,184)	(45,184)
At the end of financial year	1,366,253	758,644	2,124,897

* Expected credit losses

16. TRADE AND OTHER RECEIVABLES (continued)

(d) Movements in the impairment allowance for other receivables of the Group are as follows:

Group	12-month ECL*	----- Lifetime ECL* ----- Not credit impaired	Credit impaired	Total allowance
2024	**RM**	**RM**	**RM**	**RM**
At the beginning of financial year	28,131	25,882	101,059	155,072
Charge for the financial year	-	-	24,174	24,174
Reversal of impairment losses	(17,880)	(13,734)	-	(31,614)
At the end of financial year	10,251	12,148	125,233	147,632
2023				
At the beginning of financial year	12,299	52,481	73,261	138,041
Charge for the financial year	15,832	-	41,579	57,411
Reversal of impairment losses	-	(26,599)	(13,781)	(40,380)
At the end of financial year	28,131	25,882	101,059	155,072

* Expected credit losses

(e) The retention sums are due upon expiry of the defect liability period stated in the respective construction contracts. The defect liability periods ranged from 6 to 36 months (2023: 6 to 36 months) and are expected to be collected as follows:

	Group 2024 RM	Group 2023 RM
Within one (1) year	2,551,435	758,766
One (1) to five (5) years	780,424	391,426
	3,331,859	1,150,192

(f) Non-trade amounts owing by a subsidiary, related parties and a joint venture represent advances and payments made on behalf, which are unsecured, interest-free and payable within the next twelve (12) months.

(g) The currency exposure profile of trade and other receivables, net of prepayments, is as follows:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Ringgit Malaysia	37,168,131	37,241,105	320,703	457,928
United States Dollar	-	693	-	-
	37,168,131	37,241,798	320,703	457,928

17. DERIVATIVE ASSETS

	Group 2024 RM	Group 2023 RM
Contract/Notional amount		
Foreign Exchange Contract Limit ("FECL")	-	21,541,151
Derivative assets		
At fair value	-	440,664
Carrying amount analysed by maturity:		
Within 1 year	-	440,664

(a) In the previous financial year, the Group had entered into derivative financial instrument ("FECL") with financial institutions (counterparties) and such FECL have been designated as hedging instrument to reflect the unfavourable change in fair value of foreign exchange and interest rate.

Derivative was initially recognised at fair value on the date the derivative contract is entered into. Pursuant to inception of cash flow hedge, subsequent gain or loss on remeasurement of the hedging instrument that is determined to be an effective hedge is recognised in the statements of other comprehensive income and the ineffective portion is recognised in the statements of profit or loss.

(b) The fair value of derivative assets of the Group was categorised as Level 2 in the fair value hierarchy. There was no transfer between levels in the hierarchy during the financial year.

(c) Derivative assets were denominated in United States Dollar.

18. CONTRACT ASSETS/(LIABILITIES)

	Group 2024 RM	Group 2023 RM
Contract assets	25,515,898	44,224,622
Less: Impairment losses	(132,028)	(181,797)
	25,383,870	44,042,825
Contract liabilities		
- Non-current	2,833,588	2,031,604
- Current	15,814,831	14,169,534
	18,648,419	16,201,138

(a) Contract assets are mainly related to conditional rights to consideration for work completed but not yet billed on the contracts.

Contract liabilities primarily relate to advanced billings before work is performed and the Group's service-type obligations to be provided to customers over several financial years. Contract liabilities are recognised as revenue as the Group performs the services under the contract.

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18. CONTRACT ASSETS/(LIABILITIES) (continued)

(b) Changes in the contract balances during the financial year are as follows:

	Group Increase/(Decrease) 2024 RM	2023 RM
Contract assets		
Transfer of contract assets recognised at the beginning of financial year to receivables	(44,209,887)	(5,683,321)
Increase due to unbilled revenue recognised during the year	25,460,776	44,691,365
Disposal of a subsidiary	-	(616,105)
Net impairment movements	49,769	267,643
Contract liabilities		
Transfer of contract liabilities recognised at the beginning of financial year to revenue	(13,896,680)	(5,573,843)
Increase due to progress billings but revenue not recognised	16,616,725	15,798,139
Disposal of a subsidiary	-	(539,148)

(b) Movements in the impairment allowance for contract assets of the Group are as follows:

Group **2024**	**Lifetime ECL* allowance RM**	**Credit impaired RM**	**Total allowance RM**
At beginning of financial year	181,797	-	181,797
Charge for the financial year	966	-	966
Reversal of impairment losses	(50,735)	-	(50,735)
At end of financial year	132,028	-	132,028
2023			
At beginning of financial year	455,023	80,224	535,247
Charge for the financial year	711	-	711
Reversal of impairment losses	(268,354)	-	(268,354)
Disposal of a subsidiary	(5,583)	(80,224)	(85,807)
At end of financial year	181,797	-	181,797

* Expected credit losses

18. CONTRACT ASSETS/(LIABILITIES) (continued)

(c) Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, are as follows:

	Group	
	2024 RM	**2023 RM**
Within one (1) year	15,814,831	14,169,534
One (1) to five (5) years	2,375,336	1,598,195
More than five (5) years	458,252	433,409
	18,648,419	16,201,138

All other contracts are for periods of one (1) year or less or are billed based on time incurred. The transaction price allocated to these unsatisfied contracts are not disclosed as permitted under MFRS 15.

19. CASH AND BANK BALANCES

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Cash and bank balances	11,297,093	23,526,162	239,768	628,904
Deposits placed with licensed banks	22,183,533	22,818,008	-	-
Short-term fund	2,041,894	-	-	-
As reported in statements of financial position	35,522,520	46,344,170	239,768	628,904
Less:				
Deposits pledged to licensed banks	(22,183,533)	(22,818,008)	-	-
As reported in statements of cash flows	13,338,987	23,526,162	239,768	628,904

(a) Deposits placed with licensed banks of the Group have maturity periods of 30 days to 367 days (2023: 30 days to 367 days).

(b) The short-term fund represents investment in highly liquid money market, which is readily convertible to known amounts of cash and is subject to insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalent.

(c) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Ringgit Malaysia	35,519,241	46,058,740	239,768	628,904
United States Dollar	3,279	285,430	-	-
	35,522,520	46,344,170	239,768	628,904

19. CASH AND BANK BALANCES (continued)

(d) No expected credit losses were recognised arising from the cash and bank balances and deposits placed with licensed banks because the probability of default by the financial institutions were negligible.

(e) As at the end of the reporting period, deposits placed with licensed banks of the Group that are pledged to financial institutions for banking facilities granted to the Group as disclosed in Note 23 to the financial statements amounted to RM 22,183,533 (2023: RM22,818,008).

20. ASSETS HELD FOR SALE

	Group	
Investment properties	**2024** **RM**	**2023** **RM**
At the beginning of financial year	-	8,411,201
Disposed during the financial year	-	(8,411,201)
At the end of financial year	-	-

In the previous financial years, the Company had entered into a Sale and Purchase Agreement ("SPA") with a third party to dispose its investment properties for a total consideration of RM12,000,000. Accordingly, the investment properties were classified as assets held for sale.

Following the fulfilment of the conditions precedent stipulated in the SPA, the disposal of investment properties was completed on 23 May 2022.

21. SHARE CAPITAL

	Group			
	2024		**2023**	
	Number of shares	**RM**	**Number of shares**	**RM**
Issued and fully paid-up:				
At the beginning of financial year	1,010,000	1,010,000	1,000,100	1,000,100
Elimination of share capital upon acquisition of subsidiaries in business combinations under common control	(1,000,000)	(1,000,000)	-	-
Issued during the financial year	66,590,000	66,590,000	9,900	9,900
At the end of financial year	66,600,000	66,600,000	1,010,000	1,010,000

21. SHARE CAPITAL (continued)

	Company			
	2024		2023	
	Number of shares	RM	Number of shares	RM
Issued and fully paid-up:				
At the beginning of financial year	10,000	10,000	100	100
Issued during the financial year	66,590,000	66,590,000	9,900	9,900
At the end of financial year	66,600,000	66,600,000	10,000	10,000

(a) The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

(b) On 1 September 2023, the Company further increased its issued and paid-up share capital from RM10,000 to RM66,600,000 by way of issuance of 66,590,000 new ordinary shares at an issue price of RM1.00 each for shares in Plus Xnergy Services Sdn. Bhd. ("PXS"). The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company.

(c) In the previous financial year, on 8 March 2023, the Company increased its issued and paid-up share capital from RM100 to RM10,000 by way of issuance of 9,900 new ordinary shares at an issue price of RM1.00 each for a consideration of RM9,900. The newly issued ordinary shares rank pari passu in all respects with the existing shares of the Company.

22. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Retained earnings/ (Accumulated losses)	70,979,345	63,702,477	(2,013,483)	(1,685,786)
Other reserve	(65,590,000)	-	-	-
	5,389,345	63,702,477	(2,013,483)	(1,685,786)

Other reserve

Other reserve was in respect of the difference between consideration paid over the share capital and reserves of PXS Group, pursuant to business combinations under common control during the financial year.

23. BORROWINGS

	Group 2024 RM	Group 2023 RM
Non-current		
Secured		
Term loans	12,461,335	12,306,702
Current		
Secured		
Term loans	3,592,808	2,894,150
Revolving credit	5,000,000	5,000,000
Trade financing facilities	11,621,486	13,422,671
	20,214,294	21,316,821
	32,675,629	33,623,523
Total borrowings		
Term loans	21,054,143	15,200,852
Revolving credit	5,000,000	5,000,000
Trade financing facilities	11,621,486	13,422,671
	32,675,629	33,623,523

(a) Term loans of the Group are secured by certain property, plant and equipment as disclosed in Note 6 to the financial statements as well as deposits with a licensed bank as disclosed in Note 19 to the financial statements.

In addition, the term loans are jointly and severally guaranteed by certain Directors of the Group, a corporate guarantee from a subsidiary and a guarantee from a third party agency. Certain term loan of the Group falls under the Green Technology Financing Scheme ("GTFS") whereby it is guaranteed by Credit Guarantee Corporation Malaysia Berhad and is entitled to interest rebate.

(b) Trade financing facilities of the Group are secured by deposits placed with licensed banks of the Group as disclosed in Note 19 to the financial statements.

In addition, the trade financing facilities are jointly and severally guaranteed by Directors of the Company and a corporate guarantee from a subsidiary.

(c) Revolving credit of the Group is secured by deposits placed with licensed banks of the Group as disclosed in Note 19 to the financial statements.

In addition, the revolving credit is jointly and severally guaranteed by Directors of the Company.

(d) The currency exposure profile of borrowings is as follows:

	Group 2024 RM	Group 2023 RM
Ringgit Malaysia	21,054,143	24,843,455
Chinese Yuan	3,387,487	8,780,068
United States Dollar	8,233,999	-
	32,675,629	33,623,523

24. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	16,886,407	38,323,894	-	-
Retention sum	211,281	383,464	-	-
	17,097,688	38,707,358	-	-
Other payables				
Sundry payables and accrued liabilities	9,333,284	16,570,151	393,817	713,927
Amount owing to a Director	-	4	-	-
Amounts owing to subsidiaries	-	-	2,257,044	2,764,007
Amount owing to an associate	-	84	-	-
Refundable deposits	300,926	254,532	-	-
	9,634,210	16,824,771	2,650,861	3,477,934
	26,731,898	55,532,129	2,650,861	3,477,934

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group are generally 14 days to 90 days (2023: 14 days to 90 days).

(b) Non-trade amounts owing to subsidiaries, a Director and an associate represent advances and payments on behalf, which were unsecured, interest-free and payable within the next twelve (12) months.

(c) The currency exposure profile of trade and other payables of the Group and of the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	22,813,801	29,588,777	2,650,861	3,477,934
Chinese Yuan	2,456,002	21,051,240	-	-
United States Dollar	1,462,095	4,889,563	-	-
Euro	-	2,549	-	-
	26,731,898	55,532,129	2,650,861	3,477,934

25. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
<u>**Continuing operations**</u>				
Revenue from contracts with customers				
Revenue from EPCC of solar photovoltaic systems	206,664,397	177,098,448	-	-
Sales of goods	246,071	-	-	-
Operations and maintenance services	1,932,786	1,434,472	-	-
Supply of electricity	445,487	501,914	-	-
Management fees and accounting fees	-	-	4,790,841	4,830,841
Others	166,534	81,612	-	-
	209,455,275	179,116,446	4,790,841	4,830,841
Revenue from other sources				
Finance lease income	305,094	673,791	-	-
	209,760,369	179,790,237	4,790,841	4,830,841
Timing of revenue recognition				
Over time	208,654,560	178,605,457	4,790,841	4,830,841
Point in time	800,715	510,989	-	-
	209,455,275	179,116,446	4,790,841	4,830,841

Revenue is derived solely from Malaysia.

26. FINANCE COSTS

	Group	
	2024	2023
	RM	RM
<u>**Continuing operations**</u>		
Interest expense on:		
- term loans	818,954	737,048
- revolving credit	295,267	216,567
- trade financing facilities	564,667	697,609
- loan from a Director	-	127,271
- lease liabilities	82,373	81,689
Amortisation of transaction costs	3,983	-
Interest rebate under GTFS scheme	(45,356)	(47,098)
	1,719,888	1,813,086

27. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Administrative and other expenses:				
Continuing operations				
Salaries, wages, bonuses and allowances	14,381,631	14,861,882	3,365,441	3,624,210
Contributions to defined contribution plan	1,532,871	1,735,764	362,930	428,157
Social security contribution	161,856	164,013	27,325	33,325
Other employee benefits	499,566	454,460	106,812	99,444
	16,575,924	17,216,119	3,862,508	4,185,136
Discontinued operations				
Salaries, wages, bonuses and allowances	-	2,071,144	-	-
Contributions to defined contribution plan	-	231,797	-	-
Social security contribution	-	18,629	-	-
Other employee benefits	-	59,709	-	-
	-	2,381,279	-	-
	16,575,924	19,597,398	3,862,508	4,185,136

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM1,085,591 and RM897,831 (2023: RM1,071,336 and RM749,923) respectively as further disclosed in Note 31(c) to the financial statements.

28. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Continuing operations				
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration:				
- current year	156,000	160,950	17,000	25,375
Depreciation of:				
- property, plant and equipment	491,266	507,854	5,614	1,114
- right-of-use assets	601,152	444,474	-	-

28. PROFIT/(LOSS) BEFORE TAX (continued)

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM	**RM**	**RM**	**RM**
<u>Continuing operations</u>				
Profit/(Loss) before tax is arrived at after charging: (continued)				
Amortisation of intangible assets	328,285	307,412	-	-
Loss on foreign exchange:				
- realised	1,938,026	80,836	-	-
- unrealised	483,664	10,178	-	-
Loss on deemed disposal of a subsidiary	-	42,432	-	-
Loss on disposal of subsidiaries	-	-	-	150,000
Inventories written off	36,533	-	-	-
Inventories written down	292,536	-	-	-
Impairment losses on:				
- trade receivables	2,536,536	679,131	-	-
- other receivables	24,174	57,411	-	-
- finance lease receivables	-	15,424	-	-
- contract assets	966	711	-	-
And after crediting:				
Interest income from:				
- deposits with licensed banks	597,695	373,340	-	-
- short-term fund	9,688	-	-	-
- cash at banks	82,531	108,207	-	-
Fair value gain on:				
- derivatives	-	440,664	-	-
- short-term fund	32,207	-	-	-
Gain on foreign exchange:				
- realised	876,186	56,105	-	-
- unrealised	1,606,166	33,335	-	-
Gain on disposal of:				
- right-of-use assets	15,971	-	-	-
- investment properties	-	3,588,799	-	-
- subsidiaries	-	7,402,534	-	-
Gain on lease modification	-	16,629	-	-
Gain on lease termination	617	6,555	-	-
Reversal of impairment losses on:				
- trade receivables	655,064	-	-	-
- other receivables	31,614	40,380	-	-
- finance lease receivables	8,795	-	-	-
- contract assets	50,735	268,354	-	-

29. TAX EXPENSE

	Group 2024 RM	Group 2023 RM
Current tax expense based on profit for the financial year	2,583,389	973,682
Under-provision in prior years	6,882	372,553
	2,590,271	1,346,235
Deferred tax expense (Note 14):		
Relating to origination and reversal of temporary differences	(373,760)	(215,165)
Over-provision in prior years	(141,155)	(239,984)
	(514,915)	(455,149)
	2,075,356	891,086

(a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2023: 24%) of the estimated taxable profits for the fiscal year.

(b) There is no tax charge for the current and previous financial years as the Company does not have any chargeable income.

(c) The reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rate against the income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Continuing operations				
Profit/(Loss) before tax	9,352,224	6,528,141	(327,697)	(165,976)
Tax at Malaysian statutory tax rate of 24% (2023: 24%)	2,244,534	1,566,754	(78,647)	(39,834)
Tax effects in respect of:				
Non allowable expenses	514,543	388,193	28,960	32,262
Non-taxable income	(606,748)	(1,142,877)	-	-
Deferred tax assets not recognised	49,687	7,572	49,687	7,572
Effect of graduated tax rates	7,613	(61,125)	-	-
Under-provision of income tax in prior years	6,882	372,553	-	-
Over-provision of deferred tax in prior years	(141,155)	(239,984)	-	-
	2,075,356	891,086	-	-

30. GUARANTEES

	Group	
	2024	**2023**
	RM	**RM**
Corporate guarantees for credit facilities granted to a joint venture:		
- Secured	14,623,613	11,892,402
Bank guarantees for performance bonds:		
- Secured	8,071,937	9,266,575
	22,695,550	21,158,977

31. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Group and of the Company include:

(i) Direct and indirect subsidiaries, an associate and joint ventures as disclosed in Notes 9, 10 and 11 to the financial statements respectively;

(ii) Companies in which the Directors of the Company or their close family members have substantial financial interests or significant influence; and

(iii) Key management personnel, whom are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include the Executive Directors of the Company.

31. RELATED PARTY DISCLOSURES (continued)

(b) The Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024	**2023**	**2024**	**2023**
<u>**Continuing operations**</u>	**RM**	**RM**	**RM**	**RM**
Transactions with subsidiaries:				
Management fee income:				
- Plus Xnergy Services Sdn. Bhd.	-	-	4,255,520	4,255,520
- Plus Xnergy Micro Sdn. Bhd.	-	-	468,540	468,540
- Leaf Solar Sdn. Bhd.	-	-	21,600	21,600
Transactions with related parties:				
Progress billings on EPCC projects:				
- Plus Xnergy Assets Sdn. Bhd.	4,552,000	8,743,550	-	-
- Tenaga Wan Foong Sdn. Bhd.	100	-	-	-
- TWF Electrical Sdn. Bhd.	100	-	-	-
Rental of warehouse:				
- Tenaga Wan Foong Sdn. Bhd.	(69,168)	(69,168)	-	-
Purchase of goods and services:				
- Plus Xnergy Edge Technologies Sdn. Bhd.	(206,345)	-	-	-
- AMC Electrical Sdn. Bhd.	(43,670)	(103,419)	-	-
Management fee income:				
- Plus Xnergy Assets Sdn. Bhd.	42,181	42,181	42,181	42,181
Accounting fee income:				
- Leaf Power Sdn. Bhd.	3,000	3,000	3,000	3,000
Purchase of motor vehicle:				
- Leaf Energy Sdn. Bhd.	(27,000)	-	(27,000)	-
Transactions with former subsidiaries:				
Purchase of goods and services:				
- Plus Xnergy Edge Technologies Sdn. Bhd.	-	(21,875)	-	-
Management fee income:				
- Plus Xnergy Edge Technologies Sdn. Bhd.	-	-	-	40,000

The related party transactions described above were carried out on agreed contractual terms and conditions in the ordinary course of business between the related parties of the Group and of the Company.

31. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly including any Director (whether executive or otherwise) of the Company.

The details of Directors' remuneration are set out as follows:

	Group		Company	
	2024 RM	**2023 RM**	**2024 RM**	**2023 RM**
Continuing operations				
Salaries, wages, bonuses and allowances	976,152	668,614	808,152	668,614
Contributions to defined contribution plan	105,382	78,212	86,662	78,212
Social security contribution	4,057	3,097	3,017	3,097
	1,085,591	749,923	897,831	749,923
Discontinued operations				
Salaries, wages, bonuses and allowances	-	288,600	-	-
Contributions to defined contribution plan	-	31,752	-	-
Social security contribution	-	1,061	-	-
	-	321,413	-	-
	1,085,591	1,071,336	897,831	-

32. FINANCIAL INSTRUMENTS

(a) Financial instruments

		Group		Company	
	Note	**2024 RM**	**2023 RM**	**2024 RM**	**2023 RM**
Financial asset measured at fair value through profit or loss					
Short-term fund	19	2,041,894	-	-	-
Derivative assets	17	-	440,664	-	-

32. FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments (continued)

	Note	Group 2024 RM	Group 2023 RM	Company 2024 RM	Company 2023 RM
Financial assets measured at amortised cost					
Trade and other receivables, excluding prepayments	16	37,168,131	37,241,798	320,703	457,928
Finance lease receivables	13	6,193,804	7,944,081	-	-
Cash and bank balances	19	33,480,626	46,344,170	239,768	628,904
		76,842,561	91,530,049	560,471	1,086,832
Financial liabilities measured at amortised cost					
Borrowings	23	32,675,629	33,623,523	-	-
Trade and other payables	24	26,731,898	55,532,129	2,650,861	3,477,934
		59,407,527	89,155,652	2,650,861	3,477,934

(b) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are at reasonable approximation of fair values

The carrying amounts of current finance lease receivables, trade and other receivables, excluding prepayments, cash and bank balances, current borrowings, current lease liabilities and trade and other payables are reasonable approximation of fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

(ii) Financial instruments carried at fair value

Short-term fund and derivative asset are classified as fair value through profit or loss and measured at fair value, which are under Level 2 of fair value hierarchy. The fair value of short-term fund in Malaysia and derivative assets are determined by reference to counter parties' quotes at the close of the business at the end of the reporting period.

(iii) Non-current borrowings and lease liabilities

The fair values of non-current borrowings and lease liabilities are estimated by discounting the expected future cash flows at market incremental lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised cost and the carrying amounts approximate fair value.

(iv) Non-current finance lease receivables

The carrying amounts of the non-current finance lease receivables are reasonable approximation of their fair values due to insignificant impact of discounting.

33. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the current and previous financial years.

The Group is not subject to any externally imposed capital requirements.

(b) Financial risk management

The financial risk management objective of the Group is to safeguard the shareholders' investment and the Group's assets whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management and internal control framework and clearly defined guidelines that are regularly reviewed by the Board of Directors. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits, finance lease receivables, trade and other receivables including contract assets and financial guarantees given to banks for credit facilities granted to a joint venture could give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of the Group and of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group and of the Company is exposed to minimal credit risk.

The primary exposure of the Group and of the Company to credit risk arises through its trade and other receivables including contract assets and financial guarantees given to banks for credit facilities granted to a joint venture. The trading terms of the Group and of the Company with their trade receivables and finance lease receivables are mainly on credit, where the credit period is generally for a period of 14 to 60 days. The Group and the Company seek to maintain strict control over its outstanding receivables to minimise credit risk. In addition, receivable balances are monitored on an ongoing basis to mitigate the exposure of the Group and of the Company to bad debts.

<u>Exposure to credit risk</u>

Financial assets

As at the end of each reporting period, no collateral has been obtained by the Group and by the Company. The maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Financial guarantees

As at the end of the reporting period, the Directors are of the view that the chances of the third parties and financial institutions to call upon the guarantees are remote. The financial guarantees have not been recognised since the fair value was not material.

Maturity profile of financial guarantee contracts and bank guarantees of the Group as at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the Group and a joint venture on contractual obligations.

The maximum exposure to credit risk in relation to the financial guarantees given amounted to RM22,695,550 (2023: RM21,158,977) as at the end of the reporting period.

Credit risk concentration profile

The Group and the Company did not have any significant concentration of credit risk as at the end of the reporting period. The Group and the Company did not anticipate the carrying amounts recorded at the end of the reporting period to be significantly different from the values that would eventually be received.

(ii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2024				
Financial liabilities				
Lease liabilities	558,365	652,137	693,516	1,904,018
Borrowings	21,159,979	11,324,282	3,004,544	35,488,805
Trade and other payables	26,731,898	-	-	26,731,898
	48,450,242	11,976,419	3,698,060	64,124,721
2023				
Financial liabilities				
Lease liabilities	580,154	769,213	779,004	2,128,371
Borrowings	22,548,168	11,727,970	3,551,207	37,827,345
Trade and other payables	55,532,129	-	-	55,532,129
	78,660,451	12,497,183	4,330,211	95,487,845

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations (continued).

Company	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2024				
Financial liability				
Trade and other payables	2,650,861	-	-	2,650,861
2023				
Financial liability				
Trade and other payables	3,477,934	-	-	3,477,934

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from deposits with licensed banks, finance lease receivables, short-term fund, lease liabilities and interest-bearing borrowings.

The Group and the Company do not use derivative financial instruments to hedge this risk.

The following table sets out the effective annual interest rates as at the end of the reporting period that are exposed to interest rate risk:

	Group	
	2024 %	2023 %
Fixed rate		
Fixed deposits	2.46	2.14
Lease liabilities	5.03	4.95
Finance lease receivables	10.25	9.71
Revolving credit	5.89	5.36
Floating rate		
Short-term fund	2.08	-
Term loans	5.12	3.54
Trade financing facilities	5.98	4.98

33. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

The following table demonstrates the sensitivity analysis of the floating rate borrowings of the Group if interest rates at the end of each reporting period changed by a hundred (100) basis points (2023: a hundred (100) basis points) with all other variables held constant:

	Group	
	2024	**2023**
	RM	**RM**
Profit after tax and equity		
- increase by 1.0% (2023: 1.0%)	(194,816)	(217,539)
- decrease by 1.0% (2023: 1.0%)	194,816	217,539

Sensitivity analysis for fixed rate deposits with licensed banks and finance lease receivables at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rate.

(iv) Foreign currency risk

The Group is primarily exposed to foreign exchange risk, primarily with respect to the Chinese Yuan ("CNY"), United States Dollar ("USD") and Euro ("EUR") arising from derivative assets, purchases, trade payables and borrowings. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the entity's functional currency. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes.

The Group has not entered into forward foreign exchange contracts during the current financial year.

Sensitivity analysis of Ringgit Malaysia ("RM") against CNY, USD and EUR at the end of the reporting period, assuming all other variables remain constant, are as follows:

	Group	
	2024	**2023**
	RM	**RM**
Profit after tax and equity		
CNY/RM		
- strengthen by 3.0% (2023: 3.0%)	(133,232)	(680,154)
- weaken by 3.0% (2023: 3.0%)	133,232	680,154
USD/RM		
- strengthen by 3.0% (2023: 3.0%)	(220,996)	(94,911)
- weaken by 3.0% (2023: 3.0%)	220,996	94,911
EUR/RM		
- strengthen by 3.0% (2023: 3.0%)	-	(58)
- weaken by 3.0% (2023: 3.0%)	-	58

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

34. DISCONTINUED OPERATIONS

Disposal of PXET Group

(i) Analysis of the results of the discontinued operations was as follows:

	2023 **RM**
Statement of Profit or Loss and Other Comprehensive Income	
Revenue	670,711
Cost of sales	(1,040,343)
Gross loss	(369,632)
Other operating income	40
Administrative and other expenses	(3,428,067)
Finance costs	(8,375)
Loss before taxation	(3,806,034)
Taxation	-
Loss for the financial year/Total comprehensive loss, net of tax	(3,806,034)

Loss before taxation is arrived at after charging:

Auditors' remuneration	15,900
Depreciation of:	
- plant and equipment	32,778
- right-of-use asset	46,438
Interest expense on lease liability	8,375
Plant and equipment written off	1,559
Inventories written off	8,982
Amortisation of intangible assets	476,443
Loss on disposal of plant and equipment	12,895

(ii) Analysis of the cash flows of the discontinued operations was as follows:

	2023 **RM**
Statement of Cash Flows	
Net cash from operating activities	420,140
Net cash used in investing activities	(198,665)
Net cash used in financing activities	(51,000)
Net increase in cash and cash equivalents	170,475
Cash and cash equivalents at the beginning of the financial year	236,525
Cash and cash equivalents at the end of the financial year	407,000

35. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 1 September 2023, the Company acquired 1,000,000 ordinary shares in PXS at RM66.59 each for a total consideration of RM66,590,000 by way of issuance of ordinary shares to PXS's shareholders. Following the acquisition, the Company owns the entire equity interest in PXS.

36. ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

(a) New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 *Insurance Contract)*	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*)	1 January 2023
Deferred tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 Income Taxes)	1 January 2023
*International Tax Reform - Pillar Two Model (*Amendments to MFRS 112 *Income Taxes)*	See paragraph 98M of MFRS 112

The adoption of the above Standards and Amendments to the Standards did not have any material effect on the financial performance or position of the Group and of the Company.

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company:

Title	Effective Date
Lease liability in a sale and leaseback (Amendments to MFRS 16 *Leases*)	1 January 2024
Classification of Liabilities as Current or Non-current (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2024
Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2024
Supplier Finance Arrangements (Amendments to MFRS 107 *Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)*	1 January 2024
Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)	1 January 2025

36. ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs (continued)

(b) New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024 (continued)

The following are Standards and Amendments of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Group and the Company: (continued)

Title	Effective Date
Amendments to MFRS 9 and MFRS 7 *Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosure*	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures*)	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

INFORMATION ON THE VENDORS

1. BRIEF INFORMATION ON KO CHUAN ZHEN

Ko Chuan Zhen, a Malaysian aged 40, is the Group Chief Executive Officer and Executive Director of PXH Group. He graduated with a Bachelor's degree in Electrical Engineering from Multimedia University (MMU).

His career began in 2008, where he was working as a solar engineer and sales manager for two multinational solar companies from Japan and Germany. He was instrumental in developing solar power plant businesses across diverse regions including Southeast Asia, the Pan Pacific, Middle East and South Africa. His extensive projects and business development in over 20 cities across 13 countries laid a solid foundation for his entrepreneurial journey.

In 2012, leveraging on his experience and insights, Ko Chuan Zhen and the co-founders established Leaf Energy Sdn Bhd and subsequently established PXS. The company has broadened its offerings to the energy ecosystem, which encompasses energy generation, energy storage, energy efficiency and EV charging solutions.

His contributions to the renewable energy sector have earned him multiple accolades, including Ernst and Young's Emerging Entrepreneur of the Year 2019, listings in Asia's Most Influential and Gen. T List 2020 by Tatler Asia, one of the 400 young entrepreneur leaders who are shaping Asia's future, and recognition in Prestige Malaysia's 40 Under 40 in 2021.

2. BRIEF INFORMATION ON LEONG BENG YEW

Leong Beng Yew, a Malaysian aged 64, is the Executive Director of TWFSB. He has over 30 years of experience in commercial and industrial air conditioning systems engineering and contracting services.

3. BRIEF INFORMATION ON OH SIANG HWA

Oh Siang Hwa, a Malaysian aged 69, is the Non-Executive Director of PXH Group and Executive Director of TWFSB. He founded TWFSB in 1993, specialising in manufacturing low voltage switchboards and motor control centers, as well as providing electrical contracting services. Over the years, he has co-founded other well-known entities such as Elken Sdn Bhd, Big Bookshop Sdn Bhd and BE International Marketing Sdn Bhd.

4. BRIEF INFORMATION ON OH ZHI KANG

Oh Zhi Kang, a Malaysian aged 40, is the Executive Director of PXH Group. He holds a Bachelor of Electrical Engineering (Honours) from Royal Melbourne Institute of Technology (RMIT) University and a Master of Business Administration from Emlyon Business School. Upon graduation, he worked for several engineering, research and development firms in Australia before relocating back to Malaysia. With over 12 years of experience, Oh Zhi Kang has excelled in directing business growth and innovation strategies in renewable energy and energy-saving related businesses. He began his career in the renewable energy sector with Leaf Energy Sdn Bhd, which he co-founded in 2012. Subsequently, he co-founded PXS, where he continues to contribute to solar PV EPCC activities within the renewable energy sector.

In 2017, as the company's Chief Technology Officer, he led research and development initiatives focused on Internet of Things and artificial intelligence (AI) systems, developing solutions that evolved into new business models. He is currently responsible for providing strategic direction and driving business adoption in the residential and retail segments of PXH Group.

5. BRIEF INFORMATION ON POH TYNG HUEI

Poh Tyng Huei, a Malaysian aged 40, is the Non-Executive Director of PXH Group. He graduated from Multimedia University (MMU) with a Bachelor of Electronics Engineering Degree and has been in the solar PV industry since year 2011. He worked for a telecommunication company as a radio planning and optimisation engineer. After 3 years of experience in telecommunication industry, he then furthered his career in a leading bank in Malaysia for 2 years. The exposure in the bank had equipped him with a combination of knowledge and experience in engineering and finance field.

As the co-founder of PXH Group, he was responsible for the strategic planning and operation management roles of PXH at the early stage of the growth of PXH Group.

6. BRIEF INFORMATION ON SPSB

SPSB (Registration No.: 202201033298 (1478995-H)) is a private limited company duly incorporated in Malaysia under the Act on 7 September 2022, and having its registered address at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur. SPSB is principally involved in investment holding.

SPSB has an issued share capital of RM27,200,100 comprising 100 ordinary shares and 27,200,000 preference shares as at the LPD.

The director of SPSB and his shareholdings in SPSB as at the LPD are as follows:-

		Shareholdings as at the LPD			
		Direct		Indirect	
	Nationality	No. of shares	%	No. of shares	%
Preference shares					
Teng Chee Wai	Malaysian	27,200,000	100.00	-	-
Ordinary shares					
Teng Chee Wai	Malaysian	80	80.00	-	-

The shareholders of SPSB and their respective shareholdings in SPSB as at the LPD are as follows:-

		Shareholdings as at the LPD			
		Direct		Indirect	
	Nationality	No. of shares	%	No. of shares	%
Preference shares					
Teng Chee Wai	Malaysian	27,200,000	100.00	-	-
Ordinary shares					
Teng Chee Wai	Malaysian	80	80.00	-	-
Tew Boon Han	Malaysian	10	10.00	-	-
Mohd Azrin Bin Rahmani	Malaysian	10	10.00	-	-

INFORMATION ON THE VENDORS (CONT'D)

7. BRIEF INFORMATION ON TWFSB

TWFSB (Registration No.: 199301021914 (276652-X)) is a private limited company duly incorporated in Malaysia under the Companies Act 1965 on 21 September 1993, and having its registered address at 25A, Jalan Jejaka 5, Taman Maluri, 55100 Cheras, Kuala Lumpur. TWFSB is principally involved in supplying and installing of switchboards and electrical wiring work and investment holding.

TWFSB has an issued share capital of RM150,002 comprising 150,002 ordinary shares in TWFSB as at the LPD.

The directors and shareholders of TWFSB and their respective shareholdings in TWFSB as at the LPD are as follows:-

		Shareholdings as at the LPD			
		Direct		Indirect	
	Nationality	No. of shares	%	No. of shares	%
Oh Siang Hwa	Malaysian	120,001	80.00	-	-
Leong Beng Yew	Malaysian	30,001	20.00	-	-

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INDICATIVE SALIENT TERMS OF THE WARRANTS

The indicative salient terms of the Warrants are set out as follows:-

Issue size	:	171,948,600 Warrants to be issued to the Entitled Shareholders on the basis of 1 Warrant for every 4 BMG Shares held as at the Entitlement Date.
Form	:	The Warrants will be separately traded on Bursa Securities and will be issued in registered form and constituted by the Deed Poll.
Tenure of Warrants	:	3 years from the date of issuance of the Warrants.
Exercise rights	:	The Warrants entitle the registered holders to subscribe for new BMG Shares on the basis of 1 new BMG Share for 1 Warrant at the Exercise Price at any time during the Exercise Period, subject to adjustments in accordance with the provisions of the Deed Poll.
Exercise Period	:	The Warrants may be exercised at any time within a period of 3 years, which shall commence from and including the date of issuance of the Warrants and ending on the Expiry Date. The Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Mode of exercise	:	The registered holder of the Warrant is required to lodge a subscription form as set out in the Deed Poll with our Company's registrar or via electronic submission, duly completed, signed and stamped together with payment of the exercise price by bankers' cheque, cashier's order drawn on a bank operating in Malaysia, money order or postal order issued by a post office in Malaysia, or via electronic method in accordance with the Deed Poll.
Indicative Exercise Price	:	RM1.6644 per Warrant, subject to the adjustments in accordance with the terms and provisions of the Deed Poll during the Exercise Period.
Expiry Date	:	A date being 3 years from and including the date of issuance of the Warrants, and if such a day is not a market day, on the immediate preceding market day.
Participating rights of the Warrants holders in any distribution and/or offer of further securities	:	The Warrant holders are not entitled to vote in any general meeting of our Company and/or to participate in any distribution other than on winding-up, compromise or arrangement of our Company and/or offer of further securities in our Company unless and until the Warrants holder becomes a shareholder of our Company by exercising his/her Warrants into new BMG Shares or unless otherwise resolved by our Company in a general meeting.
Adjustments in the exercise price and/or number of Warrants	:	Subject to the provisions of the Deed Poll, the exercise price and/or number of unexercised Warrants in issue may be subject to adjustments by our Board in consultation with an approved adviser appointed by our Company or the auditors in the event of alteration with the share capital of BMG at any time during the tenure of the Warrants, by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or capital reduction exercises.

INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

Rights in the event of winding-up, liquidation, compromise and/or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of BMG, or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of BMG or the amalgamation of BMG with 1 or more companies, then:- (i) in the case of a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which BMG is the continuing corporation) to which the Warrant holders, or some persons designated by them for such purposes by special resolution, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrant holders; and (ii) in any other case, every Warrant holder shall be entitled (upon and subject to the Deed Poll) to exercise his/her exercise rights at any time within 6 weeks after the passing of such resolution for a members' voluntary winding-up of BMG or within 6 weeks from the granting of the court order approving the winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which BMG is the continuing corporation), by the irrevocable surrender of his/her Warrants to BMG, elect to be treated as if he/her had immediately prior to the commencement of such winding-up, compromise or arrangement exercised his/her exercise rights represented by such Warrants to the extent specified in the subscription form and be entitled to receive out of the assets of BMG which would be available in liquidation as if he/her had on such date been the holder of the new BMG Shares to which he/her would have become entitled pursuant to such exercise and the liquidator of BMG shall give effect to such election accordingly. BMG shall give notice to the Warrant holders of the passing of any such resolution within 7 market days after the passing thereof.
Ranking of the new BMG Shares to be issued pursuant to the exercise of the Warrants	:	The new BMG Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank equally in all respects with each other and with the existing BMG Shares, save and except that the new BMG Shares to be issued arising from the exercise of the Warrants shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid where the entitlement date precedes the date of allotment and issuance of such new BMG Shares.
Board lot	:	For the purpose of trading in Bursa Securities, a board lot of Warrants shall comprise 100 Warrants carrying the right to subscribe for 100 new BMG Shares at any time during the Exercise Period, or in such denomination as determined by Bursa Securities.
Listing status	:	The Warrants will be listed on the Main Market of Bursa Securities. Bursa Securities had, vide its letter dated 17 September 2024, approved the admission of the Warrants to the Official List of Bursa Securities and for the listing of and quotation for the Warrants and new BMG Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities.

INDICATIVE SALIENT TERMS OF THE WARRANTS (CONT'D)

Modifications	:	Our Company may, from time to time, subject to the terms and conditions of the Deed Poll, without the consent or sanction of the Warrant holders, modify, amend or add to the Deed Poll if such modification, amendment or addition made does not materially prejudice the interests of the Warrant holders or is made to correct a manifest error or to comply with the prevailing laws of Malaysia. Save for the above, any modification, amendment, deletion or addition to the Deed Poll shall require the approval of the Warrant holders sanctioned by special resolution and may be effected only by the Deed Poll, executed by our Company and expressed to be supplemental thereto and subject to the approval of the relevant authorities, if necessary.
Governing law	:	Laws of Malaysia.

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board, and they collectively and individually accept full responsibility for the accuracy of the information contained herein and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement or information in this Circular false or misleading.

The information on PXH and the Vendors was provided by the management and/or the board of directors of PXH. Therefore, the responsibility of our Board with respect to such information is limited to ensuring that the information thereon is accurately reproduced in this Circular.

2. CONSENT

UOBKH, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser to our Company for the Proposals.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, neither our Company nor our Group is engaged in any other material litigation, claims or arbitration, either as a plaintiff or defendant, which has a material effect on the financial position or the business of our Group, and our Board does not have any knowledge of any proceeding pending or threatened against our Group, or of any fact likely to give rise to any proceeding, which may materially or adversely affect the financial position or business of our Group.

5. MATERIAL COMMITMENTS

As at the LPD, our Board confirmed that there are no material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

6. CONTINGENT LIABILITIES

As at the LPD, there are no contingent liabilities incurred or known to be incurred, which upon becoming enforceable, may have a material impact on the financial results or position of our Group.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, during normal business hours between Mondays and Fridays (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:-

(i) the Constitution of our Company;

(ii) the SAA;

(iii) the audited consolidated financial statements of our Group for the past 2 financial years up to the FYE 31 March 2024 as well as the unaudited consolidated financial statements of our Group for the 3-month FPE 30 June 2024;

(iv) the audited consolidated financial statements of PXH Group for the past 2 financial years up to the FYE 31 March 2024;

(v) the directors' report on PXH Group as referred to in **Appendix III** of this Circular;

(vi) the letter of consent and declaration of conflict of interest referred to in **Sections 2** and **3** of this **Appendix VII**; and

(vii) the draft Deed Poll.

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BM GREENTECH BERHAD
(Registration No.: 201001013463 (897694-T))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Extraordinary General Meeting ("**EGM**") of BM GreenTech Berhad ("**BMG**" or the "**Company**") will be held at Zamrud Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 18 October 2024 at 10.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 100% EQUITY INTEREST IN PLUS XNERGY HOLDING SDN BHD ("PXH") FOR A PURCHASE CONSIDERATION OF RM110.0 MILLION ("PURCHASE CONSIDERATION") TO BE FULLY SATISFIED BY THE ISSUANCE OF 81,481,482 NEW ORDINARY SHARES IN BMG ("BMG SHARE(S)" OR "SHARE(S)") ("CONSIDERATION SHARE(S)") AT AN ISSUE PRICE OF RM1.35 PER CONSIDERATION SHARE ("PROPOSED ACQUISITION")

"**THAT**, subject to the passing of ordinary resolution 2 as well as the approvals of all relevant authorities and/or parties including the approval of Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities being obtained, approval be and is hereby given to BMG to undertake the Proposed Acquisition (details of which are set out in the circular to the shareholders of BMG dated 3 October 2024 ("**Circular**")) in accordance with the terms and conditions as stipulated in the conditional share acquisition agreement ("**SAA**") dated 11 July 2024 entered into between BMG and shareholders of PXH ("**Vendors**") (salient terms of which are set out in **Appendix I** of the Circular), and on such other terms and conditions as the parties to the SAA may mutually agree upon in writing or which are imposed by the relevant authorities;

THAT approval be and is hereby given to the Board of Directors of BMG ("**Board**") to allot and issue the Consideration Shares at an issue price of RM1.35 per Consideration Share to the Vendors for the purpose of satisfaction of the Purchase Consideration;

THAT the Consideration Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing BMG Shares, save and except that the Consideration Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, where the entitlement date precedes the relevant date of allotment and issuance of the Consideration Shares;

AND THAT approval be and is hereby given to the Board to give effect to the Proposed Acquisition with full powers and authority to:-

(i) enter into any arrangement, transaction, agreement and/or undertaking and to execute, sign and deliver for and on behalf of BMG, all such agreements, instruments, documents and/or deeds as the Board may from time to time deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition;

(ii) assent and/or give effect to any condition, variation, modification, addition and/or amendment in respect of the Proposed Acquisition and/or any provision, term and condition thereof as may be required or permitted by any relevant authorities and to deal with matters relating thereto and/or as the Board may in its absolute discretion deem necessary, expedient or appropriate for or in connection with the Proposed Acquisition in the best interest of BMG; and

(iii) take all such steps and do all such acts, deeds and things including giving undertakings as the Board may from time to time deem necessary, expedient or appropriate in order to implement, finalise, give full effect to and complete all transactions contemplated under the Proposed Acquisition."

ORDINARY RESOLUTION 2

PROPOSED ISSUANCE OF 90,312,918 NEW BMG SHARES ("PLACEMENT SHARE(S)") TO QL GREEN RESOURCES SDN BHD ("QLGR") (A WHOLLY-OWNED SUBSIDIARY OF QL RESOURCES BERHAD ("QL")) AT AN ISSUE PRICE OF RM1.35 PER PLACEMENT SHARE ("PROPOSED ISSUANCE TO QL")

"**THAT**, subject to the passing of ordinary resolution 1 as well as the approvals of all relevant authorities and/or parties including the approval of Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities being obtained:-

(i) approval be and is hereby given to BMG to place, and pursuant thereto for the Board to allot and issue 90,312,918 Placement Shares to QLGR at an issue price of RM1.35 per Placement Share;

(ii) the Placement Shares shall, upon allotment and issuance, rank equally in all respects with each other and with the existing BMG Shares, save and except that the Placement Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, where the entitlement date precedes the relevant date of allotment and issuance of the Placement Shares;

(iii) the proceeds raised from the Proposed Issuance to QL be utilised for the purposes set out in **Section 5.1** of the Circular and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, or in the best interest of the Company, subject to the approval of the relevant authorities (where required); and

(iv) approval and authority be and are given to the Board to do all such acts and things as they may consider necessary or expedient in the best interests of BMG with full power to assent to any condition, modification, variation and/or amendment that may be required, or that may be imposed by any regulatory authority, and to issue and execute all declarations, confirmations, agreements, instruments and such other documents and arrangements as may be necessary or expedient to give full effect to, implement and complete the Proposed Issuance to QL."

ORDINARY RESOLUTION 3

PROPOSED BONUS ISSUE OF 171,948,600 WARRANTS IN BMG ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 4 EXISTING BMG SHARES HELD BY THE SHAREHOLDERS OF BMG WHOSE NAMES APPEAR IN THE COMPANY'S RECORD OF DEPOSITORS ("ENTITLED SHAREHOLDERS") ON THE ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF WARRANTS")

"**THAT** subject to the passing of ordinary resolutions 1 and 2 as well as the approvals of all relevant authorities and/or parties including the approval of Bursa Securities for the admission of the Warrants to the Official List of Bursa Securities and the listing of and quotation for the Warrants as well as the new BMG Shares to be allotted and issued arising from the exercise of the Warrants on the Main Market of Bursa Securities being obtained, the Board be and is hereby authorised to issue 171,948,600 Warrants, on the basis of 1 Warrant for every 4 BMG Shares held by the Entitled Shareholders on the Entitlement Date;

THAT the Board be and is hereby authorised to fix the exercise price of the Warrants on the basis and manner set out in the Circular;

THAT any one of the Directors be and is hereby authorised to enter into and execute a deed poll constituting the Warrants ("**Deed Poll**") and to do all acts, deeds and things as he may deem fit and/or expedient, in order to implement, finalise and give full effect to the Deed Poll;

THAT the Board be and is hereby authorised to disregard any fractional entitlements of the Warrants that may arise from the Proposed Bonus Issue of Warrants, if any, in such manner as the Board shall in their absolute discretion deem fit and expedient in the best interest of the Company;

THAT the Board shall allot and issue such appropriate number of Warrants in accordance with the provisions of the Deed Poll, including any additional Warrants ("**Additional Warrant(s)**") as may be required or permitted to be issued as a consequence of any adjustment in accordance with the provisions of the Deed Poll and to adjust from time to time the exercise price and/or number of Warrants to which the holder(s) of the Warrants ("**Warrant holder(s)**") are entitled to be issued as a result of an adjustment in accordance with the provisions of the Deed Poll;

THAT approval be and is hereby given to the Board to allot and issue such appropriate number of new BMG Shares, credited as fully paid-up, to the Warrant holders arising from the exercise of the Warrants and Additional Warrants, if any, by the Warrant holders in accordance with the provisions of the Deed Poll;

THAT the new BMG Shares to be allotted and issued arising from the exercise of Warrants shall, upon allotment and issuance, rank equally in all respects with each other and with the existing BMG Shares, save and except that the new BMG Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid, where the entitlement date precedes the relevant date of allotment and issuance of such new BMG Shares;

THAT the proceeds raised from the exercise of the Warrants, if any, be utilised for the purposes set out in **Section 5.2** of the Circular and the Board be authorised with full power to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

AND THAT the Board be and is hereby authorised to take all necessary steps to give effect to the Proposed Bonus Issue of Warrants with full power to assent to any condition, modification, variation and/or amendment in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

By Order of the Board,

Tan Bee Hwee (SSM PC No.: 202008001497/MAICSA 7021024)
Soo Siew Peng (SSM PC No.: 202008001646/MAICSA 7063110)
Company Secretaries

Date: 3 October 2024

Notes:-

1. *For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming EGM, the Company shall be requesting the Record of Depositors as at 11 October 2024. Only a depositor whose name appears on the Record of Depositors as at 11 October 2024 shall be entitled to attend and vote at the EGM as well as for appointment of proxy(ies) to attend, speak and vote on his/her stead.*

2. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.*

3. *A member of the Company may appoint not more than two (2) proxies to attend the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

4. *Where a member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.*

6. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited by hand at or by facsimile transmission to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, their Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the EGM or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.*

7. *If the Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Proxy Form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the Proxy Form.*

8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:-*

   (i) <u>In hard copy form</u>

   In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) <u>By electronic form</u>

   The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

9. *Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.*

10. *Last date and time for lodging the proxy form is **Wednesday, 16 October 2024 at 10.00 a.m.***

11. *In the case of a corporation, the instrument appointing a proxy or proxies must be in accordance with the corporation's constitution.*

12. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-*

   *(i) Identity card ("**NRIC**") (Malaysian); or*
   (ii) Police report (for loss of NRIC)/Temporary NRIC (Malaysian); or
   (iii) Passport (Foreigner).

13. *For a corporate member who has appointed a representative instead of proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's Share Registrar office earlier.*

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Proxy Form

BM GREENTECH BERHAD
(Registration No.: 201001013463 (897694-T))
(Incorporated in Malaysia)

I/We ____
(Full name in block)

NRIC/Passport/Company No.: ____________________ Mobile Phone No.: ____________________

CDS Account No.: ____________________ No. of Shares Held: ____________________

Address: ____

____

being a member of **BM GREENTECH BERHAD (Registration No.: 201001013463 (897694-T))**, hereby appoint:-

1. Name of proxy: ____________________ NRIC/Passport No.: ____________________
(Full name in block)

Address: ____

____________________ No. of Shares Represented: ____________________

2. Name of proxy: ____________________ NRIC/Passport No.: ____________________
(Full name in block)

Address: ____

____________________ No. of Shares Represented: ____________________

or failing him, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the extraordinary general meeting of the Company ("**EGM**") to be held at Zamrud Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan on Friday, 18 October 2024 at 10.00 a.m., and to vote as indicated below:-

No.	Ordinary Resolutions	For	Against
1.	Proposed Acquisition		
2.	Proposed Issuance to QL		
3.	Proposed Bonus Issue of Warrants		

Please indicate with "X" how you wish your vote to be cast. In the absence of specific instruction, your Proxy will vote or abstain as he/she thinks fit.

Signed (and sealed) this ________ day of ________ 2024

*Signature(s): ______________________________
Member

* Manner of execution:-
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:-
(i) at least two (2) authorised officers, of whom one shall be a director; or
(ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:-

1. *For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming EGM, the Company shall be requesting the Record of Depositors as at 11 October 2024. Only a depositor whose name appears on the Record of Depositors as at 11 October 2024 shall be entitled to attend and vote at the EGM as well as for appointment of proxy(ies) to attend, speak and vote on his/her stead.*

2. *The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation. There shall be no restriction as to the qualification of the proxy.*

3. *A member of the Company may appoint not more than two (2) proxies to attend the same meeting. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("**Central Depositories Act**"), it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

4. *Where a member or the authorised nominee appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the **Central Depositories Act** which is exempted from compliance with the provisions of subsection 25A(1) of the Central Depositories Act.*

6. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited by hand at or by facsimile transmission to the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, their Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the EGM or adjourned meeting at which the person named in the instrument proposed to vote and in default the instrument of proxy shall not be treated as valid.*

7. *If the Proxy Form is signed under the hand of an officer duly authorised, it should be accompanied by a statement reading "signed as authorised officer under Authorisation Document which is still in force, no notice of revocation having been received". If the Proxy Form is signed under the attorney duly appointed under a Power of Attorney, it should be accompanied by a statement reading "signed under Power of Attorney which is still in force, no notice of revocation having been received". A copy of the Authorisation Document or the Power of Attorney, which should be valid in accordance with the laws of the jurisdiction in which it was created and is exercised, should be enclosed with the Proxy Form.*

8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the EGM or adjourned general meeting at which the person named in the appointment proposes to vote:-*

   (i) *<u>In hard copy form</u>*

   In the case of an appointment made in hard copy form, this proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

   (ii) *<u>By electronic form</u>*

   The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

9. *Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.*

10. *Last date and time for lodging this proxy form is **Wednesday, 16 October 2024 at 10.00 a.m.***

11. *In the case of a corporation, the instrument appointing a proxy or proxies must be in accordance with the corporation's constitution.*

12. *Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-*

    (i) *Identity card ("**NRIC**") (Malaysian); or*
    (ii) *Police report (for loss of NRIC)/Temporary NRIC (Malaysian); or*
    (iii) *Passport (Foreigner).*

13. *For a corporate member who has appointed a representative instead of proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in this proxy form if this has not been lodged at the Company's Share Registrar office earlier.*

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TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Registration No.: 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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