

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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This Circular has been reviewed by M & A Securities Sdn Bhd, being the Adviser to Ecomate Holdings Berhad ("**Ecomate Holdings**" or the "**Company**") for the Proposals (as defined herein).



**ECOMATE HOLDINGS BERHAD**  
(Registration No. 202001036445 (1392766-X))  
(Incorporated in Malaysia)

### **CIRCULAR TO SHAREHOLDERS IN RELATION TO THE**

- (I) PROPOSED ACQUISITION BY ECOMATE HOLDINGS OF 600,000 ORDINARY SHARES IN PROGRESSIVE COMPUTER SYSTEMS SDN BHD ("PCS"), REPRESENTING 60.0% EQUITY INTEREST IN PCS FROM LAW SENG PENG FOR A TOTAL CASH CONSIDERATION OF RM8.4 MILLION ("PROPOSED ACQUISITION");**
  - (II) PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF ECOMATE HOLDINGS AND ITS SUBSIDIARY TO INCLUDE INFORMATION AND COMMUNICATION TECHNOLOGY SOLUTIONS ("PROPOSED DIVERSIFICATION");**
  - (III) PROPOSED BONUS ISSUE OF 358,025,834 NEW ORDINARY SHARES IN ECOMATE HOLDINGS ("ECOMATE HOLDINGS SHARE(S)" OR "SHARE(S)") ("BONUS SHARE(S)") ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING ECOMATE HOLDINGS SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED BY THE BOARD AT A LATER DATE ("ENTITLEMENT DATE") ("PROPOSED BONUS ISSUE OF SHARES"); AND**
  - (IV) PROPOSED BONUS ISSUE OF 358,025,834 WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 EXISTING ECOMATE HOLDINGS SHARE HELD ON THE SAME ENTITLEMENT DATE AS THE PROPOSED BONUS ISSUE OF SHARES ("PROPOSED BONUS ISSUE OF WARRANTS"),**
- (COLLECTIVELY, REFERRED TO AS THE "PROPOSALS")**

**AND**

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Adviser*



**M & A SECURITIES SDN BHD**  
(Registration No.197301001503 (15017-H))  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Extraordinary General Meeting ("**EGM**") of the Company will be held at BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor ("**Venue**"), on Monday, 25 August 2025 at 12.00 p.m. or immediately upon the conclusion of the Company's Fifth Annual General Meeting ("**AGM**") scheduled to be held at the Venue on the same date at 11.00 a.m., whichever is later, or at adjournment thereof. The Notice of EGM and Form of Proxy are enclosed together with this Circular.

A member entitled to attend and vote at the EGM is entitled to appoint more than one (1) proxy to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited at the Company's share registrar, Aldpro Corporate Services Sdn Bhd ("**Aldpro**") office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of EGM to vote by way of poll. The lodging of the Form of Proxy shall not preclude you from attending, participating and voting in person at the EGM, should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Saturday, 23 August 2025 at 12.00 p.m.

Date and time of EGM : Monday, 25 August 2025 at 12.00 p.m. or immediately upon the conclusion of the Company's Fifth AGM scheduled to be held at the Venue on the same date at 11.00 a.m., whichever is later, or at adjournment thereof

**This Circular is dated 7 August 2025**

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## DEFINITIONS

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

"5D-VWAMP"	:	5-day VWAMP
"Act"	:	The Companies Act 2016
"Announcement"	:	Announcement dated 6 June 2025 pursuant to the Proposals
"Board"	:	Board of Directors of Ecomate Holdings
"Bonus Shares"	:	358,025,834 new Shares to be issued pursuant to the Proposed Bonus Issue of Shares
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
"CAGR"	:	Compound annual growth rate
"Circular"	:	This circular to our shareholders dated 7 August 2025 in relation to the Proposals
"Conditions Precedent"	:	The conditions precedent to the SPA as set out in Section 3 of Appendix II
"Constitution"	:	Constitution of Ecomate Holdings
"COVID-19"	:	Novel coronavirus disease 2019, an infectious respiratory disease which affects the respiratory system, and it is a global pandemic
"Deed Poll"	:	The deed poll constituting the Warrants and governing the rights of the Warrant Holders to be executed by our Company
"Director(s)"	:	The director(s) of our Company and shall have the meaning given in Section 2(1) of the Act and Capital Markets and Services Act 2007, and includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Acquisition and Proposed Diversification were agreed upon, a director of our Company, subsidiary or holding company, or a chief executive of our Company, subsidiary or holding company
"Ecomate Holdings" or "Company"	:	Ecomate Holdings Berhad (202001036445 (1392766-X))
"Ecomate Holdings Group" or "Group"	:	Ecomate Holdings and its subsidiary, collectively
"Ecomate Holdings Share(s)" or "Share(s)"	:	Ordinary share(s) in Ecomate Holdings
"EGM"	:	Extraordinary General Meeting
"Entitled Shareholders"	:	Shareholders of Ecomate Holdings whose names appear in the Record of Depositors on the Entitlement Date

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**DEFINITIONS (Cont'd)**

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"Entitlement Date"	:	A date to be determined and announced later by our Board, on which the names of the Entitled Shareholders must appear on the Record of Depositors of our Company as at 5.00 p.m. in order to be entitled to the Bonus Shares and the Warrants pursuant to the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants
"EPS"	:	Earnings per Share
"Exercised Shares"	:	New Ecomate Holdings Shares to be issued arising from the exercise of the Warrants
"FYE"	:	Financial year ended/ ending 28 or 29 February, as the case may be
"Government"	:	Government of Malaysia
"GP"	:	Gross profit
"ICT"	:	Information and communications technology
"ICT Solutions Business"	:	Business of ICT solutions pursuant to the Proposed Diversification
"IMR" or "Providence"	:	Providence Strategic Partners Sdn Bhd (201701024744 (1238910-A))
"IMR Report"	:	Independent Market Research Report titled "Overview of the ICT Sector in Malaysia"
"Indicative Exercise Price"	:	Indicative exercise price of Warrants of RM0.62 each
"KJCS"	:	Khong & Jaafar (Corporate Services) Sdn Bhd (200301026313 (628733-V))
"LAT"	:	Loss after taxation
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, as may be amended from time to time
"LPD"	:	15 July 2025, being the latest practicable date prior to the date of printing of this Circular
"M&A Securities"	:	M & A Securities Sdn Bhd (197301001503 (15017-H))
"Main Market"	:	Main Market of Bursa Securities
"Major shareholder(s)"	:	A person, who has or had an interest or interests in 1 or more voting shares in our Company and the number or aggregate number of those shares, is:  (i) 10.0% or more of the total number of voting shares in our Company; or  (ii) 5.0% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company.

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**DEFINITIONS (Cont'd)**

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Major shareholder also includes any person who is or was within the preceding 6 months of the date on which the terms of the Proposed Acquisition and Proposed Diversification were agreed upon, a major shareholder of our Company, subsidiary or holding company

For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act

"Market Day"	:	A day on which Bursa Securities is open for trading in securities, which may include a surprise holiday (being a day that is declared as a public holiday in the Federal Territory of Kuala Lumpur that has not been gazetted as a public holiday at the beginning of the calendar year)
"NA"	:	Net assets
"Official List"	:	The list specifying all securities listed on the Main Market
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PCS"	:	Progressive Computer Systems Sdn Bhd (199001010259 (201829-A))
"PE Multiple"	:	Price-to-earnings multiple
"Profit Guarantee"	:	Vendor's guarantee that PCS shall achieve an audited PAT of not less than RM3.0 million for each financial year during the Profit Guarantee Period
"Profit Guarantee Period"	:	FYE 2026, FYE 2027 and FYE 2028
"Proposals"	:	Proposed Acquisition, Proposed Diversification, Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants, collectively
"Proposed Acquisition"	:	Proposed acquisition by Ecomate Holdings of 600,000 ordinary shares in PCS, representing 60.0% equity interest in PCS from the Vendor at the Purchase Consideration
"Proposed Diversification"	:	Proposed diversification of the existing business operations of Ecomate Holdings Group to include ICT Solutions Business
"Proposed Bonus Issue of Shares"	:	Proposed bonus issue of 358,025,834 new ordinary shares on the basis of 1 Bonus Share for every 1 existing Ecomate Holdings Share held by the Entitled Shareholders on the Entitlement Date
"Proposed Bonus Issue of Warrants"	:	Proposed bonus issue of 358,025,834 Warrants on the basis of 1 Warrant for every 1 existing Ecomate Holdings Share held by the Entitled Shareholders on the same Entitlement Date as the Proposed Bonus Issue of Shares
"Purchase Consideration"	:	A total cash consideration of RM8.4 million pursuant to the Proposed Acquisition
"Record of Depositors"	:	A record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd

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**DEFINITIONS (Cont'd)**

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"RM" and "sen"	: Ringgit Malaysia and sen, respectively
"RTA"	: Ready-to assemble
"Sale Shares"	: 600,000 ordinary shares representing 60.0% equity interest in PCS to be sold by the Vendor to our Company pursuant to the Proposed Acquisition
"SHA"	: Shareholders agreement will be entered into between our Company and the Vendor upon completion of the SPA
"SPA"	: Conditional sale and purchase agreement dated 6 June 2025 entered into between our Company and the Vendor in relation to the Proposed Acquisition
"Vendor"	: Law Seng Peng
"Warrant(s)"	: 358,025,834 warrant(s) in Ecomate Holdings to be issued in registered form and constituted by the Deed Poll pursuant to the Proposed Bonus Issue of Warrants
"Warrant Holder(s)"	: The holder(s) of Warrants
"TEBP"	: Theoretical ex-bonus price
"VWAMP"	: Volume weighted average market price

All references to "Company", "Ecomate Holdings", "we", "us" and "our" in this Circular are to Ecomate Holdings, references to "Group" or "Ecomate Holdings Group" are to our Company and our subsidiary. All references to "you" in this Circular are made to the shareholders of our company.

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

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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## EXECUTIVE SUMMARY

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**THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION OF THE PROPOSALS. SHAREHOLDERS OF ECOMATE HOLDINGS ARE ADVISED TO READ THE CIRCULAR AND ITS APPENDIX FOR FURTHER DETAILS AND NOT TO SOLELY RELY ON THIS EXECUTIVE SUMMARY IN FORMING A DECISION ON THE PROPOSALS BEFORE VOTING AT THE FORTHCOMING EGM.**

The Board is recommending shareholders of Ecomate Holdings to vote **IN FAVOUR** of the resolutions in relation to the Proposals to be tabled at the forthcoming EGM.

<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Summary of the Proposals</b>	<p><b><u>Proposed Acquisition</u></b></p> <p>The Proposed Acquisition involves the acquisition by our Company of the Sale Shares from the Vendor for a purchase consideration of RM8.4 million, subject to the terms and conditions of the SPA. In addition, the Vendor will remain as a director and shareholder of PCS, and continue his existing role in the daily operations of PCS. Further, we will also enter into a SHA with the Vendor and PCS, including a non-compete clause which is mutually agreed among the Vendor and our Company, upon completion of the SPA to regulate the affairs of PCS and govern the relationship of PCS's shareholders. The Purchase Consideration has been and will be funded via internally-generated funds.</p>	<b>Section 2.1</b>
	<p><b><u>Proposed Diversification</u></b></p> <p>The Proposed Acquisition represents an opportunity for our Group to venture into the ICT Solutions Business. Upon completion of the Proposed Acquisition, the ICT Solutions Business may contribute 25% or more of the net profits of our Group and/or result in a diversion of 25% or more of our Group's NA in the future, as our Group intends to identify and secure additional projects to further expand the ICT Solutions Business in the long term.</p>	<b>Section 2.2</b>
	<p><b><u>Proposed Bonus Issue of Shares</u></b></p> <p>The Proposed Bonus Issue of Shares entails the issuance of 358,025,834 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Ecomate Holdings Share held by the Entitled Shareholders on the Entitlement Date.</p>	<b>Section 2.3</b>
	<p><b><u>Proposed Bonus Issue of Warrants</u></b></p> <p>The Proposed Bonus Issue of Warrants entails the issuance of 358,025,834 Warrants on the basis of 1 Warrant for every 1 existing Share held by the Entitled Shareholders on the same Entitlement Date for the Proposed Bonus Issue of Shares. For the avoidance of doubt, the Proposed Bonus Issue of Warrants will be concurrently implemented with the Proposed Bonus Issue of Shares. Accordingly, the Bonus Shares will not be entitled to the Warrants.</p>	<b>Section 2.4</b>

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**EXECUTIVE SUMMARY (Cont'd)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Rationale for the Proposals</b>	<p><b><u>Proposed Acquisition</u></b></p> <p>The Proposed Acquisition represents a strategic opportunity for our Group to expand our business operations into the ICT sector and diversify our earnings base, where we could reduce dependency on our existing businesses in the furniture manufacturing sector, which has been experiencing challenges in recent years due to factors such as reduced demand in export markets and deferments of shipments by customers. Our Group believes that the Proposed Acquisition will create new revenue streams, enhance our Group's overall business resilience, and unlock new opportunities for growth in the rapidly evolving ICT sector.</p>	<b>Section 3.1</b>
	<p><b><u>Proposed Diversification</u></b></p> <p>The Proposed Diversification represents a strategic move together with the Proposed Acquisition to diversify and expand our Group's earnings base by tapping into the growing technology sector, reducing the reliance on our existing furniture-related business. It will allow our Group to mitigate risks associated with demand fluctuations in the furniture industry and leverage the promising growth prospects of the ICT sector.</p>	<b>Section 3.2</b>
	<p><b><u>Proposed Bonus Issue of Shares</u></b></p> <p>The Proposed Bonus Issue of Shares is expected to enhance the marketability and trading liquidity of our Shares on the Main Market. Besides, it will result in an adjustment to the market price of our Shares, rendering them more affordable and thereby potentially appealing to a broader base of public shareholders and/or investors, as well as providing them with more opportunities to participate in the future growth of our Company.</p>	<b>Section 3.3</b>
	<p><b><u>Proposed Bonus Issue of Warrants</u></b></p> <p>The Proposed Bonus Issue of Warrants provides our existing shareholders with an opportunity to increase their equity participation in our Company. In addition, it allows 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. Our Company's financial position and capital base may be potentially strengthened in view that the exercise of the Warrants will provide our Group with additional working capital.</p>	<b>Section 3.4</b>

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**EXECUTIVE SUMMARY (Cont'd)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Risk factors</b>	<p>: Pursuant to the Proposed Acquisition and Proposed Diversification, our Group will be exposed to new risks inherent in the ICT sector, including but not limited to the following:</p> <ul style="list-style-type: none"><li>(i) There can be no assurance that all the conditions precedent stipulated under the SPA will be fulfilled or waived, in which case the Proposed Acquisition may not be completed, thereby preventing our Group from realising the intended objectives and benefits of the Proposed Acquisition;</li><li>(ii) There can be no assurance that the expected benefits arising from the Proposed Acquisition will be fully realised or that we will generate sufficient returns to offset the cost of investment;</li><li>(iii) There can be no assurance that our Group will have sufficient internally-generated funds to satisfy the Purchase Consideration, in which case the SPA will be terminated and the Proposed Acquisition will not be completed;</li><li>(iv) There can be no assurance that we will be able to compete effectively with existing competitors and new entrants which may materially impact our Group's future financial performance and financial position;</li><li>(v) Failure to anticipate and adapt to rapidly evolving technological developments and/or being unable to adequately upgrade our capabilities to provide new and innovative solutions in a timely manner would have an adverse effect on the ICT Solutions Business and financial performance of our Group;</li><li>(vi) Any breach and loss of customer's personal or confidential information, whether real or perceived, may adversely affect the market perception of PCS' services and abilities which may in turn adversely affect the reputation and financial performance of our Group;</li><li>(vii) There can be no assurance that the Profit Guarantee will be met during the Profit Guarantee Period; and</li><li>(viii) The departure of any key management personnel without timely and suitable replacement, or challenges in attracting and retaining qualified personnel, may adversely impact our Group's ability to compete effectively in the ICT sector.</li></ul>	<b>Section 4</b>

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**EXECUTIVE SUMMARY (Cont'd)**

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<b>Key information</b>	<b>Description</b>	<b>Reference to Circular</b>
<b>Approvals required</b>	<p>: The Proposals are subject to the following:</p> <ul style="list-style-type: none"><li>(a) approval of Bursa Securities which was obtained vide its letter dated 24 July 2025 for the following:<ul style="list-style-type: none"><li>(i) listing of and quotation for 358,025,834 Bonus Shares on the Main Market;</li><li>(ii) admission of 358,025,834 Warrants to the Official List of Bursa Securities ; and</li><li>(iii) listing of and quotation for 358,025,834 Warrants and the Exercised Shares on the Main Market; and</li></ul></li><li>(b) approval of our shareholders at the forthcoming EGM.</li></ul> <p>The Proposed Acquisition and the Proposed Diversification are inter-conditional upon each other. The Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants are inter-conditional upon each other as well. However, the Proposed Acquisition and the Proposed Diversification are not conditional upon the Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants, and vice versa.</p>	<b>Section 7</b>

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**ECOMATE HOLDINGS BERHAD**  
(Registration No. 202001036445 (1392766-X))  
(Incorporated in Malaysia)

**Registered Office:**

No. 7 (1st Floor), Jalan Pesta 1/1  
Taman Tun Dr. Ismail 1  
Jalan Bakri  
84000 Muar  
Johor

7 August 2025

**Directors:**

Tan Sri Datuk Hussin Bin Haji Ismail (*Independent Non-Executive Chairman*)  
Jason Koh Jian Hui (*Managing Director*)  
Koh Cheng Huat (*Executive Director*)  
Datuk Lee Ching Yong (*Independent Non-Executive Director*)  
Lim Yik Hui (*Independent Non-Executive Director*)  
Goh Siow Cheng (*Independent Non-Executive Director*)

**To: Shareholders of Ecomate Holdings Berhad**

Dear Sir/Madam,

- (I) PROPOSED ACQUISITION;**
- (II) PROPOSED DIVERSIFICATION;**
- (III) PROPOSED BONUS ISSUE OF SHARES; AND**
- (IV) PROPOSED BONUS ISSUE OF WARRANTS**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

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**1. INTRODUCTION**

On 6 June 2025, M&A Securities, on behalf of our Board, announced that our Company proposes to undertake the Proposals. Further details on the Proposals are set out in Section 2.

On 25 July 2025, M&A Securities, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 24 July 2025, resolved to approve the following:

- (i) listing of and quotation for 358,025,834 Bonus Shares on the Main Market;
- (ii) admission of 358,025,834 Warrants to the Official List of Bursa Securities; and
- (iii) listing of and quotation for 358,025,834 Warrants and the Exercised Shares on the Main Market,

subject to the conditions as set out in Section 7.

**THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS, TO SET OUT OUR BOARD'S OPINION AND RECOMMENDATION IN RELATION TO THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED WITH THIS CIRCULAR.**

**YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTIONS TO GIVE EFFECT TO THE PROPOSALS AT OUR FORTHCOMING EGM.**

## **2. DETAILS OF THE PROPOSALS**

### **2.1 Details of the Proposed Acquisition**

On 6 June 2025, our Company entered into a SPA with the Vendor to acquire the Sale Shares, representing 60.0% equity interest in PCS, from the Vendor for the Purchase Consideration. Upon completion of the Proposed Acquisition, PCS will become a subsidiary of our Company. In addition, the Vendor will remain as a director and shareholder of PCS, and continue his existing role in the daily operations of PCS. Subject to the terms and conditions of the SPA in respect of the Proposed Acquisition, the Sale Shares will be acquired free from all claims, charges, liens, encumbrances and equities whatsoever together with all rights attached thereto. As a consequence to the SPA, our Company, the Vendor and PCS will also enter into a SHA, including a non-compete clause which is mutually agreed among the Vendor and our Company, upon completion of the SPA to regulate the affairs of PCS and govern the relationship of the shareholders of PCS.

Pursuant to the non-compete clause as stipulated under the SHA, the Vendor, shall, for as long as he remains a director and/or shareholder of PCS and for a period of 36 months after he ceases to be a director and/or shareholder of PCS, not engage directly or indirectly in any business or commercial activity that competes with PCS. Such restriction includes but is not limited to the following:

- (i) participating in, managing, advising or otherwise assisting any business that competes with PCS; and
- (ii) acquiring shares, holding any financial interest, or having any ownership stake in entities engaged in business activities within Malaysia that compete with PCS, except for investments in publicly listed shares.

Further details of PCS, salient terms of the SPA and the proposed salient terms of the SHA are set out in Appendix I, Appendix II and Appendix III respectively.

#### **2.1.1 Information of PCS**

PCS is a private limited company incorporated in Malaysia on 1 August 1990 under the Companies Act 1965 and is deemed registered under the Act. PCS is principally involved in marketing and servicing of computers, computer-related accessories, and peripherals. PCS is also involved in the sale of computer software, software development, and programming services, as well as providing training on computer software applications to support its customers' operations and improving operational efficiency.

As at LPD, the issued share capital of PCS is RM1,000,000 comprising 1,000,000 ordinary shares.

Based on the latest audited financial statements of PCS for the financial year ended 31 December 2024, PCS recorded a PAT of RM2,033,130 and NA of RM1,186,748.

Further details on PCS are set out in Appendix I.

### 2.1.2 Information of the Vendor

The Vendor, Law Seng Peng, a Malaysian male aged 66, is presently the sole director and shareholder of PCS. He obtained his Bachelor of Science in Computer Science and Business Administration from University of Guelph, Canada in 1982. He has been serving as a director of PCS since its incorporation on 1 August 1990. He is primarily responsible for formulating and overseeing the strategic direction and financial planning of PCS. He has accumulated more than 42 years of experience in the ICT sector.

Upon completion of the Proposed Acquisition, the Vendor will remain as a director and shareholder of PCS, and continue his existing role in the daily operations of PCS.

### 2.1.3 Mode of settlement of the Purchase Consideration

Pursuant to the terms of the SPA, the Purchase Consideration will be fully satisfied in the following manner:

<b>Description</b>	<b>Amount (RM)</b>
Earnest deposit <sup>(1)</sup>	100,000
Balance deposit <sup>(2)</sup>	740,000
Balance Purchase Consideration <sup>(3)</sup>	7,560,000
<b>Total Purchase Consideration</b>	<b>8,400,000</b>

#### Notes:

- (1) We had on 4 April 2025 made a payment of RM100,000, as an earnest deposit for the Proposed Acquisition to the Vendor. The earnest deposit is refundable if the SPA is terminated due to non-fulfilment or rejection of the conditions precedent or if the Vendor fails to complete the sale and purchase of the Sale Shares in accordance with the SPA.
- (2) We had on 16 June 2025 made a payment of RM740,000, as the balance deposit for the Proposed Acquisition to the Vendor. The balance deposit is refundable if the SPA is terminated due to non-fulfilment or rejection of the conditions precedent or if the Vendor fails to complete the sale and purchase of the Sale Shares in accordance with the SPA.
- (3) The balance of Purchase Consideration of RM7,560,000 shall be paid by us to the Vendor within 30 days upon the fulfilment or satisfaction of the Conditions Precedent, details of which are set out in Appendix II.

### 2.1.4 Basis and justification of the Purchase Consideration

The Purchase Consideration was arrived at based on a 'willing buyer-willing seller' basis after taking into consideration, amongst others, the following:

- (i) the audited financial results of PCS for the financial year ended 31 December 2024 and the unaudited financial results of PCS for the 3 months financial period ended 31 March 2025;
- (ii) the Profit Guarantee provided by the Vendor;
- (iii) the rationale of the Proposed Acquisition as set out in Section 3.1; and
- (iv) the future prospects of our Group as set out in Section 5.3.

The Purchase Consideration represents a PE Multiple of 4.7 times based on the amount of 60.0% of Profit Guarantee for each financial year. Further details of the Profit Guarantee are set out in Section 2.1.8, including our Company's right of recourse in the event the Profit Guarantee is not met.

In relation to the Profit Guarantee, our Board is of the view that the Profit Guarantee is achievable, having taking into consideration:

- (i) the audited financial results of PCS for financial year ended 31 December 2024;
- (ii) the latest unaudited financial results of PCS for the 3 months financial period ended 31 March 2025; and
- (iii) the projected financial results of PCS for FYE 2026 to 2028, details of which are as follows:

	<b>FYE 2026</b>	<b>FYE 2027</b>	<b>FYE 2028</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	31,653	31,483	32,236
GP	6,331	6,297	6,447
PBT	4,740	4,655	4,632
PAT	3,269	3,404	3,494

**Analysis of revenue by segment**

	<b>FYE 2026</b>		<b>FYE 2027</b>		<b>FYE 2028</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
Sales <sup>(1)</sup>	26,767	84.6	29,251	92.9	31,364	97.3
Contract <sup>(2)</sup>	4,886	15.4	2,232	7.1	872	2.7
	<b>31,653</b>	<b>100.0</b>	<b>31,483</b>	<b>100.0</b>	<b>32,236</b>	<b>100.0</b>

**Notes:**

- (1) Relates to new or unsecured revenue, of which PCS is expected to enlarge its customer base through marketing activities such as social media and participation in various business-related events in exhibition centres, and certain existing customers of approximately 85.0% will renew for the services provided by PCS based on the experience and track record of PCS, and including new customers.
- (2) Relates to secured revenue based on the new projects secured by PCS during the financial year ended 31 December 2023 and 2024 with total unbilled order book of RM7.8 million as at LPD. Details of the new projects are as follows:

<b>No.</b>	<b>Description of projects</b>	<b>Contract period</b>	<b>Contract value/ unbilled contract value as at LPD RM'000</b>
1.	A contract to supply, deliver, and implement multi-year software licenses for the customer's operational requirements and usage demands, including updates on annual product version, files or data to newer versions to maintain compatibility and consistency across the customer's project team.	July 2023 to July 2026	6,381/ 2,216

<b>No.</b>	<b>Description of projects</b>	<b>Contract period</b>	<b>Contract value/ unbilled contract value as at LPD</b>
			<b>RM'000</b>
2.	A contract to centralise and streamline the management and compliance of the customer's software licenses, enhancing administrative efficiency across its operations.	July 2023 to July 2026	2,480/ 1,184
3.	A contract to supply, deliver, and implement multi-year software licenses for the customer's operational requirements and usage demands, including updates on annual product version, files or data to newer versions to maintain compatibility and consistency across the customer's project team.	October 2024 to November 2029	4,433/ 3,888
4.	A contract to supply, deliver, and implement multi-year software licenses for the customer's operational requirements and usage demands, including updates on annual product version, files or data to newer versions to maintain compatibility and consistency across the customer's project team.	March 2024 to March 2026	104/ 32
			<b>13,398/ 7,320</b>

The key bases and assumptions adopted in the projected financial results of PCS for FYE 2026 to 2028 are as follows:

<b>Item</b>	<b>Assumptions</b>
Revenue	<p>The revenue projections are based on the anticipated renewal and delivery of existing contracts, as well as new contracts to be secured. In this regard, the revenue is projected to grow by approximately 20%, 16% and 2% per annum for FYE 2026 to 2028, respectively, based on the experience and track record of PCS.</p> <p>These growth assumptions reflect a front-loaded pipeline of high-probability contracts after taking into consideration the ongoing active negotiations and tenders based on the experience and track record of PCS, with more moderate growth in later years to reflect market maturity and contract timing. For information, the estimated contract value of high-probability contracts is approximately RM3.0 million.</p>
GP margin	<p>GP margin is projected in line with the actual GP margin achieved in financial year ended 31 December 2024 of approximately 20%.</p> <p>This assumption reflects consistency in cost structures and pricing strategies, supported by a stable contract mix and operational performance as seen in financial year ended 31 December 2024. Management considers the assumption reasonable and achievable.</p>
Taxation	<p>Tax rate is projected to be at 24% based on the Malaysia prevailing statutory tax rate applicable to the listed company.</p>

The projected financial results of PCS for FYE 2026 to 2028 were reviewed by the reporting accountants. The reporting accountants is of the view that the projected financial results of PCS for FYE 2026 to 2028 are, in all significant respects, reasonably stated.

Premised on the foregoing considerations, our Board is of the opinion that PCS's projected financial results and the Profit Guarantee are achievable, in view of the recurring services from existing customers as well as the new projects secured by PCS during the financial year ended 31 December 2023 and 2024, increase in profitability (GP increased by 40.3% from RM3.2 million in financial year ended 31 December 2023 to RM4.5 million in financial year ended 31 December 2024) and the unaudited financial results of PCS for the 3 months financial period ended 31 March 2025 where RM1.1 million PAT was achieved, indicating potential growth for the remainder of FYE 31 December 2025.

In addition to the above, the Company has appointed KJCS to undertake a business valuation on PCS, which is enclosed in Appendix V. KJCS has assessed the fair market value of PCS based on the discounted cash flow ("**DCF**") methodology.

### **DCF Methodology**

DCF methodology is a valuation method which considers both the time value of money and the projected cash flows generated by the subject matter (in this case, PCS) to derive a fair market value of the subject matter. Under the DCF methodology, the projected free cash flow to equity is discounted at a specified discount rate to arrive at the net present value, where the applied discount rate has taken into account the prevailing risk-free rate, equity risk premium and beta of comparable listed companies on Bursa Securities as at 31 December 2024, being the date of opinion of valuation by KJCS ("**Date of Opinion**").

Further, having considered that the Sale Shares are unlisted shares and are not freely tradeable as compared to the comparable listed companies, appropriate adjustments have been made to the applied discount rate, whereby KJCS has applied a discount of 40.0% to the applied discount rate for the size and marketability differences between PCS and comparable listed companies. This adjustment results in an increase of approximately 3.5% in the applied discount rate, of which the adjustment is supported by an empirical research on illiquidity premiums by Professor Aswath Damodaran, who suggests applying an illiquidity premium of 3% to 4% to the discount rate.

*(Source: <https://people.stern.nyu.edu/adamodar/pdfiles/country/illiquidity.pdf>)*

The key bases and assumptions adopted by KJCS in the DCF methodology are as follows:

<b>Item</b>	<b>Assumptions</b>
Risk-free rate	Risk-free rate of 4.2% is adopted based on the gross yield of a 28-year Malaysian Government Securities as a proxy to the risk free rate given that the business is being valued at perpetuity.  <i>(Source: Bank Negara Malaysia as at the Date of Opinion)</i>
Risk premium	Risk premium of 6.4% is adopted based on the market risk premium of Malaysia as at the Date of Opinion.  <i>(Source: Valutico as at the Date of Opinion)</i>

<b>Item</b>	<b>Assumptions</b>
Beta	<p>A levered beta is extracted based on the selected comparable listed companies, and subsequently unlevered by using the formula as follows:</p> $\text{Unlevered beta} = \text{levered beta} / [1 + (1 - \text{Tax rate}) \times \text{Debt/Equity}]$ <p>Please refer below for the criteria of selection of comparable listed companies.</p> <p><i>(Source: Valutico as at the Date of Opinion)</i></p>
Cost of equity	<p>Cost of equity of 17.9% to 18.9% is calculated computed based on capital asset pricing model after considering the following:</p> <p>(a) a discount of 40% to account for the size and marketability differences between PCS and the selected comparable listed companies; and</p> <p>(b) company specific risk of approximately 6% to 7%, which is highly subjective and judgmental, reflecting the inherent uncertainties and sensitivities associated with key risk factors specific to PCS.</p>
Terminal value and terminal growth	<p>The terminal value is calculated by using the constant growth model with assumed terminal growth rate at 1.5% based on the projected financial results of PCS for FYE 2028, after taking into consideration the long-term real gross domestic product growth expectations and inflation of Malaysia as well as the market maturity and potential structural challenges in the local economy.</p> <p>For information, the average inflation rate of Malaysia for the past 10 years from 2015 to 2024 is approximately 1.9%, whereby KJCS has taken a more conservative assumption of 1.5% in the DCF methodology.</p>

The indicative fair market value of PCS based on the DCF methodology is detailed as follows:

<b>Indicative fair market value</b>	<b>Low</b>	<b>High</b>
	<b>RM'000</b>	<b>RM'000</b>
100.0% equity interest of PCS	16,200	17,300
60.0% equity interest of PCS	9,720	10,380

The low and high values represent a range derived from the application of different company-specific risk assumptions, approximately 6% and 7%, which is highly subjective and judgmental. This range is intended to reflect the inherent uncertainties and sensitivities associated with key risk factors specific to PCS, including, among others, the following:

- (i) the nature and stability of PCS's business operations, including its business model, operational dependencies, customer concentration, and exposure to external risks;
- (ii) the basis and assumptions of the projected financial results of PCS for FYE 2026 to 2028, of which may potentially affect the business valuation on PCS;
- (iii) the Profit Guarantee, including the extent to which the guaranteed profits are aligned with underlying sustainable earnings of PCS's business; and
- (iv) the prevailing market conditions.

Based on the business valuation on PCS performed by KJCS, the Purchase Consideration is below the indicative fair market value of the 60.0% equity interest in PCS based on the DCF methodology.

### **Implied PE Multiples**

The range of indicative fair market values of PCS as assessed under the DCF method results in the implied PE Multiples of PCS, detailed as follows:

<b>Indicative PE Multiples<sup>(1)</sup></b>	<b>Low times</b>	<b>High times</b>
Based on Profit Guarantee of RM3.0 million	5.4	5.8
Based on audited PAT of PCS for financial year ended 31 December 2024 of RM2.0 million	8.0	8.5

#### **Note:**

- (1) The implied PE Multiples for the 60% equity interest are the same as those for the 100% equity interest, as both the fair value and PAT scale on a pro-rata basis.

The implied PE Multiples of PCS based on the Purchase Consideration and the amount of 60.0% of audited PAT of PCS for financial year ended 31 December 2024 is as follows:

<b>Indicative PE Multiples</b>	<b>times</b>
Based on the amount of 60.0% of audited PAT of PCS for financial year ended 31 December 2024 of RM2.0 million, i.e. RM1.2 million	6.9

In relation to the comparable listed companies, the selection of comparable listed companies was determined based on the following criteria:

- (i) majority of its businesses are involved in trading and maintenance of ICT products including software application and system development; and
- (ii) market capitalisation of below RM1.5 billion.

For information, PCS is primarily involved in the retail of computer software, whereas the majority of listed companies classified under the "Software" sector of Bursa Securities are typically engaged in software development. Nevertheless, an adjustment of discount of 40.0% has been applied to reflect the size and marketability differences between PCS and the selected comparable listed companies with high market capitalisation. The PE Multiples of the comparable listed companies are as follows:

<b>Comparable listed companies</b>	<b>Latest audited financial year</b>	<b>Market capitalisation RM'000</b>	<b>Trailing 12 months PAT RM'000</b>	<b><sup>(1)</sup>PE Multiple times</b>
Radiant Globaltech Berhad	31 December 2024	181,194	8,202	22.1
Autocount Dotcom Berhad	31 December 2024	633,075	19,798	32.0
SNS Network Technology Berhad	31 January 2025	1,069,381	33,318	32.1
VSTECS Berhad	31 December 2024	1,440,439	70,566	20.4

<b>Comparable listed companies</b>	<b>Latest audited financial year</b>	<b>Market capitalisation</b>	<b>Trailing 12 months PAT</b>	<b>(1)PE Multiple times</b>
		<b>RM'000</b>	<b>RM'000</b>	
<b><i>Prior discount of 40.0%</i></b>				
			<b>Minimum</b>	<b>20.4</b>
			<b>Average</b>	<b>26.6</b>
			<b>Maximum</b>	<b>32.1</b>
<b><i>After discount of 40.0%</i></b>				
			<b>Minimum</b>	<b>12.2</b>
			<b>Average</b>	<b>16.0</b>
			<b>Maximum</b>	<b>19.3</b>

*(Source: Valutico and the latest available quarterly reports and annual reports of the respective comparable listed companies as at the Date of Opinion)*

**Note:**

- (1) Computed based on the market capitalisation divided by the trailing 12 months PAT of the respective comparable listed companies as at the Date of Opinion.

The average trailing PE Multiples of comparable listed companies as at 31 December 2024 range from approximately 12.2 times to 19.3 times after applying a 40% discount for differences in size and marketability. The implied PE Multiples for PCS of 6.9 times to 8.5 times are therefore below this range of traded PE Multiples of the comparable companies.

Our Board also notes that, based on the independent business valuation report prepared by KJCS, the fair market value of a 60.0% equity interest in PCS ranges from approximately RM9.7 million to RM10.4 million. Accordingly, the agreed Purchase Consideration of RM8.4 million represents a discount of approximately 13.6% to 19.1% to the fair market value.

Our Board considers this level of discount to be fair and reasonable, having taken into account the lack of marketability and liquidity typically associated with unlisted shares, PCS's scale of operations, as well as business risks. Accordingly, our Board is of the view that the terms of the Proposed Acquisition, including the Purchase Consideration, are fair and in the best interests of our Company and shareholders.

### **2.1.5 Assumption of liabilities and estimated financial commitments**

Save for the obligations and liabilities arising from or in connection with the SPA pursuant to the Proposed Acquisition, which are detailed in Section 2 (payment of the Purchase Consideration for the Sale Shares) and Section 3.1(c) (approval of our shareholders for the purchase of the Sale Shares on the terms and conditions of the SPA) of Appendix II, there are no other liabilities, including contingent liabilities or guarantees, that are expected to be assumed by or remain with our Group as a result of the Proposed Acquisition. The existing liabilities of PCS will be settled in the ordinary course of business.

Our Board does not anticipate any material financial commitments required to commence or maintain the business operations of PCS, as PCS is already an ongoing concern. However, upon completion of the Proposed Acquisition, our Company may be required to provide corporate guarantee to the financial institution of PCS in place of the Vendor.

### **2.1.6 Additional financial commitments**

Save for the Purchase Consideration, we do not expect to incur any other additional financial commitment in relation to the Proposed Acquisition.

### 2.1.7 Source of funding

The Purchase Consideration has been and will be funded via internally-generated funds.

### 2.1.8 Profit Guarantee

The Vendor shall undertake to our Company that the 14-month audited PAT of PCS for FYE 2026 and the 12-month audited PAT of PCS for FYE 2027 and 2028 each shall not be less than RM3.0 million. As at LPD, the financial year end of PCS is 31 December. Upon the completion of the SPA, the financial year end of PCS will be changed to 28 February of each year, with the first new financial year end being 28 February 2026. As such, the Profit Guarantee for FYE 2026 covers 14 months from 1 January 2025 to 28 February 2026.

Pursuant to the Paragraph 9.23(1) of the Listing Requirements, a listed issuer must issue its annual report that includes annual audited financial statements together with the auditors' and directors' report of the listed issuer, to Bursa Securities and shareholders within 4 months from the close of the financial year of the listed issuer. As such, the audited accounts of PCS shall be circulated to our Company within 4 months of our FYE, i.e. 30 June each year, for the preparation and issuance of our annual report.

In the event the audited PAT of PCS for each financial year within the Profit Guarantee Period shall be equivalent to or exceed the Profit Guarantee, then the Profit Guarantee for the said financial year shall be deemed fully satisfied by the Vendor.

In contrast, in the event the audited PAT of PCS for each financial year within the Profit Guarantee Period is less than the Profit Guarantee, such deficiency amount in accordance with our Company's shareholding proportion shall be made by the Vendor to our Company in cash within 14 days from the date of issuance of the respective audited accounts of PCS for each financial year of the Profit Guarantee Period. Further, in the event that PCS shall incur the LAT of any amount in any financial year within the Profit Guarantee Period, a payment of RM1,800,000, representing 60.0% of the Profit Guarantee for each financial year, shall be made in full by the Vendor to our Company.

For illustration purposes:

	<u>FYE</u>	<u>Audited (LAT)/PAT of PCS</u>	<u>Outcome</u>
(i)	2026	RM4,000,000	Profit Guarantee is satisfied for FYE 2026.
(ii)	2027	RM2,000,000	Profit Guarantee is not satisfied for FYE 2027.  The Vendor shall pay an amount of RM600,000 to our Group as calculated below:  <i>(RM3,000,000 – RM2,000,000) x 60.0% = RM600,000</i>
(iii)	2028	(RM100,000)	Profit Guarantee is not satisfied for FYE 2028.  The Vendor shall pay an amount of RM1,800,000 to our Group as calculated below:  <i>RM3,000,000 x 60.0% = RM1,800,000</i>

In the event PCS shall incur the LAT of any amount in all financial year within the Profit Guarantee Period, a total payment of RM5,400,000 (RM1,800,000 per year, representing 60.0% of the Profit Guarantee for each financial year) shall be made in full by the Vendor to our Company. Notwithstanding the total compensation of RM5,400,000 to be made by the Vendor to our Company being less than the Purchase Consideration for the Proposed Acquisition, PCS continues to own its operational and balance sheet assets post-acquisition.

As the majority shareholder, our Company retains access to these assets, which hold intrinsic and recoverable value even in periods of financial underperformance. Such assets may contribute to future earnings, recoveries, or capital gains, thereby offering an additional layer of assurance to our Company beyond the Profit Guarantee itself. In this respect, the Profit Guarantee was deemed sufficient notwithstanding the risk of not being compensated for any potential LAT.

Further, our Company shall be entitled to late payment interest charge of 8% per annum on the amount due from the Vendor in the event the Vendor has failed to make payment to our Company in relation to the Profit Guarantee.

For avoidance of doubt, the PAT of PCS for each financial year shall be assessed independently and shall not be carried forward or backward for the purpose of determining compliance with the Profit Guarantee. In addition, our Company is still entitled to recourse from the Vendor in the manner as mentioned above should the Profit Guarantee not be met.

In the event the Vendor fails to pay for the shortfall in the Profit Guarantee, our Company may initiate legal proceedings against the Vendor to recover the outstanding amount as a contractual debt arising under the SPA. A retention sum in relation the Purchase Consideration is not negotiated as our Company relied on the clause of Profit Guarantee with clear payment obligations, a fixed default mechanism and an enforceable late interest charge. These contractual terms were deemed sufficient by our Company to protect our Company's interests. In addition, the Vendor retains a 40.0% equity interest in PCS, which serves as a form of commercial security as any non-compliance with the Profit Guarantee may risk the value or control associated with the Vendor's remaining shareholding, thereby aligning the Vendor's interest with our Group's, and incentivising the compliance with the Profit Guarantee.

## 2.2 Details of the Proposed Diversification

Presently, our Group is principally engaged in the production of RTA furniture products, where it undertakes design and development, production as well as marketing and sales of living room furniture, bedroom furniture as well as other types of furniture, which may be tailored to its customer's specifications. RTA, also known as flat pack furniture, is a form of furniture that requires the customer to assemble. The separate components are packed for sale in cartons which also contain assembly instructions and hardware. We have a diversified network of customers from over 30 countries comprising distributors, wholesalers, retailers and e-commerce sellers. Presently, our Company's manufacturing plants are all located in Kawasan Perindustrian Bukit Bakri, Muar, Johor. The furniture business is presently facing ongoing macroeconomic uncertainties in the global markets, volatile exchange rate, geopolitical tensions and the introduction of tariffs in United States of America on imports, as well as rising global inflation and labour costs. Our Group is adopting a cautious view on this segment and has therefore considered to diversify our business to reduce reliance on the furniture industry.

Upon completion of the Proposed Acquisition, PCS will become a 60%-owned subsidiary of our Company. This will enable us to consolidate the financial results of PCS, and, based on the projected financial results as set out in Section 2.1.4(iii), this may result in more than 25% of our Group's future net profit being derived from PCS. The Proposed Acquisition represents an opportunity for our Group to venture into the ICT Solutions Business, thereby providing our Group with a prospect to diversify its earnings base.

The key financial performance of our Group for FYE 2023 to 2025 are as follows:

	<b>Audited</b>					
	<b>FYE 2023</b>		<b>FYE 2024</b>		<b>FYE 2025</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>Revenue</b>						
- Furniture	51,374	100.0	47,233	100.0	50,571	100.0

	<b>Audited</b>					
	<b>FYE 2023</b>		<b>FYE 2024</b>		<b>FYE 2025</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>PAT and total comprehensive income for the financial year attributable to the owners of our Company</b>						
- Furniture	6,168	100.0	1,508	100.0	1,470	100.0

Based on the above, our Group's financial performance for FYE 2024 and FYE 2025 was negatively affected, primarily due to reduced demand in both local and export markets arising from a decline in global households' furniture spending, coupled with higher operating costs incurred during these financial years.

*(Source: Ecomate Holdings' annual report FYE 2024 and FYE 2025)*

Taking into consideration that the ICT Solutions Business could potentially contribute positively to our Group's financial performance, our Board anticipates that, barring any unforeseen circumstances, our Group's ICT Solutions Business may contribute 25% or more of the net profits of our Group and/or result in a diversion of 25% or more of our Group's NA in the future, as our Group intends to identify and secure additional projects to further expand the ICT Solutions Business in the long term.

As such, our Board proposes to seek the approval from our shareholders for the Proposed Diversification pursuant to Paragraph 10.13(1) of the Listing Requirements at an EGM to be convened.

Notwithstanding the Proposed Diversification, our Board will continue with the existing furniture business operations of our Group in the same manner. Our Board will continuously review our business operations from time to time with the intention to improve our Group's financial performance and position.

### **2.2.1 Key management personnel**

We have identified Jason Koh Jian Hui, our Group's Managing Director and Koh Cheng Huat, our Group's Executive Director to oversee and spearhead the operations of the ICT Solutions Business. They will be supported by the Vendor, who will formulate and implement the strategic direction and financial planning of PCS. Save for the profile of the Vendor which is set out in Section 2.1.2, the profiles of Jason Koh Jian Hui and Koh Cheng Huat are set out below:

#### **(i) Jason Koh Jian Hui**

Jason Koh Jian Hui, a Malaysian male aged 33, is our Group's Managing Director. He is responsible for setting the strategic direction for our Group and overseeing the overall operations of our Group. He also leads the marketing and sales efforts, including maintaining business relationships with the customers.

Jason Koh Jian Hui completed his education and obtained an International General Certificate of Secondary Education from Melaka International School in 2011. Upon completing his studies, he joined Kerapjaya Development Sdn Bhd, a property developer which was his family business, as a director in 2011. He built his experience supporting his family through participation in business development and oversaw the completion of residential and commercial property development projects in Muar, Johor. He ceased active participation in the company in 2016 when he co-founded Ecomate Holdings with his cousin, Koh Cheng Huat.

Notwithstanding his past experience not being in the ICT sector, he has accumulated useful general business management skill sets through his involvement in the business development and furniture business.

**(ii) Koh Cheng Huat**

Koh Cheng Huat, a Malaysian male aged 48, is our Group's Executive Director. He is responsible for managing the design and development as well as production operations of our Group.

Koh Cheng Huat completed Penilaian Menengah Rendah in Sekolah Menengah Bakri in 1993. He has more than 20 years of experience in the furniture industry involving design and development, production as well as marketing and sales of furniture products.

From 1993 to 2014, he gained experience in several furniture and interior design businesses, including as an apprentice at Yang Ah Kang & Sons Pte Ltd, Singapore, and as co-founder/director of Surplus Creations Sdn Bhd and Timber Art Design Sdn Bhd. These roles involved overseeing project management, product design and development, as well as production activities for the local and export markets.

As a consequence to the SPA, our Company, the Vendor and PCS will also enter into a SHA upon completion of the SPA to regulate the affairs of PCS and govern the relationship of the shareholders of PCS. Pursuant to the SHA, PCS shall also apply a dividend policy where the 50.0% of PCS's audited PAT will be declared as dividends and distributed to our Company and the Vendor in accordance with the shareholdings proportion in PCS. This clause will serve as a mechanism to retain the Vendor to be continuously involved in the daily operations of PCS.

**2.3 Details of the Proposed Bonus Issue of Shares**

**2.3.1 Basis and number of Bonus Shares to be issued**

The Proposed Bonus Issue of Shares entails the issuance of 358,025,834 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Ecomate Holdings Share held by the Entitled Shareholders on the Entitlement Date.

As at LPD, the total issued share capital of our Company is RM29,097,416 comprising 358,025,834 Shares. Our Company does not retain any treasury shares.

The basis of entitlement for the Proposed Bonus Issue of Shares was determined after taking into consideration the following:

- (i) compliance with Paragraph 6.30(1A) of the Listing Requirements where a listed issuer must ensure that its reference price adjusted for a bonus issue is not less than RM0.50 based on the daily VWAMP during the 3-month period before the application date; and
- (ii) the dilutive effects arising from the issuance of the Bonus Share on the consolidated EPS and NA per Share of our Company.

The actual number of Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares will depend on the total number of Ecomate Holdings Shares in issue on the Entitlement Date. Any fractional entitlements of Bonus Shares arising from the Proposed Bonus Issue of Shares shall be disregarded and/or dealt with by our Board in such manner in its absolute discretion deem fit and expedient, and in the best interest of our Company.

The Entitlement Date will be determined by our Board and announced at a later date upon receipt of all relevant approvals for the Proposals. The Proposed Bonus Issue of Shares will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.

The reference price of Ecomate Holdings Share will be adjusted pursuant to the Proposed Bonus Issue of Shares. For illustration purposes, the TEBP of Ecomate Holdings Shares based on the respective VWAMP after the Proposed Bonus Issue of Shares are set out as follows:

	<b>Before Proposed Bonus Issue of Shares</b>	<b>After Proposed Bonus Issue of Shares</b>
	<u>(1)VWAMP</u>	<u>(2)TEBP</u>
	<b>RM</b>	<b>RM</b>
5D-VWAMP up to and including LPD	1.4522	0.7261
Lowest 3-month daily VWAMP up to and including 23 June 2025, being the date immediately prior to the submission of our application to Bursa Securities in respect of the Proposed Bonus Issue of Shares	1.2338	0.6169

**Notes:**

- (1) Source from Bloomberg as at 15 July 2025.
- (2) The actual TEBP will be calculated as follows:

$$TEBP = \frac{\text{Closing market price of Ecomate Holdings Shares prior to Bonus Share Entitlement Date}}{\text{Number of Ecomate Holdings Shares before the Proposed Bonus Issue of Shares}} \times \frac{\text{Number of Ecomate Holdings Shares after the Proposed Bonus Issue of Shares}}{\text{Number of Ecomate Holdings Shares after the Proposed Bonus Issue of Shares}}$$

Based on the above, our Board confirms that the reference price adjusted for the Proposed Bonus Issue of Shares is not less than RM0.50 based on the daily VWAMP of Ecomate Holdings Shares during the 3-month period before the application date in accordance with Paragraph 6.30(1A) of the Listing Requirements.

**2.3.2 Capitalisation of reserves**

The Bonus Shares will be issued as fully paid shares, at no consideration and without capitalisation of our Company’s reserves.

For avoidance of doubt, the Proposed Bonus Issue of Shares will increase the number of Ecomate Holdings Shares in issue but will not increase the value of the issued share capital of our Company.

For illustration purposes, assuming an Entitled Shareholder holds 100 Ecomate Holdings Shares on the Entitlement Date, the number and value of Ecomate Holdings Shares held by the respective Entitled Shareholder before and after the Proposed Bonus Issue of Shares are as follows:

	<b>Before Proposed Bonus Issue of Shares</b>	<b>After Proposed Bonus Issue of Shares</b>
	<u>RM</u>	<u>RM</u>
Number of Shares held (units)	100	200
Value of Shares	(1)145.22	(2)145.22

**Notes:**

- (1) Based on the 5D-VWAMP of Ecomate Holdings Shares up to and including LPD of RM1.4522.
- (2) Based on the illustrative TEBP of Ecomate Holdings Shares of RM0.7261.

**2.3.3 Ranking of the Bonus Shares**

The Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the existing Ecomate Holdings Shares in issue, except that the Bonus Shares will not be entitled to any dividends, rights, allotments and/or other form of distributions that may be declared, made or paid to Ecomate Holding's shareholders prior to the date of allotment and issuance of the Bonus Shares.

**2.3.4 Listing of and quotation for the Bonus Shares**

Bursa Securities had, vide its letter dated 24 July 2025, resolved to approve the listing of and quotation for the Bonus Shares on the Main Market, subject to the conditions as set out in Section 7. For avoidance of doubt, the Bonus Shares will not be listed on the next Market Day immediately after the Entitlement Date, but will be listed on the same as the listing of the Warrants, which will be determined and announced later by our Board.

**2.4 Details of the Proposed Bonus Issue of Warrants****2.4.1 Basis and number of Warrants to be issued**

The Proposed Bonus Issue of Warrants entails the issuance of 358,025,834 Warrants on the basis of 1 Warrant for every 1 existing Share held by the Entitled Shareholders on the same Entitlement Date for the Proposed Bonus Issue of Shares.

Based on our issued share capital as at LPD of 358,025,834 Shares, and upon the completion of the Proposed Bonus Issue of Shares, our issued share capital will increase to 716,051,668 Shares. The number of Ecomate Holdings Shares in issue will further increase to 1,074,077,502 Shares, assuming all 358,025,834 Warrants to be issued under the Proposed Bonus Issue of Warrants are fully exercised, which represents approximately 33.3% of the total enlarged number of the Ecomate Holdings Shares in issue upon completion of the Proposals including the full exercise of the Warrants.

The basis of entitlement for the Proposed Bonus Issue of Warrants was determined after taking into consideration the following:

- (i) compliance with Paragraph 6.50 of the Listing Requirements where the total number of new Shares arising from the exercise of the Warrants must not exceed 50.0% of our total number of issued shares (before the exercise of the convertible equity securities) at all times;
- (ii) dilutive effects arising from the full exercise of Warrants on the consolidated EPS of our Company; and
- (iii) amount of proceeds our Company could potentially raise as and when the Warrants are exercised during the Warrant Exercise Period (as defined herein).

The actual number of Warrants to be issued pursuant to the Proposed Bonus Issue of Warrants will depend on the total number of Ecomate Holdings Shares in issue on the Entitlement Date. Any fractional entitlements arising from the Proposed Bonus Issue of Warrants shall be disregarded and/or dealt with by our Board in such manner in its absolute discretion deem fit and expedient, and in the best interest of our Company.

The Entitlement Date will be determined by our Board and announced by our Company at a later date upon receipt of all relevant approvals for the Proposals. For the avoidance of doubt, the Proposed Bonus Issue of Shares and the Proposed Bonus of Warrants will have the same Entitlement Date.

The Warrants which will be issued in registered form and constituted by the Deed Poll will have an exercise period of 3 years.

For the avoidance of doubt, the Proposed Bonus Issue of Warrants will be concurrently implemented with the Proposed Bonus Issue of Shares. Accordingly, the Bonus Shares will not be entitled to the Warrants. The Proposed Bonus Issue of Warrants will be implemented in a single issuance and is not intended to be implemented in stages over a period of time.

#### **2.4.2 Indicative salient terms of the Warrants**

The indicative salient terms of the Warrants are set out as follows:

Issue size	: 358,025,834 Warrants
Form and denomination	: The Warrants will be issued in registered form and constituted by the Deed Poll to be executed by our Company and as may be supplemented from time to time.
Tenure	: 2025/2028 (3) years commencing from and including the date of issuance of the Warrants (" <b>Warrant Issue Date</b> ").
Exercise period	: The Warrants may be exercised at any time within the tenure of the Warrants commencing from and including the Warrant Issue Date and ending at 5.00 p.m. (Malaysia time) on the Warrant Expiry Date (as defined below) (" <b>Warrant Exercise Period</b> "). Any Warrants which have not been exercised at the close of business of the Warrant Expiry Date will thereafter lapse and cease to be valid.
Exercise price	: Please refer to Section 2.4.3 for the basis of determining the exercise price of the Warrants. The exercise price shall however be subject to the adjustments in accordance with the provisions of the Deed Poll during the Warrant Exercise Period.
Exercise rights	: Each Warrant entitles the Warrant Holder to subscribe for 1 new Ecomate Holdings Share at the exercise price at any time during the Warrant Exercise Period, subject to adjustments in accordance with the provision of the Deed Poll.
Warrant expiry date	: The close of business at 5.00 p.m. in Malaysia on the day immediately preceding the third anniversary of the Warrant Issue Date. If such day is not a Market Day, then it shall be on the immediate preceding Market Day (" <b>Warrant Expiry Date</b> ").

- Mode of exercise : The Warrant Holders are required to lodge an exercise form with our Company's share registrar which is duly completed, signed and stamped together with payment by way of banker's draft or cashier's order (drawn on a bank operating in Malaysia) or with a remittance by way of interbank transfer for the exercise form for the aggregate of the exercise price payable when exercising their Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
- Board lot : For the purpose of trading on Bursa Securities, and subject to such conditions which Bursa Securities may impose from time to time, a board lot of Warrants shall be 100 Warrants or such other denomination as determined by Bursa Securities.
- Adjustments in the exercise price and/or number of Warrants : The exercise price and/or the number of Warrants held by each Warrant Holder shall from time to time be subject to adjustments under certain circumstances in accordance with the provisions of the Deed Poll.
- Modification of rights of Warrant Holders : Subject to the approval of any relevant authority as required under law, any modification, amendment or addition to the Deed Poll must be:
- (i) approved by the Warrant Holders sanctioned by special resolution;
  - (ii) effected by a supplemental Deed Poll;
  - (iii) executed by our Company and expressed to be supplemental; and
  - (iv) comply with the requirements of the Deed Poll.
- Our Company may from time to time without the consent of the Warrant Holders but in accordance with the terms of the Deed Poll, effect:
- (i) any modification to the Warrant or the Deed Poll which, in the opinion of our Company, is not materially prejudicial to the interest of the Warrant Holders; or
  - (ii) any modification to the Warrant or the Deed Poll, which in the opinion of our Company, is to correct a manifest error or to comply with mandatory provisions of Malaysian law, Rules of Bursa Depository, Securities Industry (Central Depositories) Act 1991 and/or Listing Requirements.
- Rights of Warrant Holders : The Warrants do not entitle the Warrant Holders to any voting rights in any general meeting of our Company or to participate in any form of distribution and/or offer of further securities in our Company until and unless such Warrant Holders become our shareholders by exercising their Warrants for new Ecomate Holdings Shares in accordance with the terms and provisions of the Deed Poll.

Rights in the event of : As long as any of the exercise rights remain exercisable, where winding-up, liquidation, compromise and/or arrangement

As long as any of the exercise rights remain exercisable, where a resolution has been passed for a members' voluntary winding-up of our Company or where there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for reconstruction of our Company or the amalgamation of our Company with one or more companies, then:

(i) if such winding-up, compromise or scheme of arrangement is one in which the Warrant Holders, or some persons designated by them for such purpose by a special resolution shall be a party, the terms of such winding up, compromise or scheme of arrangement shall be binding on all the Warrant Holders; or

(ii) in any other case and to the extent permitted by law, every Warrant Holder shall be entitled, upon and subject to the terms and conditions of the Warrants at any time, within 6 weeks after the passing of such resolution for a members' voluntary winding-up of our Company or within 6 weeks after (whichever is later) from the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of his Warrants together with the duly completed exercise form and payment of the relevant exercise price, to elect to be treated as if he had immediately prior to the commencement of such winding-up, compromise or arrangement (as the case may be), exercised the exercise rights represented by such Warrants to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares arising from the exercise of the Warrants, to which he/she would have become entitled to receive out of the assets of our Company which would be available in liquidation, and the liquidator of our Company shall give effect to such election accordingly. All exercise rights, which have not been exercised within the above 6 weeks of either passing of such resolution for the winding up or the granting of the court order for the approval of such compromise or arrangement, as the case may be, shall lapse and the Warrants will cease to be valid for any purpose.

Subject to the foregoing, if our Company is wound up (other than by way of a members' voluntary winding up), all exercise rights which have not been exercised prior to the date of commencement of the winding up shall lapse and the Warrants will cease to be valid for any purpose.

Listing : Main Market

Transferability : The Warrants shall be transferable in accordance with provisions of the Deed Poll subject always to the prevailing provisions of the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Depository.

Governing law : Laws of Malaysia

### **2.4.3 Basis of determining and justification for the issue price and 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 the following:

- (i) the historical price movement of Ecomate Holdings Shares;
- (ii) the 5D-VWAMP of Ecomate Holdings Shares immediately preceding the price-fixing date to be determined and announced later;
- (iii) the prevailing market conditions; and
- (iv) the future prospects and potential funding requirements of our Group.

After considering the historical share price range since January 2025 up to LPD, where the lowest price of RM0.965 represents approximately 25.2% discount to the RM1.29, being the last transacted Share price prior to the Announcement, and to encourage participation from our existing shareholders while preventing excessive dilution, our Board intends to fix the exercise price of the Warrants such that the exercise price is at a discount of not more than 20.0% to the theoretical ex-all price of Ecomate Holdings Shares computed based on the 5D-VWAMP of Ecomate Holdings Shares up to and including the price fixing date.

For illustrative purposes only in this Circular, the Indicative Exercise Price of the Warrants is assumed to be at RM0.62 each, which represents a discount of approximately 14.6% to the illustrative TEBP of Ecomate Holdings Shares of RM0.7261 per Share. Correspondingly, the theoretical ex-all price of Ecomate Holdings Shares for the Proposed Bonus Issue of Warrants, computed based on the illustrative TEBP of Ecomate Holdings Shares of RM0.7261 per Share, is RM0.6731 per Share. Thus, the Indicative Exercise Price represents a discount of approximately 7.9% to the said theoretical ex-all price.

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.

### **2.4.4 Ranking of the Warrants and Exercised Shares**

The Warrant Holders are not entitled to any voting rights in any general meeting of our Company or to participate in any form of distribution and/ or offer of securities in our Company until and unless such Warrant Holders become shareholders of our Company by exercising their Warrant for new Ecomate Holdings Shares in accordance with the terms and provisions of the Deed Poll.

The Exercised Shares shall, upon allotment and issuance, rank equally in all respects with the existing Ecomate Holdings Shares, save and except that they shall not be entitled to participate in any dividends, rights, allotments and/ or any other forms of distributions that may be declared, made or paid to the shareholders of our Company, where the entitlement date is prior to the date of allotment and issuance of the Exercised Shares.

#### 2.4.5 Listing of and quotation for the Warrants and Exercised Shares

Bursa Securities, had vide its letter dated 24 July 2025, resolved to approve the following:

- (i) the admission of 358,025,834 Warrants to the Official List of Bursa Securities; and
- (ii) the listing of and quotation for 358,025,834 Warrants and Exercised Shares on the Main Market,

subject to the conditions as set out in Section 7.

#### 2.4.6 Theoretical ex-prices of Ecomate Holdings Share

For illustrative purpose, the theoretical ex-prices of Ecomate Holdings Shares, computed based on the illustrative TEBP of Ecomate Holdings Shares of RM0.7261 per Ecomate Holdings Share, after the Entitlement Date is as follows:

	<u>(I)</u>	<u>(II)</u>
	<b>After Proposed Bonus Issue of Shares</b>	<b>After (I) and Proposed Bonus Issue of Warrants</b>
Theoretical ex-price of Ecomate Holding Share	0.7261	0.6731

#### 2.4.7 Utilisation of proceeds from the exercise of Warrants

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

The eventual proceeds to be raised from the exercise of the Warrants (if any) is dependent on the final exercise price and actual number of Warrants exercised during the Warrant Exercise Period. As such, the exact quantum and timeframe for the utilisation of proceeds to be raised cannot be determined at this juncture.

For illustration purposes, the gross proceeds to be raised upon full exercise of the Warrants based on the Indicative Exercise Price is approximately RM222.0 million. Such proceeds to be raised, as and when the Warrants are exercised, will be earmarked to meet our Group's working capital requirements to fund our Group's day-to-day operations as and when the need arises. This includes, but not limited to, payment for general corporate purposes, payment to trade creditors, statutory contributions and expenses, the purchase of raw materials such as particle boards, hardware, carton and packing material, to support in the production of our furniture products, facilities maintenance activities, salaries and staff-related expenses, utilities cost, administrative expenses and sundry expenses.

The proceeds to be utilised for each component of working capital are subject to our Group's operating requirements at the time of receipt of the proceeds, and hence cannot be determined at this juncture. The estimated expenses of approximately RM0.5 million to be incurred for the Proposals will be funded via internally-generated funds.

Pending the utilisation of proceeds, such proceeds to be raised from the Proposed Bonus Issue of Warrants shall be placed in deposits with financial institutions or short-term money market instruments as our Board deems fit. The interest derived from such deposits or any gains from such money market instruments will be used in the manner as abovementioned.

#### 2.4.8 Details of equity fund-raising exercises undertaken in the past 12 months

We have not undertaken any equity fund-raising exercises in the past 12 months prior to the date of this Circular.

### **3. RATIONALE FOR THE PROPOSALS**

Our Board is of the view that the Proposals serve as an appropriate avenue to reward our existing shareholders based on the following:

#### **3.1 Proposed Acquisition**

The Proposed Acquisition represents a strategic opportunity for our Group to expand our business operations into the ICT sector and diversify our earnings base. This move is aligned with our Group's ongoing efforts to reduce dependency on our existing businesses in the furniture manufacturing sector, which has been experiencing challenges in recent years due to factors such as reduced demand in export markets and deferments of shipments by customers.

Our Group presently does not have any experience or expertise in ICT sector. However, the Proposed Acquisition also allows our Group to leverage the experience and track record of the Vendor who has extensive experience in the ICT sector through his ownership and management of PCS. PCS has demonstrated its ability to deliver positive financial results, as evidenced by its historical performance and further supported by the Profit Guarantee provided by the Vendor for the Profit Guarantee Period.

In addition, our Board is of the opinion that the ICT sector has consistently demonstrated high growth potential, driven by digital transformation across industries, increased reliance on technology, and government initiatives supporting digital infrastructure. As such, our Board views the Proposed Acquisition as a timely and attractive opportunity given the favorable outlook and promising growth prospects of the ICT sector in Malaysia as well as the support that the Vendor will provide in spearheading the segment with our Group.

Our Group believes that the Proposed Acquisition, which is an established player in the ICT sector, will provide our Group with a good long-term viable business with robust growth potential. Moreover, the consolidation of PCS's financial results is expected to contribute positively to our Group's earnings and strengthen our overall financial position.

Given these considerations, our Board is optimistic that the Proposed Acquisition will create new revenue streams, enhance our Group's overall business resilience, and unlock new opportunities for growth in the rapidly evolving ICT sector.

#### **3.2 Proposed Diversification**

In conjunction with the Proposed Acquisition, the approval of shareholders will be sought for the Proposed Diversification as our Group is currently not principally involved in the ICT Solutions Business.

The Proposed Diversification represents a strategic move together with the Proposed Acquisition to diversify and expand our Group's earnings base by tapping into the growing technology sector, reducing the reliance on our existing furniture-related business. It will allow our Group to mitigate risks associated with demand fluctuations in the furniture industry and leverage the promising growth prospects of the ICT sector.

Our Board believes the Proposed Acquisition and Proposed Diversification will position our Group well to benefit from the positive outlook of the ICT sector, as detailed in Sections 5.2 and 5.3. The experience of PCS and the opportunities in the ICT sector are expected to contribute positively to our Group's financial performance and strengthen our business portfolio, barring unforeseen circumstances.

### **3.3 Proposed Bonus Issue of Shares**

The Proposed Bonus Issue of Shares is expected to enhance the marketability and trading liquidity of Ecomate Holdings Shares on the Main Market, attributable to the increase in the number of Ecomate Holdings Shares in issue.

In addition, the Proposed Bonus Issue of Shares is expected to result in an adjustment to the market price of Ecomate Holdings Shares, rendering them more affordable and thereby potentially appealing to a broader base of public shareholders and/or investors. This initiative will also enable our existing shareholders to hold a larger number of Ecomate Holdings Shares while maintaining their respective percentage of equity interest in our Company, providing them with more opportunities to participate in the future growth of our Company.

### **3.4 Proposed Bonus Issue of Warrants**

The Proposed Bonus Issue of Warrants enables our existing shareholders to participate in convertible securities of our Company, which are tradable on the Main Market, without incurring any cost. Further, it provides our existing shareholders with an opportunity to increase their equity participation in our Company at a pre-determined exercise price over the tenure of the Warrants.

In addition, it allows 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. Our Company's financial position and capital base may be potentially strengthened in view that the exercise of the Warrants will provide our Group with additional working capital in the manner as set out in Section 2.4.7, as and when the Warrants are exercised without incurring interest costs as compared to bank borrowings.

## **4. RISK FACTORS**

Pursuant to the Proposed Acquisition and Proposed Diversification, our Group will be exposed to new risks inherent in the ICT sector, including but not limited to the following:

### **4.1 Completion risk**

The completion of the Proposed Acquisition is subject to, amongst others, the fulfilment of the terms and conditions stipulated under the SPA including the Conditions Precedent as detailed in Appendix II. In the event that any of the Conditions Precedent are not fulfilled or waived, the Proposed Acquisition may not be completed, which would consequently prevent our Group from realising the intended objectives and benefits of the Proposed Acquisition. In turn, the Proposed Diversification may also not be completed as it is contingent upon the outcome of Proposed Acquisition. Notwithstanding this, we will continue to take all reasonable measures to ensure all the Conditions Precedent are duly fulfilled and/or waived, as the case may be, to facilitate the completion of the Proposed Acquisition.

### **4.2 Investment risk**

Given that PCS is expected to explore new revenue streams and market expansion opportunities, generating additional income streams for our Group, and considering the potential corporate management cost synergies from the inclusion of PCS within our Group, the Proposed Acquisition is anticipated to be beneficial. However, there is no assurance that the expected benefits will be fully realised or that we will generate sufficient returns to offset the cost of investment. Nevertheless, our Board aims to mitigate this risk through prudent investment strategies and by conducting comprehensive assessments and reviews prior to making significant investment decisions.

### **4.3 Financing risk**

The Purchase Consideration has been and will be funded via internally-generated funds, where our ability to fund the Purchase Consideration is dependent on numerous factors, including but not limited to our Group's cash flows from operations, trade receivables collection, trade payables payments, as well as the general economic and market conditions. As at LPD, our cash and cash equivalents stood at RM13.7 million. In the event we do not have sufficient internally-generated funds for the Purchase Consideration, the SPA will be terminated and the Proposed Acquisition will not be completed. Nevertheless, we endeavour to manage our cash flow position and funding requirements prudently, to address the risk. Further, we did not pursue the option of bank borrowings to fund the Proposed Acquisition as we intend to maintain a conservative capital structure and avoid increasing our debt burden, given the prospects of our existing business, and particularly in the event that the Proposed Acquisition does not generate sufficient immediate returns to service new borrowings.

### **4.4 Competition risk**

We will face competition from existing competitors and/or new entrants that also offer similar services of ICT solutions. There can be no assurance that we will be able to compete effectively with existing competitors and new entrants which may materially impact our Group's future financial performance and financial position. Nevertheless, we will endeavour to take proactive measures to remain competitive in this sector by among others, constantly keeping abreast with the latest market conditions, and continuing efforts in maintaining a competitive edge in terms of cost competitiveness, service quality and service reliability.

### **4.5 Rapid technology changes or technology obsolescence**

The operating environment of PCS is characterised by rapidly evolving technological developments. Failure to anticipate and adapt to such changes in technology and/or being unable to adequately upgrade our capabilities to provide new and innovative solutions in a timely manner would have an adverse effect on the ICT Solutions Business and financial performance of our Group. Nevertheless, we will endeavour to constantly keep abreast of, and to adapt promptly to the advancements in technology in developing new products and services on a timely basis to meet the fast-changing market trends.

### **4.6 Cybersecurity threats**

In the course of offering services of ICT solutions and with the consent of customers, we may have access to customers' confidential information. There can be no assurance that inadvertent disclosure (which may arise from software bugs or other technical malfunctions, employee error or misconduct, or other factors) or unauthorised disclosure or loss of personal or confidential information will not occur or that third parties will not gain unauthorised access to such information. Any breach and loss of personal or confidential information, whether real or perceived, may adversely affect the market perception of PCS' services and abilities which may in turn adversely affect the reputation and financial performance of our Group. Nevertheless, we will endeavour to take proactive measures in maintaining a competitive edge in terms of our service quality and reliability. In addition, we will also provide training on computer software applications to minimise the risk of cybersecurity threats.

#### **4.7 Achievability of Profit Guarantee**

The Profit Guarantee is based on various bases and assumptions which our Board deems reasonable, but nevertheless is subject to certain uncertainties and contingencies, which are often outside the control of our Group. There can be no assurance that the Profit Guarantee will be met during the Profit Guarantee Period. Nonetheless, in the event the Profit Guarantee is not met during the Profit Guarantee Period, our Company is entitled to receive the deficiency amount from the Vendor in accordance with our Company's shareholding proportion in PCS in cash within 14 days from the issuance of the respective audited accounts of PCS during the Profit Guarantee Period, or receive a payment of RM1,800,000 from the Vendor in the event PCS shall incur LAT of any amount in any financial year within the Profit Guarantee Period.

#### **4.8 Dependency on key management personnel**

Our Group's success in the ICT Solutions Business will be dependent on the expertise and commitment of the key management personnel as identified in Section 2.2.1. The departure of any key management personnel without timely and suitable replacement, or challenges in attracting and retaining qualified personnel, may adversely impact our Group's ability to compete effectively in the ICT sector. Our Group is committed to retaining and hiring qualified and experienced personnel by offering competitive remuneration packages and providing ongoing training and development programmes as part of our succession planning efforts to ensure continuity and the ongoing competency of our management team. Notwithstanding the PCS currently being supported by the Vendor and 3 personnel with ICT expertise in PCS, our Group intends to employ additional qualified and experienced personnel to further expand and grow the ICT Solutions Business through marketing activities such as career exhibition centres, company website and social media.

### **5. INDUSTRY OVERVIEW AND PROSPECTS**

#### **5.1 Overview and outlook of the Malaysian economy**

The Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), anchored by stronger domestic demand. Of significance, the ongoing investment upcycle led to the highest investment growth in a decade, with added impetus from the realisation of electrical and electronics ("E&E") and ICT projects. Household spending remained resilient, benefitting from favourable labour market conditions, continued wealth accumulation and effective policy support. On the external front, exports strengthened following improving demand from key trade partners and positive spillovers from the global technology upcycle. Meanwhile, imports grew at a much faster pace, driven by stronger demand for capital and intermediate goods to support rising investments and trade. From a sectoral perspective, services and manufacturing remained the primary growth drivers, with all sectors recording higher growth relative to 2023 due to improved domestic and external conditions.

The Malaysian economy is projected to grow between 4.5% to 5.5% in 2025. In the face of external uncertainties, domestic demand is expected to remain Malaysia's anchor of growth amid steady private sector expenditure. Higher household spending will be driven by employment and faster income growth as well as policy support. Meanwhile, investment activity will continue to see a robust expansion as the investment upcycle is expected to extend into 2025. The domestic growth outlook is subject to several downside risks, stemming primarily from the considerable uncertainties from the external front. More restrictive trade policies, subsequent retaliatory measures, and the potential escalation of geopolitical conflicts could disrupt global trade, and in turn affect Malaysia's trade performance. On the domestic front, downside risks could emanate from further disruptions in commodity production which could weigh on growth. Notwithstanding, higher external demand, greater positive spillovers from the global technology upcycle, more robust tourism activity and quicker implementation of new and existing investment projects could lift domestic growth.

The materialisation of these downside or upside risks will land the economy closer to the lower or the upper end of the forecast range, respectively.

*(Source: Economic and Monetary Review 2024, Bank Negara Malaysia)*

The Malaysian economy expanded by 4.4% in the first quarter of 2025 (4Q 2024: 4.9%), driven by the steady expansion in domestic demand. Household spending was sustained amid positive labour market conditions and income-related policy measures, including the upward revision of minimum wage and civil servant salary. The steady expansion in investment activities was supported by realisation of new and existing projects. In the external sector, export growth was slower mainly due to lower mining exports. This was partially offset by stronger E&E exports and tourism activity. At the same time, imports growth, although more moderate, continued to be driven by strong demand for capital goods, reflecting continued investment and trade activities.

On the supply side, growth was driven by the services and manufacturing sectors. Services sector was supported by higher Government services while strong E&E production underpinned the performance in the manufacturing sector. However, normalisation in motor vehicle sales and production following strong performances over the last three years affected the growth of services and manufacturing sectors respectively. Overall growth was also weighed down by a contraction in the mining sector amid lower oil and gas production. On a quarter-on-quarter, seasonally-adjusted basis, growth expanded by 0.7% (4Q 2024: -0.2%).

The rapidly-evolving developments surrounding trade tariffs are expected to affect the global outlook for the rest of the year. Bank Negara Malaysia Governor Dato' Seri Abdul Rasheed Ghaffour says, 'As a small and open economy, Malaysia will inevitably face both direct and indirect impact from these tariffs. Growth of the Malaysian economy is expected to be slightly lower than the earlier forecast of 4.5% to 5.5% in 2025. The high uncertainty surrounding outcomes of trade negotiations and how these will reshape global trade complicates a clear assessment of their impact on growth at this juncture. The new official growth forecast will be released in the near future once there is a greater visibility in these factors.

Notwithstanding the external risks, growth will continue to be anchored primarily by resilient domestic demand. This provides a strong buffer against external headwinds. Household spending is expected to continue expanding, supported by continued wage and employment growth, particularly within domestic-oriented sectors as well as income-related policy measures. Investment activities will be driven by the continued implementation of multi-year projects across private and public sectors, further realisation of approved investments with a larger share by domestic players and the implementation of catalytic initiatives under the national master plans. Additionally, the continued demand for E&E goods, alongside higher tourist receipts will also provide cushion to growth.

*(Source: Economic and Financial Developments in Malaysia in the first quarter of 2025, Bank Negara Malaysia)*

The Malaysian economy's growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector, benefitting from improved global trade and stronger demand for E&E goods, leveraging the country's strategic position within the semiconductor supply chain. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion, through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative, the Government-linked Enterprises Activation and Reform Programme (GEAR-uP), will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals. The potential investment from this initiative is expected to amount to RM120 billion over the span of five years. On the production side, most sectors are expected to expand, highlighting the resilience and agility of Malaysia's economy.

The real estate and business services subsector expanded by 9.1% in the first half of 2024, supported by higher demand for professional services, particularly in engineering-related activities. The subsector is expected to grow by 8.1% in the second half of the year, supported by the increase of sales transactions from developers to buyers in the real estate segment and higher demand for professional, scientific and technical services. Furthermore, the enhancement of the Malaysia My Second Home visa scheme in June 2024 will help boost sales of the high-end segment of local property. For the year, the subsector is expected to grow by 8.6%.

In 2025, the real estate and business services subsector is forecast to increase by 6.3%, driven by sustained demand for professional services, particularly engineering related services in construction activities, including new data centre facilities. In addition, the expansion of the subsector will be supported by the improvement in sales of residential houses in the real estate segment. Meanwhile, the information and communication subsector is expected to grow by 2.6%, mainly attributed to the completion of the fifth-generation (5G) network that will enhance the coverage and network quality. Furthermore, a surge in investment for digital infrastructure, including data centres, will be crucial in improving the subsector's growth.

*(Source: Economic Outlook 2025, Ministry of Finance Malaysia)*

## **5.2 Overview and outlook of the ICT sector in Malaysia**

ICT refers to the technologies and services that enable information to be accessed, stored, processed, transformed and disseminated, including the transmission or communication of voice, image and/or data over a variety of transmission media. In Malaysia, the ICT industry contributes to enhancing overall national productivity, where it has evolved beyond technological tools to become a socio-economic enabler and key driver of businesses. The ICT sector in Malaysia, based on industry revenue, increased from RM138.8 billion in 2019 to RM181.1 billion in 2024 at a CAGR of 5.5%. The ICT sector encompasses the ICT products and services industry as well as enterprise ICT solutions industry.

Providence projects the ICT sector in Malaysia to grow from RM181.1 billion in 2024 to RM203.0 billion by 2026 at a CAGR of 5.9%, driven by:

- (i) the increasing demand for ICT system integration services, given an increased penetration rate for ICT systems used in enterprises;
- (ii) favourable government initiatives aimed at boosting the country's digital economy; and
- (iii) increasing demand for ICT consultancy services as well as system operations, maintenance and support services due to the rising number of end-users and growing complexity of enterprise ICT systems.

ICT products and services are important for businesses to support and improve their business operations, and it encompasses the supply of devices used for communicating, networking, transmitting and receiving of information. ICT services enable the usage of ICT products, and encompass ICT products set-up, software installation, networking services, security management solutions and telecommunication services. As businesses grow and expand, the demand for ICT products and services also increases to facilitate growth. Further, ICT products may be replaced periodically to upgrade ICT infrastructure as part of the businesses' continuous effort to enhance the efficiency of business operations, improve productivity and reduce maintenance costs of old devices. This is in line with the fourth industrial revolution (Industry 4.0) which drives businesses to invest in new technologies (e.g. ICT products, systems and machineries) to streamline operational processes, boost productivity, increase people collaboration, increase workforce and machinery interconnectivity through the Internet of Things, and leverage on data analytics to make data-driven decisions.

Enterprise ICT solutions are critical for businesses and organisations regardless of sector as these services support the digitisation and automation of work streams. The enterprise ICT solutions industry in Malaysia is characterised by enterprise spending on ICT consulting and implementation services as well as operations, maintenance and support services. Enterprise ICT solutions are critical for businesses and organisations regardless of sector as these services support the digitisation and automation of work streams. Organisations rely on the use of various enterprise ICT solutions to improve their operations, processes and productivity. The COVID-19 pandemic highlighted an aspect of technology that is not as distinctly apparent in more normal times – business continuity. While the ability of enterprise ICT solutions to mitigate abrupt business changes has been noted in the past, the extensive reliance on enterprise ICT solutions to maintain widespread and fundamental business continuity has never been experienced on such a large scale.

Enterprises rely on the use of various technologies to improve their operations, processes and productivity. In particular, technologies to facilitate data analytics, data processing and data exchange require appropriate IT infrastructure solutions to run effectively and securely. Enterprises are increasingly incorporating different levels of ICT services and technologies into their daily business operations in order to enhance business development. Enterprises are integrating internet technologies and various ICT services with their business operations to enhance their competitiveness. Big data management involves the process of collecting, organising and analysing large sets of data for analytical purposes, becomes more popular. An increasing number of business establishments are adopting big data management in order to gain insights from data, and improve productivity and profitability. It is expected that the increasing popularity of big data management will bring more business opportunities to the enterprise ICT solutions industry in Malaysia.

Furthermore, there is increasing popularity of cloud-based services such as Dropbox, Google Drive, Slack and Office 365, as well as video conferencing applications such as Zoom and Microsoft Teams. These applications experienced high usage particularly during the COVID-19 pandemic whereby national lockdowns were imposed in many countries, forcing employees to work from home. Notwithstanding that COVID-19 is no longer a pandemic, cloud-based services continue to remain as an integral ICT tool for enterprises. As the adoption of these technologies increase, the demand for ICT solutions is expected to correspondingly rise.

Malaysia recorded RM378.5 billion in approved investments in 2024, a 14.9% year-on-year growth compared to the RM329.5 billion raised in 2023. The services sector continues to be a key driver of Malaysia's economic expansion, securing RM252.7 billion in approved investments or 66.8% of the total approvals. The information and communication sub-sector led the sector's growth, attracting RM136.0 billion or 53.8% of total service sector investments. These investments reflect the country's rapid adoption of digital technologies across industries such as agriculture, healthcare, finance, tourism, and Islamic digital economy. Foreign investments were the dominant contributor, totalling RM88.9 billion (73.8%), while domestic investments remained substantial at RM31.6 billion. This inflow of foreign capital underscores Malaysia's appeal as a global manufacturing hub. The E&E industry secured the major share of investments in the manufacturing sector with RM55.8 billion or 46.3% affirming Malaysia's role in the global technology supply chain. Malaysia's performance is a testament to investors' confidence in Malaysia as a preferred investment hub, particularly the conducive business ecosystem in providing high-skilled talents and having strong readiness in advanced technology. This, in turn, further bolsters Malaysia's role as a prominent site in global companies' manufacturing networks, enhancing the nation's position as an investment destination in the region. Malaysia is expected to continue attracting investments, especially foreign direct investments, as the economy recovers and further expands. This is expected to bode well and create demand for enterprise ICT solutions such as ICT consulting and implementation services, system integration, application development, as well as software installation support services.

*(Source: IMR Report)*

### 5.3 Prospects of our Group

The Malaysian furniture industry is currently navigating several challenges, including rising raw material costs, supply chain disruptions and increased competition from regional players. Additionally, manufacturers face higher labour costs as they compete to attract skilled workers in a tight labour market.

PCS is principally involved in the ICT Solutions Business where its business activities relate to the marketing and servicing of computers, computer-related accessories, and peripherals, sale of computer software, software development, and programming services, as well as providing training on computer software applications to support its customers' operations and improving operational efficiency. PCS has been operating for more than 30 years in Malaysia since its incorporation in 1990.

We intend to preserve, grow and continue with the operations of PCS subsequent to the completion of the Proposed Acquisition while retaining the key management personnel of PCS. It is the intention of our Board to ensure the continuity and sustainability of PCS's business under the present key management personnel of PCS and additional recruits in future, who will continue to be responsible for driving the business operations, expansion in customer base and revenue growth of PCS. We intend to tap into the business network and contacts of the key management of our Group and PCS to source for business opportunities to further grow the ICT Solutions Business. Our Group shall take all reasonable steps to build our track record and reputation in the ICT Solutions Business and shall progressively participate in new ICT contracts to sustain and replenish our order book. Our Board anticipates that PCS will remain profitable in view of the industry outlook and prospects of the ICT sector as set out in Sections 5.2 due to the increasing demand for ICT system integration services, favourable government initiatives aimed at boosting the country's digital economy, and increasing demand for ICT consultancy services as well as system operations, maintenance and support services. This will enable us to explore further opportunities for PCS in the ICT Solutions Business.

The integration of PCS is expected to provide our Group with diversified revenue streams and access to new market segments. PCS's established presence in the ICT sector facilitates our Group's venture into the ICT sector and offers opportunities for our Group to leverage on the ICT products that support technological advancements and enhance operational efficiencies for small and medium businesses.

The Proposed Acquisition is part of our broader diversification strategy to enhance resilience and reduce dependency on the cyclical nature of the furniture manufacturing industry.

Notwithstanding the Proposed Diversification, we will continue to produce RTA furniture. Our Board remains optimistic that the global demand for RTA furniture will recover and grow over the long term in light of economic growth, urbanisation and rising consumer incomes.

The Proposed Acquisition and Proposed Diversification represent an opportunity for our Group to diversify and grow our earnings base by tapping upon the opportunities in the growing ICT sector as set out in Section 5.2.

In conjunction with the Proposed Acquisition and Proposed Diversification, our Group also proposes to undertake the Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants. The Proposed Bonus Issue of Shares is expected to enhance the marketability and trading liquidity of our Shares on the Main Market due to the increased number of shares in issue. It will also result in an adjustment to the market price of our Shares, making them more affordable and potentially appealing to a broader group of public shareholders and/or investors. Furthermore, the Proposed Bonus Issue of Shares will enable existing shareholders to hold a larger number of shares while maintaining their percentage equity interest in our Company.

The Proposed Bonus Issue of Warrants, on the other hand, will provide shareholders with an opportunity to further participate in the potential future growth of our Group. The Warrants will offer the opportunity for shareholders to increase their equity participation in our Group at a future date and at a predetermined price, which may enhance our Group's capital base if and when the Warrants are exercised.

Our Board does not anticipate additional financial resources to be committed for the above future plans as PCS is already in operations and has been generating income over the years. Our Board also does not expect any work or costs required to integrate our existing furniture business with PCS' ICT Solutions Business to be material.

Premised on the above and after taking into consideration the prospects and outlook of the Malaysian economy and ICT sector as set out in Sections 5.1 and 5.2, our Board remains cautiously optimistic, barring any unforeseen circumstances, our existing furniture business and ICT Solutions Business together with the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants, will contribute positively to our Group's revenue and earnings, thereby enhancing shareholders' value in the future.

Over the long term, our Board remains open to the possibility of acquiring the remaining 40.0% equity interest in PCS should it align with our Group's long-term growth strategy and deliver value to our shareholders.

## 6. EFFECTS OF THE PROPOSALS

### 6.1 Issued share capital

The Proposed Acquisition and Proposed Diversification will not have any effect on the issued share capital of our Company. The pro forma effects of the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants on the issued share capital of our Company are as follows:

Details	No. of Shares	RM
Share capital as at LPD	358,025,834	29,097,416
New Shares to be issued pursuant to the Proposed Bonus Issue of Shares	358,025,834	-
	716,051,668	29,097,416
Exercised Shares to be issued assuming full exercise of the Warrants	358,025,834	<sup>(1)</sup> 221,976,017
<b>Enlarged issued share capital</b>	<b>1,074,077,502</b>	<b>251,073,433</b>

**Note:**

(1) Based on the Indicative Exercise Price.

As at LPD, we do not retain any treasury shares.

## 6.2 NA and gearing

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 position of our Group as at 28 February 2025, assuming that the Proposals had been completed on 28 February 2025, is as follows:

	As at 28 February 2025 RM'000	I  (1)After Proposed Acquisition RM'000	II  After I and Proposed Bonus Issue of Shares and Warrants RM'000	III  After II and assuming full exercise of Warrants RM'000
Share capital	29,097	29,097	29,097	251,073
Re-organisation reserve	(3,449)	(3,449)	(3,449)	(3,449)
Warrants reserve	-	-	50,303	-
Other reserves	-	-	(50,303)	-
Retained profits	19,012	(2)(3)18,624	18,624	18,624
<b>Equity attributable to the owners of the Company</b>	<b>44,660</b>	<b>44,272</b>	<b>44,272</b>	<b>266,248</b>
Non-controlling interest	-	(2)75	75	75
<b>Total equity</b>	<b>44,660</b>	<b>44,347</b>	<b>44,347</b>	<b>266,323</b>
No. of ordinary shares	358,025,834	358,025,834	(4)716,051,668	(5)1,074,077,502
NA per ordinary share (RM)	0.12	0.12	0.06	0.25
Borrowings (RM'000)	14,122	14,122	14,122	14,122
Gearing (times)	0.32	0.32	0.32	0.05

### Notes:

- (1) Assuming that the Purchase Consideration is fully paid by internally-generated funds.
- (2) After taking into consideration the effect of RM0.1 million arising from the changes in equity in PCS that is attributable to the owners of our Company and carrying amount of non-controlling interest acquired of RM74,699 based on audited financial statements for financial year ended 31 December 2024.
- (3) After deducting estimated expenses of approximately RM0.5 million to be incurred for the Proposals.
- (4) Assuming 358,025,834 Bonus Shares are issued pursuant to the Proposed Bonus Issue of Shares.
- (5) Assuming 358,025,834 Warrants are exercised into Exercised Shares at the Indicative Exercise Price.

### 6.3 Earnings and EPS

For illustrative purposes, the pro forma effects of the Proposed Acquisition on the earnings of our Group and consolidated EPS of our Company for the FYE 2025, assuming the Proposed Acquisition had been completed as at 1 March 2024, are as follows:

	<b>FYE 2025</b>	<b>After Proposed Acquisition</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>PAT</b>	<b>1,470</b>	<b>(1)970</b>
Add: PAT of PCS for financial year ended 31 December 2024	-	(2)1,220
<b>Pro forma PAT</b>	<b>1,470</b>	<b>2,190</b>
No. of ordinary shares	358,025,834	358,025,834
EPS (sen) <sup>(2)</sup>	0.41	0.61

#### Notes:

- (1) After deducting estimated expenses of approximately RM0.5 million to be incurred for the Proposals.
- (2) Calculated based on the amount of 60.0% of PAT of PCS for financial year ended 31 December 2024.
- (3) Calculated based on pro forma PAT over number of ordinary shares.

Additionally, the consolidated EPS of our Company will be proportionately diluted as a result of the increase in the number of Ecomate Holdings Shares in issue pursuant to the Proposed Bonus Issue of Shares, and as and when the Warrants are exercised into new Ecomate Holdings Shares.

The potential effects of the exercise of the Warrants on the future earnings of our Group and consolidated EPS of our Company will depend on, amongst others, the number of Warrants exercised at any point in time and the returns generated by our Group from the use of proceeds raised from the exercise of the Warrants.

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#### 6.4 Substantial shareholders' shareholdings

The Proposed Acquisition and Proposed Diversification will not have any effect on the substantial shareholders' shareholding of our Company. The Proposed Bonus Issue of Shares will not have any effect on the percentage of shareholdings of our substantial shareholders as the Bonus Shares will be allotted on a pro-rata basis to all the shareholders. However, the number of Ecomate Holdings Shares held by our substantial shareholders will increase proportionately as a result of the Proposed Bonus Issue of Shares.

The Proposed Bonus Issue of Warrants will not have any effect on the percentage of shareholdings of our substantial shareholders assuming all the Entitled Shareholders exercise their respective Warrants during the exercise period of the Warrants.

For illustrative purposes, the pro forma effects of the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants on the shareholdings of our substantial shareholders are as follows:

Substantial shareholders	As at LPD				(I) After Proposed Bonus Issue of Shares			
	Direct		Indirect		Direct		Indirect	
	No. of shares	(1)%	No. of shares	(1)%	No. of shares	(2)%	No. of shares	(2)%
Jason Koh Jian Hui	118,996,875	33.2	-	-	237,993,750	33.2	-	-
Koh Cheng Huat	118,790,175	33.2	-	-	237,580,350	33.2	-	-
Substantial shareholders	(II) After (I) and Proposed Bonus Issue of Warrants				(III) After (II) and assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of shares	(2)%	No. of shares	(2)%	No. of shares	(3)%	No. of shares	(3)%
Jason Koh Jian Hui	237,993,750	33.2	-	-	356,990,625	33.2	-	-
Koh Cheng Huat	237,580,350	33.2	-	-	356,370,525	33.2	-	-

#### Notes:

- (1) Based on the total issued Shares of 358,025,834 Shares as at LPD.
- (2) Based on the total issued Shares of 716,051,668 Shares after Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants.
- (3) Based on the total issued Shares of 1,074,077,502 Shares after Proposed Bonus Issue of Shares, Proposed Bonus Issue of Warrants and assuming full exercise of the Warrants.

For information purposes, our Group is expected to comply with the public spread requirement after the completion of the Proposals, with the public shareholding spread of 33.5% as at LPD, and 33.5% upon completion of the Proposals.

## 6.5 Convertible securities

As at LPD, our Company does not have any outstanding convertible securities.

## 7. APPROVALS REQUIRED

The Proposals are subject to the following approvals being obtained:

- (a) Bursa Securities, for the following:
- (i) listing of and quotation for 358,025,834 Bonus Shares on the Main Market;
  - (ii) admission of 358,025,834 Warrants to the Official List of Bursa Securities; and
  - (iii) listing of and quotation for 358,025,834 Warrants and the Exercised Shares on the Main Market.

The abovementioned approval from Bursa Securities has been obtained vide its letter dated 24 July 2025 and is subject to the following conditions:

<b>No.</b>	<b>Details of conditions imposed</b>	<b>Status of compliance</b>
(i)	Ecomate Holdings and M&A Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants;	To be complied
(ii)	Ecomate Holdings and M&A Securities are required to inform Bursa Securities upon completion of the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants;	To be complied
(iii)	Ecomate Holdings is required to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders at the EGM approving the Proposals;	To be complied
(iv)	Ecomate Holdings is required to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants are completed;	To be complied
(v)	In respect of the Proposed Bonus Issue of Shares, Ecomate Holdings and M&A Securities are required to make the relevant announcements in accordance with Paragraphs 6.35(2)(a), 6.35(2)(b), 6.35(3) and 6.35(5) of the Listing Requirements;	To be complied

<b>No.</b>	<b>Details of conditions imposed</b>	<b>Status of compliance</b>
(vi)	In respect of the Proposed Bonus Issue of Warrants, Ecomate Holdings and M&A Securities are required to provide a written confirmation that the terms of the Warrants are in compliance with Paragraph 6.54(3) of the Listing Requirements;	To be complied
(vii)	Ecomate Holdings is required 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

(b) our shareholders at the forthcoming EGM.

The Proposed Acquisition and the Proposed Diversification are inter-conditional upon each other. The Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants are inter-conditional upon each other as well. However, the Proposed Acquisition and the Proposed Diversification are not conditional upon the Proposed Bonus Issue of Shares and the Proposed Bonus Issue of Warrants, and vice versa.

The Proposals are not conditional on any other proposals undertaken or to be undertaken by our Company.

## **8. HIGHEST PERCENTAGE RATIOS**

The highest percentage ratio applicable to the Proposed Acquisition pursuant to Paragraph 10.02(g)(ii) of the Listing Requirements is approximately 80.9% calculated based on the audited PAT of PCS for financial year ended 31 December 2024 compared to the audited PAT of our Group for FYE 2024.

## **9. HISTORICAL SHARE PRICES**

The monthly highest and lowest prices of Ecomate Holdings Shares traded on the Main Market for the past 12 months preceding the date of this Circular are as follows:

	<u>Highest</u>	<u>Lowest</u>
<b><u>2024</u></b>		
July	0.9000	0.8500
August	0.8750	0.8450
September	0.9000	0.8600
October	0.9200	0.8800
November	0.9300	0.8950
December	0.9700	0.9100
<b><u>2025</u></b>		
January	1.0500	0.9650
February	1.0700	0.9700
March	1.1200	1.0100
April	1.1600	1.0700
May	1.2700	1.1400
June	1.4500	1.2400

	<u>Highest</u>	<u>Lowest</u>
Last transacted price of Ecomate Holdings Shares on 5 June 2025 (being the last trading day prior to the Announcement)		1.2900
Last transacted price of Ecomate Holdings Shares as at LPD (i.e. 15 July 2025)		1.4500

*(Source: Bloomberg)*

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

None of our Directors, major shareholders, chief executives of our Company and/or persons connected with them have any interest, direct or indirect, in relation to the Proposals, apart from their respective entitlements as shareholders of our Company under the Proposed Bonus Issue of Shares and Proposed Bonus Issue of Warrants, which are also available to all other existing shareholders of our Company as at Entitlement Date.

**11. DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board, having considered all aspects of the Proposals, including but not limited to the rationale as well as the effects of the Proposals, is of the opinion that the Proposals are in the best interest of our Company and our shareholders. Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

**12. ADVISERS**

M&A Securities has been appointed by our Company to act as the Adviser for the Proposals.

**13. ESTIMATED TIMEFRAME FOR COMPLETION**

Barring any unforeseen circumstances and subject to all relevant approvals obtained, the Proposals are expected to be completed by fourth quarter of 2025. The tentative timeline for the Proposals is as follows:

<u>Tentative timeline</u>	<u>Events</u>
August 2025	EGM to approve the Proposals
Early September 2025	<ul style="list-style-type: none"> <li>• Price-fixing date</li> <li>• Announcement of the Entitlement Date</li> </ul>
Mid September 2025	<ul style="list-style-type: none"> <li>• Entitlement Date</li> </ul>
Early October 2025	<ul style="list-style-type: none"> <li>• Unconditional date of the SPA</li> <li>• Listing of and quotation for the Bonus Shares and Warrants on the Main Market</li> <li>• Completion of the Proposals</li> </ul>

**14. OUTSTANDING CORPORATE EXERCISE ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals, there is no other outstanding corporate exercise announced but pending completion as at LPD.

**15. EGM**

The EGM, the Notice of which is enclosed with this Circular, will be held at BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor ("**Venue**"), on Monday, 25 August 2025 at 12.00 p.m. or immediately upon the conclusion of our Company's Fifth Annual General Meeting scheduled to be held at the same Venue on the same date at 11.00 a.m., for the purpose of considering the Proposals contained herein and if thought fit, passing the resolutions so as to give effect to the Proposals.

A member entitled to attend and vote at the EGM is entitled to appoint more than one (1) proxy to attend, participate, speak and vote on his/her behalf. In such event, the completed and signed Form of Proxy must be deposited at our Company's share registrar, Aldpro Corporate Services Sdn Bhd ("**Aldpro**") office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the EGM or any adjournment thereof as Paragraph 8.29A(1) of the Listing Requirements requires all resolutions set out in the Notice of EGM to vote by way of poll. The lodging of the Form of Proxy shall not preclude you from attending, participating and voting in person at the EGM, should you subsequently wish to do so.

**16. 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 the Board of  
**ECOMATE HOLDINGS BERHAD**

**JASON KOH JIAN HUI**  
MANAGING DIRECTOR

**1. BACKGROUND INFORMATION**

PCS is a private limited company incorporated in Malaysia on 1 August 1990 under the Companies Act 1965 and is deemed registered under the Act. PCS is principally involved in marketing and servicing of computers, computer-related accessories, and peripherals. PCS is also involved in the sale of computer software, software development, and programming services, as well as providing training on computer software applications to support its customers' operations and improving operational efficiency.

PCS commenced its business operations since its incorporation on 1 August 1990. The computer software offered by PCS are as follows:

<b>Software</b>	<b>Description</b>	<b>Usage</b>	<b>Potential customers</b>
AutoCAD	Industry-standard two-dimensional ("2D") and three-dimensional ("3D") computer-aided design ("CAD") software used for drafting, modeling and design	Widely used in engineering firms, architectural firms, construction companies, as well as in government and educational institutions for technical drawings	Architects, engineers, drafters, designers and construction professionals
Civil 3D	A civil engineering design and documentation software that supports Building Information Modeling ("BIM")	Used by engineering consultancies, road and highway development firms, drainage and sewerage designers and municipal authorities for large-scale projects	Civil engineers, infrastructure designers, urban planners and construction firms
Revit	A BIM software for architectural design, structural engineering and mechanical, electrical and plumbing ("MEP") engineering	Widely adopted in the construction and real estate development industry, especially for high-rise buildings, commercial projects and industrial plants	Architects, structural engineers, MEP engineers, interior designers and contractors
3ds Max	A 3D modeling, rendering and animation software commonly used for architectural visualisation, gaming, and film production	Used by design studios, property developers, and animation firms for realistic 3D visualisation of projects	Architects, interior designers, visual effects artists, game developers and media production companies
Maya	A high-end 3D modeling, animation and visual effects software used in the film, television, and gaming industries	Prominent in the media, entertainment and gaming industries, with animation studios using it for high-quality animations	Game developers, animation studios, film production houses and multimedia designers

## APPENDIX I – INFORMATION ON PCS (Cont'd)

<u>Software</u>	<u>Description</u>	<u>Usage</u>	<u>Potential customers</u>
SketchUp	A 3D modeling software used for architectural design, interior design and landscape architecture	Popular among small to medium-sized architectural firms, interior designers, and educational institutions due to its ease of use and affordability	Architects, interior designers, urban planners, product designers and educators

PCS operates primarily on a recurring revenue model driven by subscription-based software licenses where its customer base is largely recurring, with most clients renewing the software licenses annually or through multi-year contracts. As an authorised reseller, PCS adds value by providing technical support and training on computer software applications, ensuring stable and predictable income streams. PCS's revenue was entirely generated from Malaysia, being its sole principal market.

### 2. SHARE CAPITAL

As at LPD, the issued share capital of PCS is RM1,000,000 comprising 1,000,000 ordinary shares. There is only one class of shares in PCS as at LPD.

### 3. DIRECTOR AND SHAREHOLDER

As at LPD, the director and shareholder of PCS and his shareholding in PCS is as follows:

<u>Name</u>	<u>Director/ Shareholder</u>	<u>Nationality</u>	<u>Direct</u>		<u>Indirect</u>	
			<u>No. of shares</u>	<u>%</u>	<u>No. of shares</u>	<u>%</u>
Law Seng Peng	Director and shareholder	Malaysia	1,000,000	100.0	-	-

### 4. SUBSIDIARY AND ASSOCIATED COMPANY

As at LPD, PCS does not have any subsidiary and associated company.

### 5. HISTORICAL FINANCIAL INFORMATION

There were no audit qualifications on the audited financial statements of PCS during the financial years under review. A summary of the financial information of PCS based on the audited financial statements of PCS for financial year ended 31 December 2022 to 2024, as well as the unaudited financial statements of PCS for 3 months financial period ended 31 March 2025 is set out below:

	<u>Audited</u>			<u>Unaudited</u>
	<u>Financial year ended 31 December</u>			<u>Financial period ended 31 March</u>
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	20,223	20,020	22,653	8,970
GP	4,045	3,226	4,526	1,883
PBT	2,621	5,152	2,649	1,502
PAT	2,009	4,798	2,033	1,142
GP margin (%) <sup>(1)</sup>	20.0	16.1	20.0	21.0

## APPENDIX I – INFORMATION ON PCS (Cont'd)

	Audited			Unaudited
	Financial year ended 31 December			Financial period ended 31 March
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Issued share capital	500	500	1,000	1,000
Total equity/ NA	2,905	<sup>(5)</sup> 654	1,187	2,329
No. of shares ('000)	500	500	1,000	1,000
NA per share (RM)	5.81	1.31	1.19	2.33
EPS (RM) <sup>(2)</sup>	4.02	9.60	2.03	1.14
Total borrowings <sup>(3)</sup>	N/A	N/A	N/A	N/A
Gearing (times) <sup>(3)</sup>	N/A	N/A	N/A	N/A
Current assets	4,715	9,101	17,334	15,246
Current liabilities	2,327	8,976	16,709	13,477
Current ratio (times) <sup>(4)</sup>	2.03	1.01	1.04	1.13

### Notes:

- (1) Calculated based on GP over revenue for each financial year or 3 months financial period.
- (2) Calculated based on PAT over number of shares at the end of each financial year or 3 months financial period.
- (3) PCS has no borrowings during the financial year ended 31 December 2022 to 2024 and 3 months financial period ended 31 March 2025. As such, the computation on gearing (calculated based on total borrowings over total equity at the end of each financial year or 3 months financial period) in this case is not applicable.
- (4) Calculated based on current assets over current liabilities at the end of each financial year or 3 months financial period.
- (5) Dividends of RM7.1 million were paid in respect of the financial year ended 31 December 2023.

### Revenue by products and services

	Audited			Unaudited
	Financial year ended 31 December			Financial period ended 31 March
	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000
Software <sup>(1)</sup>	20,020	19,361	22,559	8,507
Hardware <sup>(2)</sup>	61	587	45	462
Training <sup>(3)</sup>	142	72	49	1
	<b>20,223</b>	<b>20,020</b>	<b>22,653</b>	<b>8,970</b>

### Notes:

- (1) Relates to the sale and licensing of software products, including AutoCAD, Civil 3D, Revit, 3ds Max, Maya and SketchUp.

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**APPENDIX I – INFORMATION ON PCS (Cont'd)**

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- (2) Relates to the sale of computer components and devices, including desktop and laptop computers, servers, storage devices, networking equipment and other electronic hardware, on ad-hoc basis upon customer's request.
- (3) Relates to training programmes and certification courses for software applications, as well as information technology support, system maintenance, and troubleshooting services.

PCS's revenue for financial year ended 31 December 2022 to 2024 were mainly derived from software, which accounted for majority of its total revenue in financial year ended 31 December 2022 to 2024.

**(i) Comparison between financial year ended 31 December 2022 and financial year ended 31 December 2023**

Revenue decreased by 1.0% from RM20.2 million in financial year ended 31 December 2022 to RM20.0 million in financial year ended 31 December 2023, mainly due to decrease in sales of software and training by RM0.6 million and RM0.1 million respectively. The decrease in revenue was offset by the increase in sales of hardware of RM0.5 million in FYE 2023.

GP decreased by 20.2% from RM4.0 million in financial year ended 31 December 2022 to RM3.2 million in financial year ended 31 December 2023, and GP margin decreased from 20.0% in financial year ended 31 December 2022 to 16.1% in financial year ended 31 December 2023. The decline was mainly due to higher customer rebates on computer software, which were in line with its competitive pricing strategy to retain and support the customers amid challenging market conditions.

PAT increased by 138.8% from RM2.0 million in financial year ended 31 December 2022 to RM4.8 million in financial year ended 31 December 2023, mostly attributable to the following:

- (a) non-recurring other operating income of RM3.6 million in financial year ended 31 December 2023, driven by the gain on disposal of property, plant and equipment; and
- (b) higher rebates of RM3.7 million received from suppliers (increased by RM0.6 million or 18.1% from RM3.1 million in financial year ended 31 December 2022) in relation to higher purchase of software of RM20.5 million in financial year ended 31 December 2023.

However, the increase in PAT was partly offset by the increase of administrative, marketing and finance expenses of RM0.4 million (or 23.4%) from RM1.5 million in financial year ended 31 December 2022 to RM1.9 million in financial year ended 31 December 2023, mostly attributable to the following:

- (a) increase of RM0.1 million (or 16.7%) in staff cost from RM0.6 million in financial year ended 31 December 2022 to RM0.7 million in financial year ended 31 December 2023, driven by increment in annual salaries for staff;
- (b) non-recurring expenses in relation to the website maintenance of RM0.1 million; and
- (c) allowance of doubtful debts of RM0.1 million, due to 2 customers who were unable to be contacted.

**(ii) Comparison between financial year ended 31 December 2023 and financial year ended 31 December 2024**

Revenue increased by 13.1% from RM20.0 million in financial year ended 31 December 2023 to RM22.7 million in financial year ended 31 December 2024, mainly due to growth in sale of computer software and new projects secured by PCS during the financial year ended 31 December 2024.

GP increased by 40.3% from RM3.2 million in financial year ended 31 December 2023 to RM4.5 million in financial year ended 31 December 2024, and GP margin increased from 16.1% in financial year ended 31 December 2023 to 20.0% in financial year ended 31 December 2024. The improvement was mainly due to lower customer rebates on computer software, reflecting a shift towards a more aggressive pricing strategy in anticipation of market recovery.

PAT decreased by 57.6% from RM4.8 million in financial year ended 31 December 2023 to RM2.0 million in financial year ended 31 December 2024, mostly attributable to the following:

- (a) non-recurring other operating income of RM3.6 million in financial year ended 31 December 2023, driven by the gain on disposal of property, plant and equipment; and
- (b) increase of RM0.2 million (or 16.7%) in staff cost due to increment in annual salaries for staff.

However, the decrease in PAT was partly offset by the higher rebates of RM5.3 million received from suppliers (increased by RM1.6 million or 43.4% from RM3.7 million in financial year ended 31 December 2023) in relation to higher purchase of software of RM23.4 million in financial year ended 31 December 2024.

**6. MATERIAL COMMITMENTS**

As at LPD, there is no material commitment, incurred or known to be incurred by PCS, which may have a material impact on the profits or NA of PCS.

**7. CONTINGENT LIABILITIES**

As at LPD, there are no contingent liabilities incurred or known to be incurred by PCS which, upon becoming enforceable, may have a material impact on the profits and/or NA of PCS.

**8. MATERIAL LITIGATION**

As at LPD, PCS is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant and the director of PCS is not aware of any proceedings, pending or threatened, against PCS or of any facts likely to give rise to any proceedings which may materially affect the business or financial position of PCS.

**9. MATERIAL CONTRACTS**

As at LPD, PCS has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the 2 years immediately preceding the date of this Circular.

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**APPENDIX I – INFORMATION ON PCS (Cont'd)**

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**10. LIST OF ASSETS OWNED**

A summary of the assets owned by PCS based on the audited financial statements of PCS for financial year ended 31 December 2024 is set out below:

	<b>Audited</b>
	<b>RM'000</b>
<b>Non-current assets</b>	
Plant and equipment	19
Deferred tax asset	542
<b>Total non-current assets</b>	<b>561</b>
<b>Current assets</b>	
Trade receivables	6,399
Other receivables, deposits and prepayments	92
Deferred expenses	7,326
Cash and bank balances	3,517
<b>Total current assets</b>	<b>17,334</b>
<b>Total assets</b>	<b>17,895</b>

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## APPENDIX II – SALIENT TERMS OF THE SPA

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The salient terms of the SPA are as follows:

### 1. PURCHASE OF ORDINARY SHARES IN PCS

- 1.1. The Vendor has agreed to sell, and Ecomate Holdings has agreed to purchase 600,000 ordinary shares of PCS, representing 60% of the total issued and paid-up share capital of PCS, free from all encumbrances.
- 1.2. The Vendor and Ecomate Holdings may be referred to as the “**Party**” or collectively as the “**Parties**”.

### 2. PURCHASE CONSIDERATION

The total consideration for the purchase of the Sale Shares by Ecomate Holdings shall be RM8,400,000.00 to be paid via bank transfer in the following manner:

- (a) Earnest deposit of RM100,000.00 which was paid on 4 April 2025;
- (b) Balance deposit of RM740,000.00 which was paid on 16 June 2025; and
- (c) Balance Purchase Consideration of RM7,560,000.00 to be paid on the Completion Date (as defined herein).

### 3. CONDITIONS PRECEDENT

- 3.1. The sale and purchase of the Sale Shares shall be conditional upon the fulfilment or satisfaction of the Conditions Precedent within 6 months from the date of the SPA or such later date as the Parties may agree upon in writing (“**Long Stop Date**”) and each Party shall provide all such documentary evidence and/or written consent or waiver of such fulfilment of the Conditions Precedent (as the case may be):
  - (a) Ecomate Holdings being satisfied that there is no material discrepancy between the PCS’s business, assets, licenses, legal and financial position as stated and disclosed herein in the SPA and the outcome and findings of the due diligence exercise and valuation conducted by Ecomate Holdings and its professional advisers;
  - (b) the Vendor having obtained at its own cost and expenses the approval or consent of the PCS’s financiers and any third party(ies) requiring such consent for, inter alia, the sale and transfer of the Sale Shares in favour of Ecomate Holdings, upon the terms and conditions of the SPA, where applicable and required;
  - (c) the approval of Ecomate Holding’s shareholders for the purchase of the Sale Shares on the terms and conditions of the SPA at an EGM to be convened; and
  - (d) PCS to obtain consent from the relevant authority or financial institutions of any borrowings by PCS to allow the change of shareholdings of PCS.
- 3.2. The SPA shall become unconditional on the date the last conditional precedent is fulfilled, obtained or waived (as the case may be) during the Long Stop Date (“**Unconditional Date**”).

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**APPENDIX II – SALIENT TERMS OF THE SPA (Cont'd)**

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- 3.3. If any of the Conditions Precedent is rejected or not fulfilled or deemed not to be obtained or fulfilled by the Long Stop Date for any reason whatsoever, either Party hereto shall be entitled to terminate the SPA by giving a notice in writing to the effect to the other Party, whereupon the SPA shall become void ab initio and none of the Parties shall have any claim against any other Party thereto save that the Vendor shall refund all monies received from Ecomate Holdings (including but not limited to the earnest deposit and balance deposit) within 7 days from the date the SPA becomes void.

**4. COMPLETION DATE**

Completion of the sale and purchase of the Sale Shares, subject to the fulfilment or satisfaction or waiver (where applicable) of the Conditions Precedent, take place on a date falling within a period of 30 days from the Unconditional Date or such other extended date as may be mutually agreed upon by the Parties ("**Completion Date**") and not later than 5.00 p.m. at such place as may be acceptable to all Parties, where Ecomate Holdings shall pay the balance of Purchase Consideration and the Vendor shall, inter alia, deliver duly executed shares transfer form in respect of the Sale Shares to Ecomate Holdings for registration.

**5. PROFIT GUARANTEE**

- 5.1. The Vendor agrees to provide the following profit guarantee to Ecomate Holdings in relation to PCS wherein the audited PAT of PCS for each FYE 2026, FYE 2027 and FYE 2028 shall not be less than RM3,000,000.00.
- 5.2. In the event PCS does not achieve any of the Profit Guarantee during the Profit Guarantee Period, the Vendor shall pay Ecomate Holding any shortfall of the 60.0% of such profit guarantee. Such amount shall be paid by the Vendor to Ecomate Holdings in cash within 14 days from the date of issuance of the respective audited financial statements for each FYE 2026, FYE 2027 and FYE 2028.

***For illustration purposes:***

*If PCS achieves PAT of RM2,000,000.00 for FYE 2026, the Vendor shall pay an amount of RM600,000.00 to Ecomate Holdings as calculated below:*

$$(RM3,000,000.00 - RM2,000,000.00) \times 60.0\% = RM600,000.00.$$

- 5.3. In the event PCS recorded LAT for any of the financial year during the Profit Guarantee Period, the Vendor shall pay 60.0% of such profit guarantee to Ecomate Holdings.

***For illustration purposes:***

*If PCS recorded LAT of RM100,000.00 for FYE 2026, the Vendor shall pay an amount of RM1,800,000.00 to Ecomate Holdings as calculated below.*

$$RM3,000,000.00 \times 60\% = RM1,800,000.00.$$

**6. TERMINATION**

- 6.1. In the event Ecomate Holdings shall fail to pay the balance deposit and/or balance Purchase Consideration within the time stipulated herein, the Vendor shall be entitled to give to Ecomate Holdings a notice of not less than 14 business days to remedy such failure, and if Ecomate Holdings shall fail to remedy such failure on or before the expiry of the said notice(s) to remedy, then the Vendor shall be entitled at its absolute discretion to elect, at Ecomate Holding's costs and expenses to one of the following:
- (a) to terminate the SPA and forfeit the earnest deposit and balance deposit (if already paid to the Vendor)<sup>(1)</sup>; or
  - (b) to the remedy of specific performance against Ecomate Holdings and to all reliefs flowing therefrom.
- 6.2. In the event the Vendor shall fail to complete the sale and purchase of the Sale Shares in accordance with the provisions of the SPA at completion, Ecomate Holdings shall be entitled to give the Vendor a notice of not less than 14 days to remedy such failure, and if the Vendor shall fail to remedy such failure on or before the expiry of the said notice(s) to remedy, then Ecomate Holdings shall be entitled to its absolute discretion to elect, at the Vendor's costs and expenses, to one of the following:
- (a) to the remedy of specific performance against the Vendor and to all reliefs flowing therefrom; or
  - (b) to terminate this SPA and require the Vendor to fully refund all monies paid by Ecomate Holdings (including earnest deposit and balance deposit), and the Vendor shall pay to Ecomate Holdings liquidated damages equivalent to 10.0% of the earnest deposit and balance deposit (if paid to the Vendor). All amount owing shall be paid by the Vendor to Ecomate Holdings within 14 days from the date of termination<sup>(1)</sup>; or
  - (c) to effect completion so far as practicable having regard to the defaults which have occurred, and thereafter to avail itself of the remedy of specific performance and/or any other rights or remedies available to Ecomate Holdings in respect thereof, including the rights to be compensated by the Vendor for all losses, damages, costs and expenses reasonably sustained or incurred by Ecomate Holdings arising therefrom.

**Note:**

- <sup>(1)</sup> The forfeiture of the earnest deposit and balance deposit (if already paid to the Vendor) amounting to 10.0% of the Purchase Consideration in the event of termination of the SPA due to a default by Ecomate Holdings is consistent with the industry practice. These contractual terms were deemed acceptable by Ecomate Holdings after taking into consideration the value of the Sale Shares and the potential return on investment, based on PCS's favorable outlook and growth prospects as well as its experience and track record. Premised on the foregoing, Ecomate Holdings had accepted the asymmetry in the liquidated damages payable by the Vendor as a commercially rational trade-off in order to secure the Sale Shares.

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**APPENDIX III – PROPOSED SALIENT TERMS OF THE SHA**

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The proposed salient terms of the SHA are as follows:

**1. BUSINESS OF PCS**

- 1.1. PCS is principally involved in marketing and servicing of computers, computer-related accessories, and peripherals. PCS is also involved in the sale of computer software, software development, and programming services, as well as providing training on computer software applications to support its customers' operations and improving operational efficiency.

**2. SHARE CAPITAL**

- 2.1. The legal and beneficial ownership of PCS are as follows:

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of shares</b>	<b>%</b>	<b>No. of shares</b>	<b>%</b>
Ecomate Holdings	600,000	60.0	-	-
Vendor	400,000	40.0	-	-
	<b>1,000,000</b>	<b>100.0</b>	-	-

Ecomate Holdings and Vendor shall be referred to as the "**Shareholders**" or individually as the "**Shareholder**".

**3. MANAGEMENT OF PCS**

- 3.1. PCS shall be managed by the board of directors of PCS, but the day-to-day administration or management of PCS shall be performed by Vendor during the Profit Guarantee Period, who shall at all times be responsible to the board of directors of PCS, save and except for the matters to be decided by the board of directors of PCS.
- 3.2. After the Profit Guarantee Period, the day-to-day administration or management of PCS shall be vested in such person or persons appointed by the board of directors of PCS, who shall at all times be responsible and subject to the control of the board of directors of PCS.
- 3.3. It is agreed that the authorised signatories for any document or agreement shall be decided by the board of directors of PCS and no unauthorised director shall be permitted to incur any liability or commit to any arrangement without the authorisation of the board of directors of PCS.
- 3.4. The Shareholders agree that PCS shall change its company secretary, tax agent and auditors to those that Ecomate Holdings shall nominate.

**4. BOARD OF DIRECTORS OF PCS**

- 4.1. The board of directors of PCS shall at all times consist of up to four (4) directors:
- (a) three (3) persons nominated by Ecomate Holdings; and
  - (b) one (1) person nominated by the Vendor.
- 4.2. The Chairman shall be selected by Ecomate Holdings at each meeting of the board of directors of PCS and shall have a casting vote.

- 4.3. The quorum for all meetings of the board of directors of PCS shall be at least two (2) directors which shall include at least one (1) director nominated by Ecomate Holdings. If a quorum is not present within half an hour of the time appointed for the meeting, the director(s) present shall adjourn the meeting to the same place and time seven (7) days thereafter or to such other day as the director(s) present at such meeting will determine. Notice of the adjourned meeting shall be given by the company secretary of PCS. The quorum for the adjourned meeting of the board of directors of PCS shall be any two (2) directors, which shall include at least one (1) director nominated by Ecomate Holdings, present at the time when the relevant business is transacted.
- 4.4. Unless otherwise required by applicable laws, all resolutions of the directors at any meeting or otherwise shall be adopted by a simple majority vote of the directors (or their alternates) that are present.
- 4.5. Unless otherwise required by applicable laws, a resolution in writing circulated to all the directors and signed or approved by a simple majority of the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly convened and held.

## **5. SHAREHOLDERS' MEETINGS**

- 5.1. The quorum for all general meetings of PCS shall be two (2) Shareholders, present in person or by proxy, or being a corporation, by its corporate representative.
- 5.2. The Chairman of the immediately preceding the meeting of the board of directors of PCS shall act as the Chairman of the general meeting, except in the event (a) such individual is not present for the general meeting, and/or (b) such individual declines to act as Chairman of the general meeting, in which case Ecomate Holdings may elect any other person as the Chairman.
- 5.3. Voting at a general meeting shall be conducted by poll.
- 5.4. Unless otherwise required by applicable laws and Constitution, all resolutions of the Shareholders at any general meeting shall be adopted by a simple majority vote of the Shareholders that are present and voting.

## **6. TRANSFER OF SHARES**

- 6.1. Right of first refusal ("**ROFR**")

If any Shareholder desires to transfer any one or more shares that he owns or any interests in relation thereto to a third-party transferee ("**Transferor**"), it shall give to PCS and the other Shareholders ("**Other Shareholders**") notice in writing of such desire ("**ROFR Transfer Notice**") which notice shall specify-

- (a) the number of offered shares proposed to be transferred ("**PCS Sale Shares**");
- (b) the price proposed by the Transferor for the sale of each such PCS Sale Share ("**ROFR Transferor's Price**");
- (c) the other terms of conditions of such sale (if any) ("**ROFR Prescribed Terms**"); and
- (d) the identity of the person to whom the Transferor proposes to transfer such PCS Sale Shares ("**Transferee**").

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**APPENDIX III – PROPOSED SALIENT TERMS OF THE SHA (Cont'd)**

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ROFR Transfer Notice shall constitute an offer by the Transferor for the sale of the PCS Sale Shares to the Other Shareholders at the ROFR Transferor's Price and on the ROFR Prescribed Terms (if any). A ROFR Transfer Notice shall not be revocable once the ROFR Transfer Notice is issued to the Other Shareholders. Any revocation of the ROFR Transfer Notice would require the written consent of the Other Shareholders. Any of the Other Shareholders may within forty-five (45) days from the date of the ROFR Transfer Notice apply in writing to PCS to purchase such number of PCS Sale Shares as it shall specify in its application.

6.2. Drag along rights

- (a) In the event any Shareholders holding more than fifty percent (50%) of the issued and outstanding shares of PCS ("**Majority Shareholders**") agree to sell their shares in PCS, the Majority Shareholders shall have the right to require all other shareholders ("**Minority Shareholders**") to sell their shares to the purchaser(s) on the same terms and conditions.

The SHA does not contain any provisions in relation to tag along rights, call options, put options, right of first offer and reserved matters.

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**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

(Company No.: 199001010259 (201829-A))

(Incorporated In Malaysia)

**Financial reports**

**For the financial year ended 31 December 2024**

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**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

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**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

## Financial reports

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**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Directors' report**

**For the financial year ended 31 December 2024**

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2024.

**Principal activities**

The principal activities of the Company are to carry on the business of retailing and servicing of computer systems, software and other hardware. There have been no significant changes in the nature of these principal activities during the financial year.

**Financial results**

	<b>RM</b>
Profit for the year attributable to owners of the Company	<u>2,033,130</u>

**Dividends**

The Company paid the following dividends since the end of the previous financial year:

<u>In respect of the financial year ended 31 December 2024:-</u>	<b>RM</b>
First interim single tier dividend of RM1 per share on 500,000 ordinary shares, declared on 11 March 2024 and paid on 15 March 2024.	500,000
Second interim single tier dividend of RM1.50 per share on 1,000,000 ordinary shares, declared on 4 June 2024 and paid on 5 June 2024.	<u>1,500,000</u>
	<u>2,000,000</u>

The Directors do not recommend any final dividend for the financial year ended 31 December 2024.

**Reserves and provisions**

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

**Bad and doubtful debts**

Before the statement of comprehensive income and statement of financial position of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that no known bad debts need to be written off and no allowance for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances that would require any debts to be written off or allowance for doubtful debts in the financial statements of the Company.

**Current assets**

Before the statement of comprehensive income and statement of financial position of the Company were made out, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in ordinary course of business including their values as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances, which would render the values attributed to current assets in the financial statements of the Company misleading.

**Valuation methods**

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 2

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

## **Directors' report**

### **For the financial year ended 31 December 2024**

#### **Contingent and other liabilities**

At the date of this report, there does not exist:

- a. any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- b. any contingent or other liability of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

#### **Change of circumstances**

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

#### **Items of an unusual nature**

The results of the operations of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

#### **Subsequent events**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made.

#### **Issue of shares and debentures**

On 20 March 2024, the issued and paid up capital was increased from RM500,000 to RM1,000,000 by the issuance of 500,000 ordinary shares at an issue price of RM1 each for cash to provide for additional working capital. The newly issued shares rank pari passu with their existing shares of the Company except that the shares do not rank for any interim dividends declared for the financial year.

The Company has not issued any debenture during the financial year.

#### **Options**

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

#### **Directors**

The directors who served during the financial year until the date of this report are:

Law Seng Peng

Chan Chui Peng (f) Resigned w.e.f. 28/03/2025

#### **Directors' interests**

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

	Number of Ordinary Shares in the Company			As at 31/12/2024
	As at 01/01/2024	Bought	Sold	
Law Seng Peng	400,000	600,000	-	1,000,000
Chan Chui Peng	100,000	100,000	200,000	-

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 3

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Directors' report**

**For the financial year ended 31 December 2024**

**Directors' benefits**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party with object of enabling 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.

Since the end of previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the directors or the fixed salary of a full time employee of the Company as shown under Directors' remuneration below) by reason of a contract made by the Company with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

**Directors' remuneration**

Details of directors' remuneration paid or payable to the Directors of the Company during the financial year are as follows:

	<b>2024</b>
	<b>RM</b>
Directors' salaries and allowances	492,000
Directors' other emoluments	50,779
	<u>542,779</u>

**Auditors' remuneration**

Auditors' remuneration of the Company for the financial year ended 31 December 2024 amounted to RM18,000.

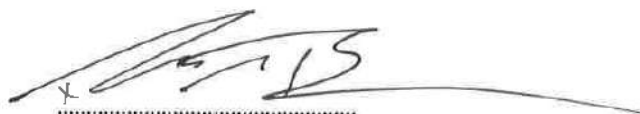
**Indemnity and insurance costs**

There were no indemnity given to or insurance effected for any directors, officers and auditors of the company in accordance with Section 289 of the Companies Act 2016.

**Auditors**

The auditors, Messrs. SOON AND COMPANY PLT , have indicated their willingness to continue in office.

Signed in accordance with a resolution of the director



Law Seng Peng

Kuala Lumpur,

Date: 06 MAY 2025

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 4

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**STATEMENT BY DIRECTORS  
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016**

I, Law Seng Peng, being the director of PROGRESSIVE COMPUTER SYSTEMS SDN. BHD., do hereby state that in the opinion of the director, the accompanying financial statements set out on pages 8 to 21 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2024 and of financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the director



.....  
Law Seng Peng

Kuala Lumpur

Dated: 06 MAY 2025

**STATUTORY DECLARATION  
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016**

I, Law Seng Peng, the director primarily responsible for the financial management of PROGRESSIVE COMPUTER SYSTEMS SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 8 to 21 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 Law Seng Peng at Kuala Lumpur in the Federal Territory on

06 MAY 2025



.....  
Law Seng Peng  
(I.C. No.: 590411-08-6009)

Before me,



Commissioner for Courts  
Kuala Lumpur

No. 25-1, Tingkat 1,  
Jalan Radin Bagus, Sri Petaling  
57000 Kuala Lumpur



**SOON AND COMPANY PLT** (LLP00186901,CA & AF 0025)  
Chartered Accountants  
P.O. Box 78  
95-1 Jalan Mega Mendung, Bandar Park,  
Off Jalan Kelang Lama, 58200 Kuala Lumpur.  
Tel: 03-7983 3677 (3 Lines), Fax: 03-79727763  
Email: ttsoon@soonco.com

Page No. 5

**Independent Auditors' Report to the members of  
PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Company No.: 199001010259 (201829-A)

(Incorporated in Malaysia)

**Report on the Financial Statements**

*Opinion*

We have audited the financial statements of PROGRESSIVE COMPUTER SYSTEMS SDN. BHD., which comprise the statement of financial position as at 31 December 2024 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 8 to 21.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard 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. 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 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 Company and our auditors' report thereon.

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

In connection with our audit of the financial statements 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 Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.



**SOON AND COMPANY PLT** (H.L.P0018690.LCA & AF 0025)  
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**Independent Auditors' Report to the members of  
PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Company No.: 199001010259 (201829-A)

(Incorporated in Malaysia)

*Information other than the financial statements and auditors' report thereon (continued)*

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 directors for the financial statements*

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard issued by the Malaysian Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability 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 Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements 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 a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing 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.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, 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 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 Company's internal control.
- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.



**SOON AND COMPANY PLT** (LLP0018690-LCA & AF 0025)  
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**Independent Auditors' Report to the members of  
PROGRESSIVE COMPUTER SYSTEMS SDN. BHD. (continued)**

Company No.: 199001010259 (201829-A)

(Incorporated in Malaysia)

*Auditor's responsibilities for the audit of the financial statements (continued)*

- d. Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**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.

SOON AND COMPANY PLT  
(LLP0018690-LCA & AF 0025)  
Chartered Accountants

SOON TECHN THONG  
Partner  
Approval Number: 00883/03/2027 J

Kuala Lumpur.  
Dated: 06 May 2025

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 8

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Statement of financial position**

**As at 31 December 2024**

	Note	2024 RM	2023 RM
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	5	18,753	8,605
Deferred tax asset	6	542,693	520,778
		<u>561,446</u>	<u>529,383</u>
<b>Current assets</b>			
Trade receivables	7	6,399,132	2,642,635
Other receivables, deposits and prepayments		91,514	29,380
Amounts owing by directors	8	-	12,289
Deferred expenses		7,325,810	3,324,724
Cash and bank balances		3,517,355	3,091,558
		<u>17,333,811</u>	<u>9,100,586</u>
<b>Total assets</b>		<u>17,895,257</u>	<u>9,629,969</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to owners of the company</b>			
Share capital	9	1,000,000	500,000
Retained profit		186,748	153,618
		<u>1,186,748</u>	<u>653,618</u>
<b>Current liabilities</b>			
Deferred revenue		9,588,940	5,494,591
Trade payables		6,233,681	2,460,688
Other payables and accruals	10	774,820	724,271
Current tax liability		111,068	296,801
		<u>16,708,509</u>	<u>8,976,351</u>
<b>Total equity and liabilities</b>		<u>17,895,257</u>	<u>9,629,969</u>

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

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 9

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Statement of comprehensive income  
For the financial year ended 31 December 2024**

	Note	2024 RM	2023 RM
Revenue	11	22,653,013	20,020,390
Cost of sales		<u>(18,127,013)</u>	<u>(16,794,285)</u>
<b>Gross profit</b>		4,526,000	3,226,105
Other operating income	12	46,339	3,838,532
Depreciation		(6,921)	(5,321)
Staff cost	13	(1,491,768)	(1,278,244)
Administrative expenses		<u>(423,966)</u>	<u>(628,591)</u>
<b>Profit before tax</b>	14	2,649,684	5,152,481
Income tax expense	15	<u>(616,554)</u>	<u>(354,154)</u>
<b>Profit for the year</b>		<u>2,033,130</u>	<u>4,798,327</u>
<b>Profit attributable to:</b>			
Owners of the company		<u>2,033,130</u>	<u>4,798,327</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		<u>2,033,130</u>	<u>4,798,327</u>

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

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 10

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Statement of changes in equity**

**For the financial year ended 31 December 2024**

	Note	Share capital RM	Retained profit RM	Total RM
<b>Balance aa at 01/01/2023</b>		500,000	2,405,291	2,905,291
Total comprehensive income for the year		-	4,798,327	4,798,327
<b>Transactions with owners</b>				
Dividends on ordinary shares	16	-	(7,050,000)	(7,050,000)
<b>Balance as at 31/12/2023</b>		<u>500,000</u>	<u>153,618</u>	<u>653,618</u>
<b>Balance as at 01/01/2024</b>		<u>500,000</u>	<u>153,618</u>	<u>653,618</u>
Total comprehensive income for the year		-	2,033,130	2,033,130
<b>Transactions with owners</b>				
Dividends on ordinary shares	16	-	(2,000,000)	(2,000,000)
Issued during the year	9	<u>500,000</u>	<u>-</u>	<u>500,000</u>
		<u>500,000</u>	<u>(2,000,000)</u>	<u>(1,500,000)</u>
<b>Balance as at 31/12/2024</b>		<u>1,000,000</u>	<u>186,748</u>	<u>1,186,748</u>

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

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

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Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Statement of cash flows**

**For the financial year ended 31 December 2024**

	2024	2023
	RM	RM
<b>Cash flows from operating activities</b>		
Profit before tax	2,649,684	5,152,481
<i>Adjustments for:</i>		
Depreciation	6,921	5,321
Gain on disposal of property, plant and equipment	-	(3,597,326)
Allowance for doubtful debts	-	88,210
Interest income	(20,676)	(23,450)
Rental income	-	(66,903)
<b>Operating profit before working capital changes</b>	<u>2,635,929</u>	<u>1,558,333</u>
Increase in trade and other receivables	(3,806,342)	(56,058)
Increase in trade and other payables	3,823,542	1,005,716
Increase in deferred income	93,263	2,169,867
<b>Cash generated from operations</b>	<u>2,746,392</u>	<u>4,677,858</u>
Tax paid	(824,202)	(835,351)
Tax refund	-	110,408
<b>Net cash generated from operating activities</b>	<u>1,922,190</u>	<u>3,952,915</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	4,099,795
Purchase of plant and equipment	(17,069)	-
Rental received	-	66,903
Interest received	20,676	23,450
<b>Net cash generated from investing activities</b>	<u>3,607</u>	<u>4,190,148</u>
<b>Cash flows from financing activities</b>		
Proceed from issuance of share capital	500,000	-
Dividends paid to equity holders of the Company	(2,000,000)	(7,050,000)
<b>Net cash used in financing activities</b>	<u>(1,500,000)</u>	<u>(7,050,000)</u>
<b>Net increase in cash and cash equivalents</b>	425,797	1,093,063
Cash and cash equivalents at beginning of the financial year	<u>3,091,558</u>	<u>1,998,495</u>
<b>Cash and cash equivalents at end of the financial year (note a)</b>	<u>3,517,355</u>	<u>3,091,558</u>

Note:-

**(a) Cash and cash equivalents**

Cash and cash equivalents comprises bank balances.

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

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

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Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Notes to the financial statements**

**1. Corporate information**

PROGRESSIVE COMPUTER SYSTEMS SDN. BHD. is a private company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

<b>Principal place of business</b>	<b>Registered office</b>
69A, Jalan SS21/1A, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.	95-2, Jalan Mega Mendung, Bandar Park, Jalan Kelang Lama, 58200 Kuala Lumpur.

The principal activities of the Company are to carry on the business of retailing and servicing of computer systems, software and other hardware. There have been no significant changes in the nature of these principal activities during the financial year.

The Company's financial statements were authorised for issue by the Board of Directors on 06 May 2025.

**2. Basis of preparation of the financial statements**

**a. Statement of compliance**

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis, unless otherwise indicated in this summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

**3. Significant accounting policies**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

**a. Plant and equipment**

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land and capital work-in-progress are not depreciated. Depreciation of plant and equipment is provided for on a straight line basis so to write off the cost of each asset to its residual value over the estimated useful life, at the following:-

### Notes to the financial statements

#### 3. Significant accounting policies (continued)

##### a. Plant and equipment (continued)

Motor vehicles	5 Years
Office equipment	10 Years
Computer	4 Years
Signboard	10 Years
Carpet	10 Years
Furniture and fittings	5 Years

Upon disposal of an item of plant or equipment, the difference between the net disposal proceed and the carrying amount is recognised in the statement of comprehensive income and any unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

##### b. Impairment of non-financial assets

The carrying amounts of non-financial assets (i.e. plant and equipment) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

##### c. Financial instruments

###### i. Initial recognition and measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

## Notes to the financial statements

### 3. Significant accounting policies (continued)

#### c. Financial instruments (continued)

##### ii. Subsequent measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

- a. returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;
- b. there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods; and
- c. prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Investments in non-puttable ordinary shares, and investments in non-convertible and non-puttable preference shares are measured at cost less impairment, unless the shares are publicly traded or their fair value can otherwise be measured reliably, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss.

All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- a. For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- b. For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

##### iii. Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the 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.

#### d. Foreign currency transactions and balances

##### i. Functional and presentation currency

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency).

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 15

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Notes to the financial statements**

**3. Significant accounting policies (continued)**

**d. Foreign currency transactions and balances (continued)**

**ii. Transaction and balances**

Foreign currency transaction are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in statement of comprehensive income.

The principal exchange rate used for each respective unit of foreign currency ruling at the statement of financial position date is as follows:-

	2024	2023
	RM	RM
United states Dollars	4.4755	4.5915

**c. Cash and cash equivalents**

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. They are held to meet short-term cash commitments instead of for investment or other purposes.

**f. Employee benefits**

The Company recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Company consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

**i. Short term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii. Defined contribution plan**

As required by law, Companies in Malaysia make contributions to the national pension scheme, Employee Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred.

**g. Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

### Notes to the financial statements

#### 3. Significant accounting policies (continued)

##### g. Income taxes (continued)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

##### h. Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

##### i. Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity, net of any related income tax benefit.

##### ii. Ordinary shares

Ordinary shares are classified as equity.

##### i. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Company, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Company as follows:

##### i. Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the buyer and where the Company does not have continuing managerial involvement and effective control over the goods sold.

##### ii. Interest income

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

##### iii. Rental income

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

#### 4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

##### • Income tax

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 17

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Notes to the financial statements**

**4. Critical accounting estimates and judgements (continued)**

• **Impairment of trade receivables**

The Company makes impairment of trade receivables based on an assessment of the recoverability of trade receivables. Impairment is applied to trade receivables where events or changes in circumstances indicate that the carrying amount may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment term when making a judgement to evaluate the adequacy of impairment of trade receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of trade receivables.

**5. Plant and equipment**

<b>COST</b>	<b>Balance at 01.01.2024 RM</b>	<b>Additions RM</b>	<b>Disposals RM</b>	<b>Balance at 31.12.2024 RM</b>
Furniture and fittings	50,087	-	-	50,087
Office equipment	225,643	13,550	-	239,193
Machinery equipment	19,607	-	-	19,607
Computers	225,674	3,519	-	229,193
Signboards	15,985	-	-	15,985
Carpet	5,900	-	-	5,900
	<u>542,896</u>	<u>17,069</u>	<u>-</u>	<u>559,965</u>

<b>ACCUMULATED DEPRECIATION</b>	<b>Balance at 01.01.2024 RM</b>	<b>Charge for the year RM</b>	<b>Adjustments RM</b>	<b>Balance at 31.12.2024 RM</b>
Furniture and fittings	50,086	-	-	50,086
Office equipment	225,040	3,316	-	228,356
Machinery equipment	19,607	-	-	19,607
Computers	221,073	3,180	-	224,253
Signboards	12,585	425	-	13,010
Carpet	5,900	-	-	5,900
	<u>534,291</u>	<u>6,921</u>	<u>-</u>	<u>541,212</u>

<b>NET CARRYING AMOUNT</b>	<b>Balance at 31.12.2024 RM</b>	<b>Balance at 31.12.2023 RM</b>	<b>Depreciation at 31.12.2023 RM</b>
Furniture and fittings	1	1	-
Office equipment	10,837	603	1,596
Machinery equipment	-	-	-
Computers	4,940	4,601	3,300
Signboards	2,975	3,400	425
Carpet	-	-	-
	<u>18,753</u>	<u>8,605</u>	<u>5,321</u>

**6. Deferred tax asset**

	<b>2024 RM</b>	<b>2023 RM</b>
As at 1 January	520,778	980
Recognised in statement of comprehensive income (Note 15)	21,915	519,798
As at 31 December	<u>542,693</u>	<u>520,778</u>

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 18

Company No.: 19901010259 (201829-A) (Incorporated in Malaysia)

**Notes to the financial statements**

**6. Deferred tax asset (continued)**

The deferred tax asset is made up as follows:-

	2024 RM	2023 RM
Depreciation charge in excess of capital allowances claimed	(458)	9
Others	543,151	520,769
	<u>542,693</u>	<u>520,778</u>

**7. Trade receivables**

	2024 RM	2023 RM
Total receivables	6,495,332	2,738,835
Less: Allowance for doubtful debts	(96,200)	(96,200)
	<u>6,399,132</u>	<u>2,642,635</u>

**Allowance for doubtful debts is made of as follows:-**

	2024 RM	2023 RM
Balance as at 1 January	96,200	7,990
Add: Additions during the year	-	88,210
Balance as at 31 December	<u>96,200</u>	<u>96,200</u>

**8. Amounts owing by directors**

The amounts owing by directors represent unsecured, interest free advances and are repayable on demand.

**9. Share capital**

	2024		2023	
	Number of Shares	RM	Number of Shares	RM
Ordinary shares:				
<u>Issued and fully paid:</u>				
As at beginning of the year	500,000	500,000	500,000	500,000
Issued during the year	500,000	500,000	-	-
As at end of the year	<u>1,000,000</u>	<u>1,000,000</u>	<u>500,000</u>	<u>500,000</u>

On 20 March 2024, the issued and paid up capital was increased from RM500,000 to RM1,000,000 by the issuance of 500,000 ordinary shares at an issue price of RM1 each for cash to provide for additional working capital. The newly issued shares rank pari passu with their existing shares of the Company except that the shares do not rank for any interim dividends declared for the financial year.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 19

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Notes to the financial statements**

**10. Other payables**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Sundry payables	319,477	250,888
Accruals	455,343	473,383
	<u>774,820</u>	<u>724,271</u>

**11. Revenue**

Revenue of the Company represent the invoiced value of goods sold less returns and trade discounts.

**12. Other operating income**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Deposit forfeited	-	2,300
Gain on disposal of property, plant and equipment	-	3,597,326
Incentive income	480	-
Interest income	20,676	23,450
Realised gain on foreign currency exchange	-	48
Rental income	-	66,903
Unrealised gain on foreign currency exchange	1,410	714
Unutilised marketing fund	23,773	147,791
	<u>46,339</u>	<u>3,838,532</u>

**13. Staff costs**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Directors' remuneration:-		
Salaries and bonus	492,000	432,000
Other emoluments	50,779	32,561
	<u>542,779</u>	<u>464,561</u>
Other staff costs:-		
Salaries, bonus, incentives and allowances	862,028	736,338
Epf and Socso	86,961	77,345
	<u>948,989</u>	<u>813,683</u>
Total	<u>1,491,768</u>	<u>1,278,244</u>

**14. Profit before tax**

The profit before taxation is arrived at after charging/(crediting) the following: -

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Auditors' remuneration	18,000	17,000
Auditors' remuneration - over provision in prior year	(1,000)	(1,000)
Allowance for doubtful debts	-	88,210
Deposits written off	2,480	-
Depreciation of plant and equipment	6,921	5,321

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Page No. 20

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Notes to the financial statements**

**15. Income tax expense**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Malaysian income tax		
- current taxation	637,000	873,051
- under provision in prior financial year	1,469	901
	<u>638,469</u>	<u>873,952</u>
Deferred taxation (Note 6)	(21,915)	(519,798)
	<u>616,554</u>	<u>354,154</u>

The reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective tax rate of the Company is as follows: -

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Profit before taxation	<u>2,649,684</u>	<u>5,152,481</u>
Taxation at 24%	635,924	1,236,595
Non allowable expenses	24,161	25,016
Income subject to real property gain tax	-	(863,358)
Lower tax rate of first RM600,000	(45,000)	(45,000)
	<u>615,085</u>	<u>353,253</u>
Tax under provided in prior financial year	1,469	901
	<u>616,554</u>	<u>354,154</u>

**16. Dividends**

Dividends recognised by the Company:

	<b>RM per share</b>	<b>Date of payment</b>	<b>Total amount RM</b>
<b>2024</b>			
First interim, tax exempt	1.00	15 March 2024	500,000
Second interim, tax exempt	1.50	5 June 2024	1,500,000
			<u>2,000,000</u>
<b>2023</b>			
First interim, tax exempt	2.00	22 February 2023	1,000,000
Second interim, tax exempt	4.00	11 September 2023	2,000,000
Third interim, tax exempt	8.10	15 September 2023	4,050,000
			<u>7,050,000</u>

No final dividend has been declared by the Director for the financial year ended 31 December 2024.

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

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Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Notes to the financial statements**

**17. Financial instruments**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial Assets</b>		
<u>Amortised cost</u>		
Trade receivables	6,399,132	2,642,635
Other receivables and deposits	91,514	26,811
Amounts owing by directors	-	12,289
Cash and bank balances	3,517,355	3,091,558
	<u>10,008,001</u>	<u>5,773,293</u>
	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Financial Liabilities</b>		
<u>Amortised cost</u>		
Trade payables	6,233,681	2,460,688
Other payables and accruals	774,820	724,271
	<u>7,008,501</u>	<u>3,184,959</u>

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table:

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings, are reasonable approximation of fair value, either 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.

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

Schedule A

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Detailed statement of comprehensive income  
For the financial year ended 31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
<b>Revenues</b>	<u>22,653,013</u>	<u>20,020,390</u>
<b>Cost of goods sold</b>		
Purchases	23,378,945	20,457,081
Purchase returned	(1,526)	-
Rebates	<u>(5,250,406)</u>	<u>(3,662,796)</u>
	<u>18,127,013</u>	<u>16,794,285</u>
<b>Gross profit</b>	<u>4,526,000</u>	<u>3,226,105</u>
<b>Other income</b>		
Deposit forfeited	-	2,300
Gain on disposal of property, plant and equipment	-	3,597,326
Incentive income	480	-
Interest income	20,676	23,450
Realised gain on foreign currency exchange	-	48
Rental income	-	66,903
Unrealised gain on foreign currency exchange	1,410	714
Unutilised marketing fund	<u>23,773</u>	<u>147,791</u>
	<u>46,339</u>	<u>3,838,532</u>
<b>Profit after other income</b>	4,572,339	7,064,637
<b>Less:</b>		
<b>Administrative, marketing and finance expenses</b>	<b>B</b> <u>(1,922,655)</u>	<u>(1,912,156)</u>
<b>Profit before tax</b>	2,649,684	5,152,481
<b>Taxation</b>		
Income tax expense	<u>(616,554)</u>	<u>(354,154)</u>
<b>Profit for the year</b>	<u>2,033,130</u>	<u>4,798,327</u>

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF PCS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (Cont'd)**

Schedule B

**PROGRESSIVE COMPUTER SYSTEMS SDN. BHD.**

Company No.: 199001010259 (201829-A) (Incorporated in Malaysia)

**Administrative, marketing and finance expenses**

**For the financial year ended 31 December 2024**

	<b>2024</b>	<b>2023</b>
	<b>RM</b>	<b>RM</b>
Accountancy fees	36,400	30,754
Advertisement	746	1,514
Allowance for doubtful debts	-	88,210
Auditors' remuneration	18,000	17,000
Auditors' remuneration - over provided in respect of prior years	(1,000)	(1,000)
Bank charges	533	399
Commissions	32,200	20,300
Courier and postage	744	939
Deposits written off	2,480	-
Depreciation of plant and equipment	6,921	5,321
Director remuneration - salaries, bonuses and allowances	492,000	432,000
Discrepancy in cash	929	-
E.p.f. and socso	137,740	109,906
Entertainment	85,702	159,128
Hrdf - levy	9,980	3,785
Insurance and road tax	22,432	18,036
Legal and professional fees	5,566	51,769
Maintenance contract	2,468	50,000
Marketing fee	7,141	-
Medical fee	745	11,867
Other miscellaneous charges	-	217
Parking, toll and petrol	13,939	13,928
Printing and stationery	2,502	2,870
Quit rent and assessment	-	2,242
Rental	14,000	-
Reversal of unrealised gain on foreign currency exchange recognised in prior year	714	-
Secretary and filing fees	2,598	1,905
Seminar and training fees	45,302	47,424
Service tax	-	928
Sponsorship	27,194	4,823
Staff incentives	-	1,200
Staff refreshment	491	1,829
Staff welfare	7,518	16,274
Subscription and entrance fees	25,661	21,641
Sundry office expenses	3,678	9,029
Telephone and fax	15,474	9,441
Training refreshment	931	3,436
Travelling and accommodation expenses	9,283	11,038
Upkeep of motor vehicles	4,907	436
Upkeep of office	6,413	6,388
Upkeep of office equipment	6,750	7,987
Wages, salaries, bonus and allowances	862,028	736,338
Water and electricity	11,545	12,854
	<u>1,922,655</u>	<u>1,912,156</u>

**BUSINESS VALUATION REPORT ON  
100% EQUITY INTEREST IN  
PROGRESSIVE COMPUTER SYSTEMS SDN BHD**

**AS AT 31 DECEMBER 2024  
[Reference No: BV(M)170/2025]**



# **KHONG & JAAFAR (CORPORATE SERVICES) SDN BHD**

Capital Markets Services Licence (eCMSL/A0358/2019)

SSM No. 200301026313 (628733-V)

BUSINESS VALUATION - CORPORATE FINANCE ADVISORY & CONSULTATION - FINANCIAL MODELLING - PURCHASE PRICE ALLOCATION - FINANCIAL DUE DILIGENCE - FAIRNESS OPINION - INDEPENDENT ADVISORY - MERGER & ACQUISITIONS ADVISORY SERVICES - SALES AND DIVESTMENT - TRANSACTION SUPPORT

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Email : kjhq@khongjaafar.com.my Website : www.khongjaafar.com.my

Our Ref: BV(M)170/2025

**WITHOUT PREJUDICE  
Private & Confidential**

28 May 2025

**The Board of Directors  
Ecomate Holdings Berhad**

Lot PTD 7274  
Kawasan Perindustrian Bakri Batu 7 ½  
Jalan Bakri  
84200 Muar  
Johor

Dear Sir,

**BUSINESS VALUATION REPORT ON 100% EQUITY INTEREST IN PROGRESSIVE  
COMPUTER SYSTEMS SDN BHD ("PCS" OR THE "TARGET") ("REPORT")**

## **1. INTRODUCTION**

On behalf of the Board of Directors of Ecomate Holdings Berhad ("Ecomate"), M&A Securities Sdn Bhd announced that Ecomate proposes to undertake the acquisition of 600,000 ordinary shares in PCS, representing 60.0% equity interest in PCS from Law Seng Peng ("Vendor"), for a total purchase consideration of RM8.4 million ("Proposed Transaction").

As part of the term and conditions of the Proposed Transaction, the Vendor has unconditionally and irrevocably, guarantee and covenant that the 14-month audited PAT of PCS for financial year ending 28 February 2026 and 12-month audited PAT of PCS for the financial year ending 28 February 2027 and 29 February 2028 (collectively, "**Profit Guarantee Period**") shall not be less than RM3.0 million for each financial year during the Profit Guarantee Period ("**Profit Guarantee**").

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**APPENDIX V – VALUATION LETTER BY KJCS (Cont'd)**


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Pursuant to the engagement letter dated 30 April 2025, the Board of Directors of Ecomate has appointed Khong & Jaafar (Corporate Services) Sdn Bhd ("KJCS") to undertake a business valuation of 100% equity interest in PCS ("Indicative Valuation"). This Report is prepared for and addressed to the Board of Directors of Ecomate, and is intended only for inclusion in the Circular to Shareholders and should be read in conjunction with the Circular.

The valuation date for this exercise is 31 December 2024 ("Valuation Date").

## **2. PRINCIPAL SOURCE OF INFORMATION**

In arriving at KJCS's opinion, KJCS has relied on, *inter-alia*, the following information and/or documents provided to KJCS by the management of Ecomate and/or PCS ("Management"):

- (i) Audited financial statements of PCS for the 12 months financial year ended 31 December ("FYE") 2021, FYE 2022, FYE 2023 and FYE 2024;
- (ii) 38-month financial projection of PCS from 1 January 2025 to 28 February 2028;
- (iii) Letter of representation from PCS dated 23 May 2025 confirming, *inter alia*, the accuracy, completeness and reliability of the information provided to KJCS;
- (iv) Verbal representations and discussions with the Management;
- (v) Other publicly available information in respect of the industry that Targets are involved in; and
- (vi) Various documents and information made available to KJCS during the course of KJCS's work up to 9 May 2025. 

### **3. OVERVIEW OF THE TARGET**

#### **3.1. History and Principal Activity**

PCS is in the business of marketing and servicing of computers, computer-related accessories, and peripherals. PCS is also involved in the sale of computer software, software development, and programming services, as well as providing training on computer software applications to support its customers' operations and improving operational efficiency.

#### **3.2. Form of Organisation**

PCS is a private limited company incorporated in Malaysia under the Companies Act 2016 on 1 August 1990, with registration number 199001010259 (201829-A).

#### **3.3. Shareholders**

As at the Valuation Date, the shareholders of PCS are shown in Table 1 below:

Table 1 – Shareholders of PCS

<b>Name</b>	<b>Percentage of shareholdings</b>
Law Seng Peng	100%

#### **3.4. Restrictions on Sale of Equity Interest**

There are no restrictions on sale of equity interest in PCS.

*dw*

### 3.5. Board of Directors

As at the Valuation Date, PCS's Board of Directors are as listed in Table 2 below:

Table 2 – Board of Directors of PCS

<b>Name</b>	<b>Designation</b>
Law Seng Peng	Managing Director
Chan Chui Peng	Director

### 3.6. Staffing

As at the Valuation Date, PCS has 10 employees.

The key management personnel are shown in Table 3 below:

Table 3 – Key Management Personnel of PCS

<b>Name</b>	<b>Designation</b>
Law Seng Peng	Managing Director
Chan Chui Peng	Director
Lai Tze Cheng @ Julian	General Manager

### 3.7. Business Address

At present, Target's registered business address is at 69A, Jalan SS 21/1A Damansara Utama, Petaling Jaya, Selangor. *dw*

## APPENDIX V – VALUATION LETTER BY KJCS (Cont'd)

### 4. FINANCIAL PERFORMANCE OF TARGET

#### 4.1. Balance Sheet

The audited financial position of PCS as at 31 December 2021, 31 December 2022, 31 December 2023 and 31 December 2024 are summarised below in Table 4:

Table 4 – Balance Sheet

Ringgit Malaysia ("MYR")	Audited (31 December)			
As at	2021	2022	2023	2024
<b>Non-current Assets:</b>				
Property, Plant and Equipment ("PPE")	521,894	516,395	8,605	18,753
Deferred Tax Asset	1,108	980	520,778	542,693
	<b>523,002</b>	<b>517,375</b>	<b>529,383</b>	<b>561,446</b>
<b>Current Assets:</b>				
Trade Receivables	1,792,200	2,606,561	2,642,635	6,399,132 <sup>(1)</sup>
Other Receivables, Deposits and Prepayment	7,574	109,895	29,380	91,514
Amount Owings by Directors	-	-	12,289	-
Deferred Expenses	-	-	3,324,724	7,325,810
Fixed Deposits with Licensed Bank	600,000	1,000,000	-	-
Cash and Cash Equivalent	409,304	998,495	3,091,558	3,517,355
Total Current Assets	<b>2,809,078</b>	<b>4,714,951</b>	<b>9,100,586</b>	<b>17,333,811</b>
<b>Total Assets</b>	<b>3,332,080</b>	<b>5,232,326</b>	<b>9,629,969</b>	<b>17,895,257</b>
Share Capital	500,000	500,000	500,000	1,000,000
Retained Earnings	395,977	2,405,291	153,618	186,748
	<b>895,977</b>	<b>2,905,291</b>	<b>653,618</b>	<b>1,186,748</b>
<b>Current Liabilities:</b>				
Deferred Revenue	-	-	5,494,591	9,588,940
Trade Payables	1,418,378	1,689,910	2,460,688	6,233,681 <sup>(1)</sup>
Other Payables and Accruals	356,253	459,983	724,271	774,820
Amount due to Directors	644,030	29,350	-	-
Current Tax Liabilities	17,442	147,792	296,801	111,068
Total Current Liabilities	<b>2,436,103</b>	<b>2,327,035</b>	<b>8,976,351</b>	<b>16,708,509</b>
Total Liabilities	<b>2,436,103</b>	<b>2,327,035</b>	<b>8,976,351</b>	<b>16,708,509</b>
<b>Total Equity and Liabilities</b>	<b>3,332,080</b>	<b>5,232,326</b>	<b>9,629,969</b>	<b>17,895,257</b>
Note:				
(1) The significant increase in trade receivables as at 31 December 2024 was mainly due to revenue recognised from a project secured in FYE 2024 amounting RM4.4 million. The project is a contract to supply, deliver, and implement multi-year software licenses for the customer's operational requirements and usage demands, including updates on annual product version, files or data to newer versions to maintain compatibility and consistency across the customer's project team. The project has led to a corresponding increase in trade payables arose from the procurement of software and related services to fulfil this project, amounting to approximately RM3.9 million.				

Source: Audited accounts, Management

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**APPENDIX V – VALUATION LETTER BY KJCS (Cont'd)**

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**4.2. Income Statement**

The audited financial performance of PCS for the FYE 31 December 2021, FYE 31 December 2022, FYE 31 December 2023 and FYE 31 December 2024 are summarised below in Table 5:

Table 5 – Income Statement

MYR	Audited			
	FYE 2021	FYE 2022	FYE 2023	FYE 2024
Revenue	14,149,123	20,223,050	20,020,390	22,653,013
Cost of Sales	(11,449,331)	(16,178,493)	(16,794,285)	(18,127,013)
Gross Profit ("GP")	2,699,792	4,044,557	3,226,105	4,526,000
Other Operating Income	226,858	126,085	3,838,532	46,339
Depreciation	(17,259)	(18,949)	(5,321)	(6,921)
Staff Cost	(903,565)	(1,186,448)	(1,278,244)	(1,491,768)
Administrative Expenses	(312,553)	(344,412)	(628,591)	(423,966)
Profit Before Taxation ("PBT")	1,693,273	2,620,833	5,152,481	2,649,684
Tax Expenses	(367,999)	(611,519)	(354,154)	(616,554)
<b>Profit After Taxation ("PAT")</b>	<b>1,325,274</b>	<b>2,009,314</b>	<b>4,798,327</b>	<b>2,033,130</b>

Source: Audited accounts, Management

dw

## **5. Indicative Valuation**

### **5.1 Method of Valuation**

There are various valuation approaches in carrying out a business valuation, the common ones being the Income Approach (common methods being the Discounted Cash Flow ("DCF") Method), the Asset Approach (common method being the Adjusted Net Assets Method) and the Market Approach (common method being the Comparable Transactions Method and the Earnings Multiple Method).

In our evaluation, we have adopted DCF method as the primary method in valuing the 100% equity interest in PCS. The DCF Method is an investment appraisal technique, which takes into consideration both the time value of money and the cash flow over a fixed period of time. Under this method, the Free Cash Flow to Equity ("FCFE") from the investment is discounted at a specified discount rate to arrive at the net present value. A key assumption for the DCF Method is the choice of a discount rate that takes into account the relevant market interest and debt to equity structure as well as the business and financial risks relating to the business.

Under the DCF Method of estimating the Business Valuation, we have relied on the bases and assumptions adopted in the Financial Projections as provided by the Management. In arriving at the discount rates under the DCF Method, we have applied the prevailing risk-free rate, equity risk premium and beta of available comparable listed companies ("Comcos") as at the Valuation Date, with appropriate adjustments made, after taking into consideration the size, country risk and unlisted status as well as specific characteristics, profile and other factors that may affect the operation of the businesses being valued.

Please note that the selection of Comcos and the adjustments made are highly subjective and judgemental and the selected Comcos may not be entirely comparable due to various factors. Details of the selected Comcos are tabulated in Table 6 as follows:

*dw*

**APPENDIX V – VALUATION LETTER BY KJCS (Cont'd)**

Table 6 – Discount Rate

Parameter	Assumption	Source
Risk free rate ("R <sub>f</sub> ")	4.16%	Risk free rate is the current yield on a long-term Malaysian Government Securities ("MGS") as at Valuation Date. We have selected the gross yield of a 28-year MGS as a proxy to the R <sub>f</sub> given that the business is being valued at perpetuity (Source: Bank Negara Malaysia).
Risk premium	6.36%	Risk premium is the market risk premium for Malaysia as at Valuation Date. It is the premium that Equity market investors expect as compensation for the additional risk associated with investing in equities compared to government securities. (Source: Valutico).
Unlevered Beta	0.72	Computed based on the selected comparable listed companies involved IT services sector and unlevered the beta based on five (5)-year daily data of the comparable companies. The raw beta as extracted from Valutico is based on the capital structure of the respected selected comparable listed companies, we have unlevered the raw beta using the formula as follows:  Unlevered $\beta$ = levered $\beta$ / [1 + (1-Tax) x Debt/Equity] (Source: Valutico).
Cost of equity ("K <sub>e</sub> ")	17.9% - 18.9%	K <sub>e</sub> is computed based on capital asset pricing model after considering the following:  (a) a discount of 40% to account for the size and marketability differences between Target and the comparable companies; and  (b) Company specific risk of approximately 6% to 7%.
FCFE	Based on PCS Financial Projections	FCFE is the cash flow available to equity investors after all operating expenses, reinvestments (like capital expenditures), and debt obligations (like interest payments and principal repayments) have been met.
Terminal Value and Terminal Growth	1.5%	Terminal value is calculated using the Constant Growth Model using the adjusted 12 months financial projection FYE 2028 at assumed terminal growth rate of 1.5%

*dw*

**APPENDIX V – VALUATION LETTER BY KJCS (Cont'd)**

A brief description of the Comcos, including the principal activities and market capitalisation as at the Valuation Date is as follows: -

Table 7 – Comparable Listed Companies

<b>Comparable Companies in Malaysia</b>	<b>Market Cap<sup>1</sup> RM million</b>	<b>Principal activities<sup>2</sup></b>
Radiant Globaltech Berhad ("RGB")	181	RGB and its subsidiaries specializes in providing advanced hardware and software solutions. RGB group is an integrated technology solutions provider, offering end-to-end expertise in digitalising retail and industrial businesses to enhance efficiency and optimise costs. RGB integrated technology solutions cater to a wide range of operational requirements and automating key processes. Beginning with hardware for retail front-end operations, RGB progresses to provide their customers with a comprehensive range of digital solutions for their business operation automation and digitalisation.  RGB Group is organised into 2 main reportable segments, which are hardware & maintenance and software.
Autocount Dotcom Berhad ("Autocount")	633	The principal activities of Autocount and its subsidiaries include wholesale of computer hardware, software and peripherals, trading of software and services and development of software, and programming activities.
SNS Network Technology Berhad ("SNS")	1,070	SNS provides technology solutions and integrated information systems to end consumers, SME businesses, large corporation, and government institutions. The core business activities are (a) sale of ICT products comprising hardware, devices and related peripherals, as well as provision of ICT services and solutions; and (b) provision of device repair and related services, as well as sale of broadband services.
VSTECS Berhad	1,440	VSTECS Berhad engages in the distribution of information and communications technology (ICT) products. The company operates through ICT Distribution, Enterprise Systems, and ICT Services segments.

Source: Annual reports, public websites of companies and Valutico

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## 5.2. Key Bases and Assumptions

The key bases and assumptions adopted in our Indicative Valuation are as follows:

- (i) The Financial Projections will be achieved. We have not reviewed the Financial Projections nor assessed the reasonableness of the underlying bases and assumptions. The Management assumes full responsibilities for the accuracy, completeness and reliability of the Financial Projections as well as the reasonableness of the underlying bases and assumptions;
- (ii) The valuation method adopted to value Target implicitly assumes that a generic investor has sufficient control of the business cash flow to determine the dividend policy, capital structure and major capital developments;
- (iii) Target has all the relevant licences, permits, approvals, agreements, contracts or any other contractual agreements to carry out the business ("Licences/Agreements"). There are no breaches and there will not be any breach of any provision in the Licences/Agreements and that the Licences/Agreements, whichever applicable, will be renewed upon expiry;
- (iv) Target is in full compliance with all applicable regulations and laws;
- (v) The assets of Target are free and clear of any liens or encumbrances;
- (vi) There will be no material changes in the present legislation, government regulations, inflation rates, interest rates, foreign exchange rates, bases and rates of taxation, and other lending guidelines which will affect the activities of Target;
- (vii) There will be no material changes in the present management of Target and principal activities as well as the accounting and operating policies presently adopted by Target. There will be continuity in responsible ownership and competent management with respect to the operation of the business;
- (viii) There are no and there will not be any material changes in the financial position and performance as well as business operations of Target that will affect Target after the Valuation Date;

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**APPENDIX V – VALUATION LETTER BY KJCS (Cont'd)**

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- (ix) There are no undisclosed actual or contingent assets or liabilities, including but not limited to, any contracts and/or off-balance sheet financial instruments, no unusual obligations or commitments other than in the ordinary course of business, nor any pending litigation which would have a material effect on the financial position or operations of Target now and in the future;
- (x) The Indicative Valuation has been carried out on the basis that Target is and will continue to be a going concern; and
- (xi) There will be no event of *force majeure* occurring such as any act of God, act of public enemies, war, acts of terrorism, restraint of Government or people of any nation, riots, insurrections, civil commotion, floods, fire, restrictions due to quarantines, epidemics, storms, or any other causes beyond the reasonable control of the Management, which could materially affect the financial position and business operations of the Target.

Please note that the Indicative Valuation is highly dependent on, amongst others, the materialisation of the bases and assumptions used in the Indicative Valuation. We wish to highlight that the Indicative Valuation may be materially or adversely affected should the actual results or events differ from any of the bases and assumptions upon which the Indicative Valuation was based.

*dw*

**6. Business Valuation**

Using the valuation approaches as outlined in paragraph 5.1, the indicative value of 100% equity interest in PCS as at **31 December 2024** based on the bases and assumptions as detailed in paragraph 5.2 of this Report is as follows:

**Table 8 - Indicative Valuation**

<b>MYR'000</b>	<b>Low</b>	<b>High</b>
Range of indicative values of a 100% equity interest based on DCF	16,200	17,300

This Business Valuation as estimated based on the DCF Method in table above yields the following implied Price/ Earnings ("P/E") multiples:

**Table 9 - Implied PE Multiples**

100% Equity Value of PCS based on the Income Approach (DCF Method) (MYR'000)	16,200	17,300
Implied P/E multiple based on profit guarantee of RM 3,000,000 (times)	5.4	5.8
Implied P/E multiple based on audited PAT for FYE 2024 of RM 2,033,130 (times)	8.0	8.5
Range of Traded P/E of Comcos	12.2	19.3

The Implied P/E multiple range of 5.4 – 8.5 times above falls below the range of traded P/E multiples of Comcos of 12.2 to 19.3 times.

The ranges of traded P/E multiples of Comcos are estimated based on the following:

- Closing market prices of the Comcos selected as at 31 December 2024;
- PAT based on trailing twelve months up to 31 December 2024; and
- Adjustments after taking into consideration the size and unlisted status as well as characteristics and profile of Target, which adjustments are highly subjective and judgemental.

Please note that the above estimated Indicative Valuation of PCS is limited by the approach as outlined in paragraph 5.1 and any reference to the indicative value will have to be read in the context of the approach used in the Indicative Valuation as well as the bases and assumptions as detailed in paragraph 5.2. *dw*

It must be emphasised that the range of indicative value as estimated by us involves a high degree of subjectivity and element of judgement. This range of indicative values represents the range that a well-informed general investor may pay. The final price of Target will reflect the specific circumstances of the buyer and seller, and their perception of business and market factors at the point of execution.

## **7. LIMITATIONS AND RESTRICTIONS**

All information and documentation as provided by the Management is assumed to be true, correct and complete to the best of their knowledge and belief. KJCS has not conducted any audit or other verification procedures in respect of any financial and non-financial data and information used in our work. Additionally, the scope of the Indicative Valuation is different from that required for an audit which is based on generally accepted auditing standards and for that reason, it does not provide the same level of assurance as an audit of financial statements. In addition, KJCS's terms of reference do not include KJCS rendering an expert opinion on legal, accounting and taxation issues relating to the Indicative Valuation.

KJCS has made all reasonable enquiries and conducted KJCS's review, wherever possible, with regards to the information provided to KJCS. The Directors and Management of Ecomate and/or PCS are responsible to make available to KJCS all relevant information pertaining to the evaluation, including informing KJCS of any material changes in the subject matter which may have an impact on KJCS's opinion. KJCS's work includes holding discussions and making enquiries with the Directors and Management of Ecomate, PCS and their advisors, regarding representations made on Target. KJCS relies on the Directors and Management's oral and written representations and in no event shall we, our partners, principals, directors, shareholders, agents or employees be liable for any misrepresentations by the Directors and Management.

It should also be noted that the estimated values involve a high degree of subjectivity and professional judgement. In the event of a market transaction involving Target, the final value attributed to it will normally reflect the aspirations, circumstances and knowledge of a specific buyer and seller at the point of transaction. These factors may differ materially from those assumed in the Indicative Valuation and this may affect the value.

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**APPENDIX V – VALUATION LETTER BY KJCS (Cont'd)**

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Other than as specified in this Report, it is not intended for circulation and cannot be disclosed or referred to, in whole or in part, in any document without written consent of KJCS. Accordingly, KJCS shall not be responsible or liable for any losses or damages as a result of reliance by any party contrary to the provisions as set out in this Report. KJCS is under no obligation to update this Report in respect of events or information that come to our attention subsequent to 9 May 2025.



**8. VALUE CONCLUSION**

Based upon and subject to the foregoing and other information used in the preparation of this Report, we are of the opinion that the market value of 100% equity interest in PCS is **MYR16.2 million – MYR17.3 million.**

Yours faithfully

For and on behalf of

**KHONG & JAAFAR (CORPORATE SERVICES) SDN BHD**



**Elvin Fernandez**  
eCMSRL/B9048/2019

**Ng Siew Hui, Jowis**  
eCMSRL/B9047/2019



# PROGRESSIVE

COMPUTER SYSTEMS SDN BHD (201829-A)

69, Jalan SS21/1A, Damansara Utama, 47400, Petaling Jaya, Selangor.

Tel: 03 - 7727 5139 / 40

Fax: 03 - 7728 3301

Website: [www.progressive.com.my](http://www.progressive.com.my)

Date: 29/7/2025

**ECOMATE HOLDINGS BERHAD**

Lot PTD 7274

Kawasan Perindustrian Bakri Batu 7 ½

Jalan Bakri

84200 Muar

Johor

Dear Sir/Madam,

**PROPOSED ACQUISITION BY ECOMATE HOLDINGS BERHAD OF 600,000 ORDINARY SHARES, REPRESENTING 60.0% EQUITY INTEREST IN PROGRESSIVE COMPUTER SYSTEMS SDN. BHD., FOR A TOTAL CASH CONSIDERATION OF RM8.4 MILLION (“PROPOSED ACQUISITION”)**

As the sole director of the Progressive Computer Systems Sdn. Bhd. (“PCS”), I report that after due inquiries during the period between 31 December 2024, being the date to which the latest audited financial statements of PCS have been made, and up to the date of this letter, being a date not earlier than 14 days before the date of this circular in relation to the Proposed Acquisition, that:

- a) in my opinion, the business of PCS has been satisfactorily maintained;
- b) in my opinion, no circumstances have arisen since the latest audited financial statements of PCS which have adversely affected the trading or the value of the assets of PCS;
- c) the current assets of PCS appear in the books at values which are believed to be realisable in the ordinary course of business;
- d) no contingent liabilities have arisen by reason of any guarantees or indemnities given by PCS;
- e) there is no default or any known 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 in PCS since the latest audited financial statements of PCS; and
- f) there have been no material changes in the published reserves or any unusual factors affecting the profits of PCS since the latest audited financial statements of PCS.

Thank you.

Yours faithfully,

**LAW SENG PENG**

Director

**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by our Board, and our Directors collectively and individually accept full responsibility for the accuracy, completeness and correctness of the information contained in this Circular and confirm that, after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement misleading.

**2. CONSENTS AND DECLARATION OF CONFLICT OF INTERESTS****2.1 M&A Securities****Consent**

M&A Securities, being the Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

**Conflict of interest**

M&A Securities has no conflict of interest that exists or is likely to exist in its capacity as the Adviser to Ecomate Holdings in relation to the Proposals.

**2.2 KJCS****Consent**

KJCS, being the valuer for the business valuation on PCS, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

**Conflict of interest**

KJCS has no conflict of interest that exists or is likely to exist in its capacity as the valuer to Ecomate Holdings in relation to the business valuation on PCS.

**2.3 Providence****Consent**

Providence, being the IMR for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereon in the form and context in which they appear in this Circular.

**Conflict of interest**

Providence has no conflict of interest that exists or is likely to exist in its capacity as the IMR to Ecomate Holdings in relation to the Proposals.

**3. MATERIAL LITIGATION**

As at LPD, neither our Company nor our subsidiary are engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and to the best of our Board's knowledge and belief, our Board is not aware of any proceeding, pending or threatened against our Group or of any fact likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Group.

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**APPENDIX VII – FURTHER INFORMATION (Cont'd)**

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**4. MATERIAL COMMITMENTS**

As at LPD, save as disclosed below, there are no material commitments incurred or known to be incurred by our Group that is likely to have an impact on our profits or NA upon becoming enforceable.

	<b>RM'000</b>
Progress claim for purchase of leasehold industrial land	549
Purchase of factory building	6,300
Construction of factory building	1,590
	<b>8,439</b>

**5. CONTINGENT LIABILITIES**

As at LPD, there are no contingent liabilities, incurred or known to be incurred, which upon becoming enforceable, may have a substantial impact on the ability of our Group to meet our obligations as and when they fall due.

**6. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of our Company at No. 7 (1st Floor) Jalan Pesta 1/1 Taman Tun Dr. Ismail 1 Jalan Bakri 84000 Muar Johor during normal business hours (except public holidays) from the date of this Circular up to and including the date of the EGM:

- (i) Constitution of our Company and PCS;
- (ii) Audited consolidated financial statements of our Group for FYE 2022 to 2025;
- (iii) Audited financial statements of the PCS for financial year ended 31 December 2022, 2023 and 2024 and unaudited financial statements of the PCS for 3 months financial period ended 31 March 2025;
- (iv) Letter of consent and declaration of conflict of interest as referred to in **Section 2 of this Appendix**;
- (v) SPA referred to in **Appendix II**;
- (vi) Draft SHA referred to in **Appendix III**;
- (vii) Valuation letter by KJCS enclosed in **Appendix V**;
- (viii) IMR Report; and
- (ix) Draft Deed Poll.



**ECOMATE HOLDINGS BERHAD**  
(Registration No. 202001036445 (1392766-X))  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting (“**EGM**”) of Ecomate Holdings Berhad (“**Ecomate Holdings**” or the “**Company**”) will be held at BEI BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor (“**Venue**”), on Monday, 25 August 2025 at 12.00 p.m., or immediately upon the conclusion of the Company’s Fifth Annual General Meeting scheduled to be held at the Venue on the same date at 11.00 a.m., whichever is later, or at adjournment thereof, for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:

### **ORDINARY RESOLUTION 1**

**PROPOSED ACQUISITION BY ECOMATE HOLDINGS OF 600,000 ORDINARY SHARES IN PROGRESSIVE COMPUTER SYSTEMS SDN BHD (“PCS”), REPRESENTING 60.0% EQUITY INTEREST IN PCS FROM LAW SENG PENG (“VENDOR”) FOR A TOTAL CASH CONSIDERATION OF RM8.4 MILLION (“PROPOSED ACQUISITION”)**

**“THAT** subject to the approvals of all relevant authorities and/or parties being obtained in respect of the Proposed Acquisition, and the conditions precedent stipulated in the conditional sale and purchase agreement dated 6 June 2025 (“**SPA**”) entered into between the Ecomate Holdings and the Vendor in respect of the Proposed Acquisition being fulfilled or waived, approval be hereby given to the Company, to acquire 60.0% equity interest in PCS for a total cash consideration of RM8.4 million, subject to the terms and conditions as stipulated in the SPA.

**AND THAT** the Board of Directors of the Company (“**Board**”) be hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to the Proposed Acquisition with full power to assent to any terms, modifications, variations, arrangements, condition and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things in any manner as it may deem fit or necessary or expedient in the best interest of the Company to implement, finalise, complete and give full effect to the Proposed Acquisition.”

### **ORDINARY RESOLUTION 2**

**PROPOSED DIVERSIFICATION OF THE EXISTING BUSINESS OPERATIONS OF ECOMATE HOLDINGS AND ITS SUBSIDIARY TO INCLUDE INFORMATION AND COMMUNICATION TECHNOLOGY SOLUTIONS (“PROPOSED DIVERSIFICATION”)**

**“THAT** subject to the approvals of the relevant authorities and/or parties (if required) being obtained, approval be hereby given to the Board to diversify the existing business of the Company and its subsidiary to include the business of information and communication technology solutions;

**AND THAT** the Board be hereby authorised and empowered to take all such steps and enter into all deeds, agreements, arrangements, undertakings, transfers and indemnities as it deems fit, necessary, expedient and/or appropriate and in the best interest of the Company in order to implement, finalise, complete and give full effect to the Proposed Diversification with full powers to assent to any conditions, modifications, variations and/or amendments as may be required by any relevant authorities as the Board deems fit, appropriate and in the best interest of the Company.”

### **ORDINARY RESOLUTION 3**

**PROPOSED BONUS ISSUE OF 358,025,834 NEW ORDINARY SHARES IN ECOMATE HOLDINGS (“ECOMATE HOLDINGS SHARE(S)” OR “SHARE(S)”) (“BONUS SHARE(S)”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING ECOMATE HOLDINGS SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED BY THE BOARD AT A LATER DATE (“ENTITLEMENT DATE”) (“PROPOSED BONUS ISSUE OF SHARES”)**

**“THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be hereby given to the Board to issue and allot 358,025,834 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Share held by the shareholders of the Company whose names appear in the Record of Depositors of the Company as at 5.00 p.m. on the Entitlement Date;

**THAT** the Board be hereby authorised to allot and issue the Bonus Shares as fully paid shares, at no consideration and without capitalisation of the Company's reserves;

**THAT** the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares, save and except that the Bonus Shares will not be entitled to any dividend, rights, allotment and/or any other distribution that may be declared, made or paid prior to the date of allotment and issuance of the Bonus Shares;

**THAT** any fractional entitlements arising from the Proposed Bonus Issue of Shares shall be disregarded and/or dealt with in such a manner as the Board in its absolute discretion deems fit, expedient and in the best interest of the Company;

**AND THAT** the Board be hereby authorised to take all such steps and to execute all necessary documents as the Board may deem fit to give effect to the Proposed Bonus Issue of Shares with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as the Board may consider necessary and/or expedient in the best interest of the Company in order to implement, finalise, complete and to give full effect to the Proposed Bonus Issue of Shares."

#### **ORDINARY RESOLUTION 4**

#### **PROPOSED ISSUANCE OF 358,025,834 WARRANTS ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 1 EXISTING ECOMATE HOLDINGS SHARE HELD ON THE SAME ENTITLEMENT DATE AS THE PROPOSED BONUS ISSUE OF SHARES ("PROPOSED BONUS ISSUE OF WARRANTS")**

"**THAT** subject to the approvals of all relevant authorities and/or parties (where applicable), authority be hereby given to the Board to allot and issue 358,025,834 Warrants on the basis of 1 Warrant for every 1 existing Ecomate Holdings Share held by the Entitled Shareholders on the same Entitlement Date as the Proposed Bonus Issue of Shares;

**THAT** the Board be hereby authorised to enter into and execute the deed poll constituting the Warrants ("**Deed Poll**") with full powers to assent to any condition, modification, variation and/or amendment in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

**THAT** the Board be hereby authorised to allot and issue such appropriate number of Warrants in accordance with the provisions of the Deed Poll and where required, to adjust the exercise price and/or the number of Warrants to be issued (including, without limitation, any additional Warrants as may be required or permitted to be issued) in consequence of the adjustments pursuant to the provisions of the Deed Poll;

**THAT** the Board be hereby authorised to allot and issue such appropriate number of new Shares pursuant to the exercise of the Warrants or additional Warrants issued pursuant to adjustments as provided for under the Deed Poll by the holders of the Warrants in accordance with the provisions of the Deed Poll;

**THAT** in determining the entitlements under the Proposed Bonus Issue of Warrants, fractional entitlements, if any, shall be disregarded and dealt with in such manner as the Board in its absolute discretion deems fit and expedient, and in the best interest of the Company;

**THAT** the new Ecomate Holdings Shares to be issued pursuant to the exercise of the Warrants shall, upon allotment, issuance and full payment of the exercise price, rank equally in all respects with the existing Ecomate Holdings Shares, save and except that the new Ecomate Holdings Shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions that may be declared, made or paid to the shareholders of the Company, the entitlement date of which is prior to the date of allotment and issuance of the new Ecomate Holdings Shares;

**THAT** the Board be hereby authorised to use the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in Section 2.4.7 of the circular to shareholders of the Company dated 7 August 2025 ("**Circular**"), and the Board be authorised with full powers to vary the manner and/or purpose of the use 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 hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and to complete the Proposed Bonus Issue of Warrants with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue of Warrants."

## **BY ORDER OF THE BOARD**

NG MEI WAN  
(SSM Practicing Certificate No.: 201908000801) (MIA 28862)

TAN HUI KHIM  
(SSM Practicing Certificate No.: 201908000859) (LS 0009936)  
Company Secretaries

Muar, Johor

Date: 7 August 2025

### **Notes:**

1. Only depositors whose names appear in the Record of Depositors as at 18 August 2025 shall be regarded as members and be entitled to attend, participate, speak and vote at the EGM.
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
3. 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.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.
6. In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).
7. 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 of attorney, must be deposited at Aldpro Corporate Services Sdn Bhd office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad requires all resolutions set out in the Notice of Extraordinary General Meeting to vote by way of poll.



**ECOMATE HOLDINGS BERHAD**  
(Registration No. 202001036445 (1392766-X))  
(Incorporated in Malaysia)

**FORM OF PROXY**

\*I/We \_\_\_\_\_  
[Full name in capital letters]

\*NRIC No./Passport No./Registration No. \_\_\_\_\_ of \_\_\_\_\_  
[Full address]

\_\_\_\_\_ being a \*Member/Members of ECOMATE HOLDINGS  
BERHAD ("Company"), hereby appoint \_\_\_\_\_  
[Full name in capital letters]

\*NRIC No./Passport No. \_\_\_\_\_ of \_\_\_\_\_  
[Full address]

\_\_\_\_\_ \*and/or \_\_\_\_\_  
[Full name in capital letters]

\*NRIC No./Passport No. \_\_\_\_\_ of \_\_\_\_\_  
[Full address]

\_\_\_\_\_ or failing \*him/her, 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 to be held at BEI  
BOUTIQUE HOTEL, Centro Meeting Hall, Level 3, 8-3, Jalan Abdul Rahman, 84000 Muar, Johor ("**Venue**"), on  
Monday, 25 August 2025 at 12.00 p.m., or immediately upon the conclusion of the Company's Fifth Annual General  
Meeting scheduled to be held at the Venue and on the same date at 11.00 a.m., whichever is later, or at  
adjournment thereof in the manner as indicated below:-

RESOLUTION	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Proposed Acquisition		
Ordinary Resolution 2	Proposed Diversification		
Ordinary Resolution 3	Proposed Bonus Issue of Shares		
Ordinary Resolution 4	Proposed Bonus Issue of Warrants		

Please indicate with an "X" in the space provided above on how you wish your vote to be cast on the resolutions  
specified. If no specific direction as to the voting is given, the proxy will vote or abstain at his/her discretion.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2025

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of Shares	Percentage
First Named Proxy		
Second Named Proxy		
Total		100%

CDS Account No.	
No. of Shares held	

\_\_\_\_\_  
Signature of Member or Common Seal

\* Strike out whichever not applicable

**Notes:**

1. Only depositors whose names appear in the Record of Depositors as at 18 August 2025 shall be regarded as shareholders and be entitled to attend, participate, speak and vote at the Extraordinary General Meeting.
2. A member shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote in his/her stead pursuant to Section 334 of the Companies Act 2016. There shall be no restriction as to the qualification of the proxy.
3. 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.
4. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholding to be represented by each proxy.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing. If the appointer is a corporation, the instrument must be executed under its Common Seal or under the hand of an attorney so authorised. Any alterations in the Form of Proxy must be initialed by the member.
6. In the event the member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the Meeting as his/her/their proxy, provided always that the rest of the Form of Proxy, other than the particulars of the proxy, have been duly completed by the member(s).
7. 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 of attorney, must be deposited at Aldpro Corporate Services Sdn Bhd office at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding this meeting or any adjournment thereof as Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities requires all resolutions set out in the Notice of Extraordinary General Meeting to vote by way of poll.

**Personal data privacy**

By submitting the duly executed Form of Proxy, the member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for the purpose of the Extraordinary General Meeting and any adjournment thereof.

Then fold here

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Affix  
Stamp

**THE SHARE REGISTRAR  
ALDPRO CORPORATE SERVICES SDN BHD  
(Registration No. (202101043817 (1444117-M)))**

B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur

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