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

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GFM SERVICES BERHAD

Registration No.: 201301003302 (1033141-H)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE:-

PROPOSED ACQUISITION OF 60,000 ORDINARY SHARES IN SHAPADU ENERGY SDN BHD ("SHAPADU ENERGY") ("SHAPADU ENERGY SHARES"), REPRESENTING 60% EQUITY INTEREST IN SHAPADU ENERGY, FROM SHAPADU CORPORATION SDN BHD ("SPC" OR THE "VENDOR") FOR A PURCHASE CONSIDERATION OF RM30.00 MILLION TO BE SATISFIED ENTIRELY VIA CASH ("PROPOSED ACQUISITION"), TOGETHER WITH A CALL OPTION GRANTED BY GFM SERVICES BERHAD ("GFM" OR THE "COMPANY") FOR SPC TO ACQUIRE SUCH NUMBER OF SHAPADU ENERGY SHARES, REPRESENTING 15% EQUITY INTEREST IN SHAPADU ENERGY, FROM GFM FOR A PURCHASE CONSIDERATION OF RM10.00 MILLION ("PROPOSED CALL OPTION") (COLLECTIVELY, THE "PROPOSALS")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

UOBKayHian

UOB Kay Hian (M) Sdn Bhd

(Formerly known as UOB Kay Hian Securities (M) Sdn Bhd)

Registration No. 199001003423 (194990-K)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

The extraordinary general meeting of the Company ("**EGM**") will be held at The Majestic Hotel, 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 3 September 2025 at 10.00 a.m. or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed in this Circular.

A member entitled to attend, participate, speak and vote at the EGM is entitled to appoint a proxy or proxies to attend, participate, speak and vote on his/ her behalf. In such event, the Form of Proxy must be lodged at the Share Registrar Office of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than twenty-four (24) hours before the time for holding the EGM or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, participating, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : Tuesday, 2 September 2025 at 10.00 a.m.

Date and time of the EGM : Wednesday, 3 September 2025 at 10.00 a.m.

This Circular is dated 19 August 2025

DEFINITIONS

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

"Act"	:	The Companies Act 2016
"AER" or the "Independent Valuer"	:	Asia Equity Research Sdn Bhd (Registration No. 201401027762 (1103848-M))
"Board"	:	The Board of Directors of GFM
"Bursa Securities"	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
"Call Option Agreement"	:	The conditional call option agreement dated 2 July 2025 entered into between GFM and SPC in relation to the Proposed Call Option
"Call Option Price"	:	RM10.00 million, being the purchase consideration for such number of Shapadu Energy Shares, representing 15% equity interest in Shapadu Energy, to be satisfied entirely via cash pursuant to the exercise of the Proposed Call Option
"Circular"	:	This circular dated 19 August 2025
"CR3"	:	CR3 (Malaysia) Sdn Bhd (Registration No. 199301001653 (256390-U))
"Deed of Assignment"	:	The deed of assignment to be executed between SESSB and Shapadu Energy prior to the SSA becoming unconditional, whereby SESSB irrevocably and unconditionally assigns to Shapadu Energy all of its rights and benefits attaching in and to the Trust Shares
"Director(s)"	:	The director(s) of GFM and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
"DLOM"	:	Discount for lack of marketability
"EGM"	:	The forthcoming extraordinary general meeting of GFM
"EPS"/ "(LPS)"	:	Earnings/ (Loss) per share
"EV/ EBITDA"	:	Enterprise value/ earnings before interest, taxes, depreciation and amortisation
"FCFE"	:	Free cash flow to equity
"Future Financials"	:	The projected future financials of Shapadu Energy for 5 financial years from the FYE 2025 to FYE 2029
"FYE"	:	Financial year ended/ ending 31 December, as the case may be
"GFM" or the "Company"	:	GFM Services Berhad (Registration No. 201301003302 (1033141-H))
"GFM Group" or the "Group"	:	GFM and its subsidiaries, collectively
"GFM Share(s)" or "Share(s)"	:	Ordinary share(s) of GFM

DEFINITIONS (CONT'D)

"HOA"	: The heads of agreement dated 9 December 2024 entered into between GFM, SPC and Shapadu Energy
"HSSB"	: Highbase Strategic Sdn Bhd (Registration No. 200301034763 (637184-W))
"Listing Requirements"	: Main Market Listing Requirements of Bursa Securities
"LPD"	: 1 August 2025, being the latest practicable date prior to the printing and despatch of this Circular
"Major Shareholder(s)"	: Pursuant to Paragraph 1.01 of the Listing Requirements, a person who has an interest or interests in one or more voting shares in GFM and the aggregate number of those shares, is:- i. 10% or more of the total number of voting shares in GFM; or ii. 5% or more of the total number of voting shares in GFM where such person is the largest shareholder of GFM. This includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a major shareholder of GFM as defined above or any other company which is a subsidiary of GFM or GFM's holding company. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
"NA"	: Net assets attributable to the owners of the Company
"O&G"	: Oil and gas
"PAT"/ "(LAT)"	: Profit/ (Loss) after taxation
"PBT"/ "(LBT)"	: Profit/ (Loss) before taxation
"PE"	: Price to earnings
"PPCSB"	: Pengerang Petrochemical Company Sdn Bhd (Registration No. 201501003532 (1128864-H))
"PRCSB"	: Pengerang Refining Company Sdn Bhd (Registration No. 201301028727 (1058557-T))
"PRefChem"	: PRCSB and PPCSB, collectively
"Proposals"	: The Proposed Acquisition and Proposed Call Option, collectively
"Proposed Acquisition"	: The proposed acquisition by GFM of 60,000 ordinary shares in Shapadu Energy from SPC, representing 60% equity interest in Shapadu Energy for a cash consideration of RM30.00 million
"Proposed Call Option"	: The proposed granting by GFM to SPC of a call option, granting SPC the right to purchase such number of Shapadu Energy Shares, representing 15% equity interest in Shapadu Energy from GFM, for a cash consideration of RM10.00 million, exercisable within a period of 24 months from the completion of the Proposed Acquisition
"Purchase Consideration"	: The total cash consideration of RM30.00 million for the Proposed Acquisition

DEFINITIONS (CONT'D)

"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"SCRA"	:	Shapadu CR Asia Sdn Bhd (Registration No. 201901029829 (1339159-X))
"SESSB"	:	Shapadu Energy Services Sdn Bhd (Registration No. 198001011101 (64887-V))
"SHA"	:	The conditional shareholders' agreement dated 2 July 2025 entered into between GFM, SPC and Shapadu Energy for the purpose of regulating their relationship with one another upon completion of the Proposed Acquisition
"Shapadu Energy"	:	Shapadu Energy Sdn Bhd (Registration No. 201401034674 (1110772-X))
"Shapadu Energy Share(s)"	:	Ordinary share(s) in Shapadu Energy
"SPC" or the "Vendor"	:	Shapadu Corporation Sdn Bhd (Registration No. 198401004202 (116721-M))
"SSA"	:	The conditional share sale agreement dated 2 July 2025 entered into between GFM and SPC in relation to the Proposed Acquisition
"TA4MS"	:	Turnaround Main Mechanical & Maintenance Mechanical Static
"Trust Deed"	:	The trust deed dated 13 February 2020 entered into between CR3 and SESSB which states that the Trust Shares held by CR3 is held in trust for SESSB
"Trust Share(s)"	:	The 40% equity interest in SCRA held in trust by CR3 for SESSB, pursuant to the Trust Deed
"UOBKH" or the "Principal Adviser"	:	UOB Kay Hian (M) Sdn Bhd (formerly known as UOB Kay Hian Securities (M) Sdn Bhd) (Registration No. 199001003423 (194990-K))
"Valuation Certificate"	:	The Independent Fair Valuation Certificate dated 1 July 2025 for the 60% equity interest in Shapadu Energy by AER
"VWAP"	:	Volume weighted average market price
"Warrant(s) D"	:	379,641,279 outstanding warrants 2024/2027 in the Company as at the LPD. The Warrants D are constituted by the deed poll dated 20 June 2024 and each Warrant D carries the entitlement to subscribe for 1 new GFM Share during the 3-year exercise period up to 9 July 2027 at the exercise price of RM0.21 per Warrant D

All references to "**you**" or "**your(s)**" in this Circular are made to shareholders who are entitled to attend and vote at the EGM.

Unless specifically referred to, words denoting incorporating the singular shall, where applicable include the plural and vice versa and words denoting incorporating the masculine gender shall where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular shall be a reference to Malaysian time and date, respectively, unless otherwise specified. Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding adjustments.

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EXECUTIVE SUMMARY

This Executive Summary highlights only the salient information of the Proposals. Shareholders are advised to read this Circular in its entirety for further details and not to rely solely on this Executive Summary in arriving at a decision on the Proposals before voting at the EGM.

Key information	Description	Reference to Circular
Summary of the Proposals	<u>Proposed Acquisition</u> The Proposed Acquisition entails the acquisition of 60,000 Shapadu Energy Shares, representing 60% equity interest in Shapadu Energy, for a total cash consideration of RM30.00 million.	Section 2
	<u>Proposed Call Option</u> The Proposed Call Option entails the granting by GFM to SPC of a call option, granting SPC the right to purchase such number of Shapadu Energy Shares, representing 15% equity interest in Shapadu Energy from GFM, for a cash consideration of RM10.00 million, exercisable within a period of 24 months from the completion of the Proposed Acquisition.	Section 3
Rationale and justification for the Proposals	i. The Proposed Acquisition is undertaken as part of the Group's strategic expansion plan to grow the operations of its O&G facilities management business; ii. The Proposed Acquisition may provide the enlarged GFM Group with an increased market presence within the TA4MS contract holder business, thereby enabling the enlarged Group to potentially secure larger scale projects; iii. The Proposed Acquisition may enable the enlarged GFM Group to rationalise the costs required for operating its O&G facilities management business via sharing of certain resources, such as manpower and equipment, which may help to improve the enlarged Group's profit margins; and iv. Regardless of whether the Proposed Call Option is exercised, the Group intends to capitalise on its expanded O&G facilities management business to secure larger scale projects in this space. Such strategic collaborations are anticipated to persist in the event the Proposed Call Option is exercised.	Section 4
Risk factors	The risk factors relating to the Proposed Acquisition include, but are not limited to the following:- i. delay or non-completion of the Proposed Acquisition; ii. investment risk; and iii. business and operational risk.	Section 6
Approvals required/ obtained	The Proposals are subject to the following approvals being obtained:- i. shareholders of the Company at the EGM; and ii. any other relevant authorities and/ or parties, if required. The Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.	Section 9
Interested parties	None of the Directors, Major Shareholders and/ or persons connected with them have any interest, whether direct or indirect, in the Proposals.	Section 10
Board's recommendation	The Board recommends that you vote in favour of the resolution pertaining to the Proposals at the EGM.	Section 13



GFM SERVICES BERHAD

Registration No.: 201301003302 (1033141-H)
(Incorporated in Malaysia)

Registered Office

Level 7, Mercu 3, No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Malaysia

19 August 2025

Board of Directors

Zainal Arifin Bin Khalid (*Independent Non-Executive Chairman*)
Ruslan Bin Nordin (*Group Managing Director*)
Mohammad Shahrizal Bin Mohammad Idris (*Non-Independent Non-Executive Director*)
Zainal Bin Amir (*Non-Independent Non-Executive Director*)
Yong Hee Kong (*Independent Non-Executive Director*)
Ashok Virendra Shah (*Independent Non-Executive Director*)
Tong Jia Wann (*Independent Non-Executive Director*)

To: The shareholders of GFM

Dear Sir/ Madam,

I. PROPOSED ACQUISITION; AND

II. PROPOSED CALL OPTION

1. INTRODUCTION

On 9 December 2024, UOBKH had on behalf of the Board announced that GFM had on even date entered into the HOA with SPC and Shapadu Energy, for GFM to acquire and subscribe for ordinary shares in Shapadu Energy, totalling 45% equity interest in Shapadu Energy, for an indicative total purchase consideration of RM30.00 million to be satisfied entirely via cash. Subsequently on 6 June 2025, UOBKH had on behalf of the Board announced the mutual agreement between GFM, SPC and Shapadu Energy to extend the timeframe for GFM, SPC and Shapadu Energy to enter into the definitive agreements in relation to the Proposed Acquisition, by an additional 1 month until 8 July 2025.

On 2 July 2025, UOBKH had on behalf of the Board announced that GFM had on even date, entered into the following:-

- i. the SSA with SPC, for the proposed acquisition of 60,000 ordinary shares in Shapadu Energy, representing 60% equity interest in Shapadu Energy from SPC, for a Purchase Consideration of RM30.00 million to be satisfied entirely in cash;
- ii. the Call Option Agreement with SPC, whereby SPC has the right to purchase 15% equity interest in Shapadu Energy for a cash consideration of RM10.00 million from GFM, exercisable within a period of 24 months from the completion of the Proposed Acquisition; and
- iii. the SHA with SPC and Shapadu Energy for the purpose of regulating their relationship with one another upon completion of the Proposed Acquisition.

Further details of the Proposals are set out in the ensuing sections of this Circular.

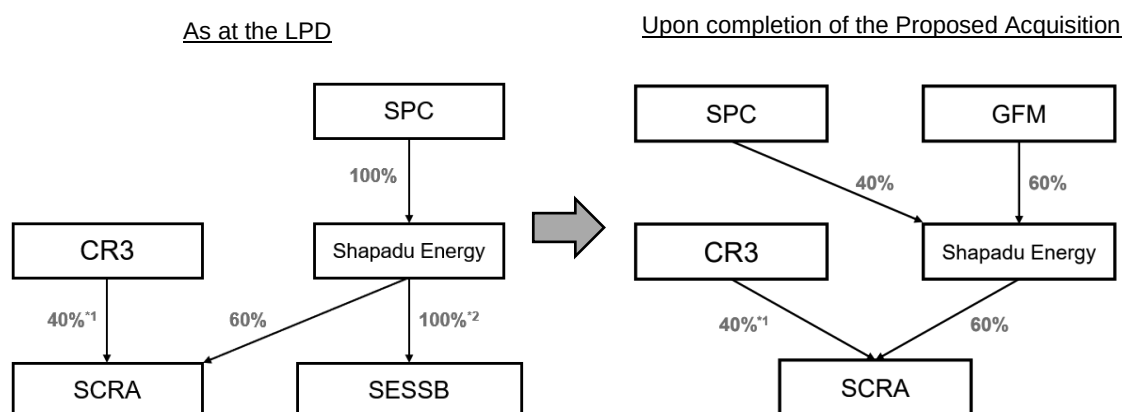
THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE RELEVANT INFORMATION ON THE PROPOSALS AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT THE EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

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

2. PROPOSED ACQUISITION

On 2 July 2025, GFM entered into the SSA with SPC to purchase 60,000 Shapadu Energy Shares, representing 60% equity interest in Shapadu Energy, for a Purchase Consideration of RM30.00 million to be satisfied entirely in cash. The Shapadu Energy Shares to be acquired by GFM shall be free from all claims, liens, charges and encumbrances and with full legal and beneficial title with all rights attaching thereto as at the completion of the Proposed Acquisition. The salient terms of the SSA are set out in **Appendix II** of this Circular.

Accordingly, the structure of Shapadu Energy as at the LPD, and the shareholding structure of Shapadu Energy upon completion of the Proposed Acquisition are as follows:-



Notes:-

^{*1} For information purposes, as at the LPD, CR3 holds 40% equity interest in SCRA in trust for SESSB pursuant to the Trust Deed which stipulates that SESSB is the beneficial owner of the Trust Shares. This shareholding structure in SCRA was established in connection with the award of the TA4MS contract by Petroliaam Nasional Berhad, whereby CR3 was engaged as a joint venture partner to contribute its technical expertise and experience to undertake the TA4MS related operations together with SESSB.

Nevertheless, pursuant to the terms of the SSA as set out in **Section 4(ii) of Appendix II** of this Circular, it is a condition precedent that all rights and benefits attaching to the Trust Shares shall be assigned by SESSB to Shapadu Energy through the execution of the Deed of Assignment and prior to the SSA becoming unconditional. Hence, upon completion of the Proposed Acquisition, Shapadu Energy shall become the beneficial owner of the Trust Shares, and shall be deemed to hold the entire equity interest in SCRA.

For clarification purposes, the decision to assign the rights and benefits to the Trust Shares through the Deed of Assignment, rather than directly transferring or disposing the Trust Shares to Shapadu Energy prior to the completion of the Proposed Acquisition, was made based on the mutual agreement of the contracting parties with the intention of (i) preserving the arrangement with CR3 as a joint venture partner, whereby a portion of the TA4MS contract shall continue be subcontracted to CR3; and (ii) ensuring that the Proposed Acquisition can be completed in a timely and efficient manner.

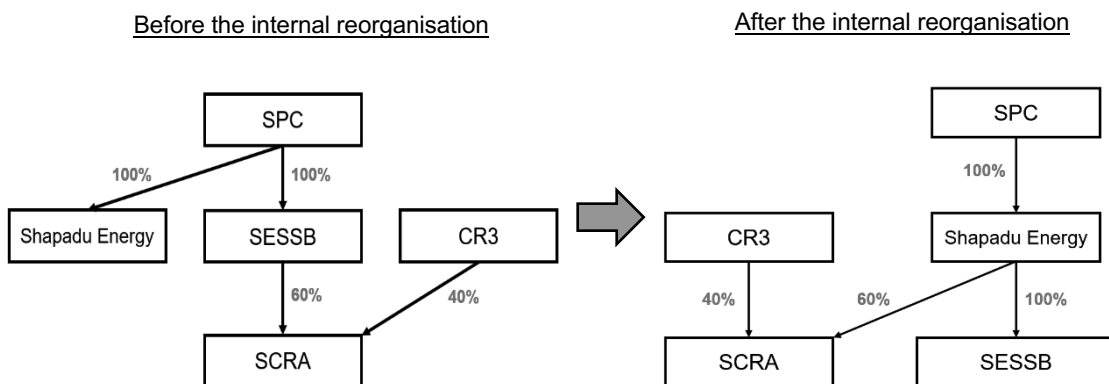
^{*2} Pursuant to the conditions precedent of the SSA, Shapadu Energy is required to dispose off its entire equity interest in SESSB, which is presently a wholly owned subsidiary of Shapadu Energy, prior to the completion of the Proposed Acquisition. Accordingly, the Proposed Acquisition will not result in SESSB becoming an indirect subsidiary of GFM, as SESSB will be disposed off by Shapadu Energy as a condition precedent of the SSA.

Accordingly, upon completion of the Proposed Acquisition, Shapadu Energy shall become a 60% owned subsidiary company of GFM. Further, pursuant to the conditions precedent of the SSA, Shapadu Energy shall be deemed to hold the entire equity interest in SCRA and cease to hold any equity interest in SESSB.

2.1 Information on Shapadu Energy

Shapadu Energy was incorporated in Malaysia on 26 September 2014 under the Companies Act 1965 as a private limited company under the name of Shapadu Onshore Services Sdn Bhd. It assumed its current name on 28 June 2024. As at the LPD, the issued share capital of Shapadu Energy is RM100,000 comprising 100,000 ordinary shares. As at the LPD, Shapadu Energy does not have any convertible securities.

For the purposes of the Proposals, on 11 March 2024, the shareholding structure of Shapadu Energy, SCRA and SESSB was restructured pursuant to an internal reorganisation exercise, whereby Shapadu Energy had acquired 60% equity interest in SCRA and 100% equity interest in SESSB. Prior to this, SESSB was a wholly-owned subsidiary company of SPC and SCRA was in turn a 60% owned subsidiary company of SESSB. Additionally, prior to the internal reorganisation, Shapadu Energy was dormant. For clarity, the shareholding structure of Shapadu Energy before and after the internal reorganisation exercise are as follows:-



Notwithstanding the above, SESSB being an existing wholly-owned subsidiary of Shapadu Energy, shall be disposed by Shapadu Energy prior to the completion of the Proposed Acquisition, in accordance with the conditions precedent of the SSA. The disposal of SESSB as a condition precedent to the SSA was agreed on a commercial basis between GFM and SPC in contemplating the Proposed Acquisition, in order to streamline the transaction and enable GFM to focus on acquiring Shapadu Energy's interest in SCRA, which is aligned with GFM's strategic focus on expanding its capabilities in the O&G facilities management sector.

Accordingly, through SCRA, Shapadu Energy is involved in the provision of O&G extraction service activities, in which such activities are provided on a fee or contract basis, together with repair and maintenance services of other equipment.

As at the LPD, the directors and shareholders of Shapadu Energy and their direct shareholdings in Shapadu Energy are as follows:-

Name	Designation	Nationality/ Place of incorporation	No. of shares	%
SPC	Shareholder	Malaysia	100,000	100.00
Syed Saggaf Bin Syed Ahmad	Director	Malaysian	-	-
Mastura Binti Othman	Director	Malaysian	-	-

As at the LPD, Shapadu Energy has the following subsidiary companies:-

Name of company	Place of incorporation	Date of incorporation	Equity interest %	Principal activities
SCRA	Malaysia	21 August 2019	60.00 ^{*1}	Extraction of crude petroleum oil, O&G extraction service activities provided on a fee or contract basis, and repair and maintenance of other equipment
SESSB ^{*2}	Malaysia	27 November 1980	100.00	Business in O&G (upstream, downstream) services, construction, fabrication, retail trading, marine services and transportation agents

Notes:-

^{*1} For information purposes, as at the LPD, CR3 holds the remaining 40% equity interest in SCRA in trust for SESSB pursuant to the Trust Deed. Nevertheless, pursuant to the terms of the SSA as set out in **Section 4(ii) of Appendix II** of this Circular, it is a condition precedent that all rights and benefits attaching to the Trust Shares shall be assigned by SESSB to Shapadu Energy through the execution of the Deed of Assignment and prior to the SSA becoming unconditional. Hence, upon completion of the Proposed Acquisition, Shapadu Energy shall become the beneficial owner of the Trust Shares, and shall be deemed to hold the entire equity interest in SCRA.

^{*2} For information purposes, SESSB shall be disposed of by Shapadu Energy prior to the completion of the Proposed Acquisition, in accordance with the conditions precedent to the SSA. Accordingly, SESSB will not be a subsidiary of GFM upon completion of the Proposed Acquisition.

Shapadu Energy does not have any associate or joint venture companies as at the LPD.

Please refer to **Appendix I** of this Circular for further details on Shapadu Energy.

2.2 Information on SCRA

SCRA was incorporated in Malaysia on 21 August 2019 under the Act as a private limited company. As at the LPD, SCRA has a total issued share capital of RM100,000 comprising 100,000 ordinary shares. As at the LPD, SCRA does not have any convertible securities.

SCRA is principally engaged in the extraction of crude petroleum oils as well as the provision of maintenance, turnaround and support services essential to the extraction and production of O&G, in which such activities include preventive, corrective, predictive and major overhaul maintenance activities undertaken on a fee or contract basis. Such maintenance activities include routine inspections, fault diagnosis, component repairs, etc. These maintenance activities are primarily conducted on equipment such as pumps, compressors, turbines, heat exchangers, valves and piping systems. SCRA is presently a holder of the Integrated TA4MS contract, which is a contract executed with PRefChem, which are two joint venture companies formed between Petroliaam Nasional Berhad and Saudi Aramco. Holders of the TA4MS contract are allowed to provide plant turnaround services to PRefChem as and when required by PRefChem during the duration of the TA4MS contract. For information purposes, the TA4MS contract held by SCRA commenced on 15 March 2019 and was initially set for a period of five years, concluding on 14 March 2024. Following this, a first extension period was formalised through an addendum contract, extending the period for an additional three years from 15 March 2024 to 14 March 2027.

As at the LPD, the directors and shareholders of SCRA and their direct shareholdings in SCRA are as follows:-

Name	Designation	Nationality/ Place of incorporation	No. of shares	%
Roberto Beneventi	Director	Italian	-	-
Mastura Binti Othman	Director	Malaysian	-	-
Syed Saggaf Bin Syed Ahmad	Director	Malaysian	-	-
Shapadu Energy	Shareholder	Malaysia	60,000	60.00
CR3	Shareholder	Malaysia	40,000 ^{*1}	40.00

Note:-

^{*1} As at the LPD, SESSB is the beneficial owner of the 40% Trust Shares in SCRA, which is being held by CR3 in trust for SESSB pursuant to the Trust Deed. Pursuant to the terms of the SSA as set out in **Section 4(ii) of Appendix II** of this Circular, it is a condition precedent that all rights and benefits attaching to the Trust Shares shall be assigned by SESSB to Shapadu Energy through the execution of the Deed of Assignment and prior to the SSA becoming unconditional. Hence, upon completion of the Proposed Acquisition, Shapadu Energy shall become the beneficial owner of the Trust Shares, and shall be deemed to hold the entire equity interest in SCRA.

As at the LPD, SCRA does not have any subsidiary, associate or joint venture companies.

Please refer to **Appendix I** of this Circular for further details on SCRA.

2.3 Basis and justification of arriving at the Purchase Consideration

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

- The fair value of 60% equity interest in Shapadu Energy as appraised by AER, the Independent Valuer for the Proposed Acquisition, vide their Valuation Certificate. The valuation of 60% equity interest in Shapadu Energy was arrived at after taking into consideration the Future Financials as provided by the management of Shapadu Energy.^{*1}

Based on the use of the FCFE^{*2} approach, being the valuation methodology considered and selected by AER, the fair value of 60% equity interest in Shapadu Energy is approximately RM30.52 million to RM32.71 million, based on the Future Financials with an equity discount rate of 8.16%. The equity discount rate is computed based on the required rate of return of Shapadu Energy determined on 19 June 2025 with an additional premium of 0.50% to accommodate for the volatility and fluctuations in discount rate over time. The basis for the additional premium of 0.50% applied is to mitigate day to day volatility of movements of risk-free rates and annualised market return, which will affect the value of the equity risk premium, being one of the components in the determination of equity discount rate and deviations of key basis and assumptions in the Future Financials.

Additionally, given that Shapadu Energy is a private company with illiquidity risk, AER has included a DLOM in its computation for the fair value of Shapadu Energy. The DLOM applied is 30% and 25% to the minimum value and maximum value of Shapadu Energy, respectively. For clarification, the DLOM applied by AER is based on empirical studies and market precedents for private companies. AER had made reference to an empirical study from 2000 by John Koeplin, "The Private Company Discount", which found evidence of private companies being sold at pricing multiples that are between 20% to 30% lower than the pricing multiples of their public counterparts.

Notes:-

^{*1} For information purposes, the valuation by AER of Shapadu Energy is inclusive of the entire equity interest of SCRA, given that Shapadu Energy shall be deemed to hold the entire equity interest in SCRA following the assignment of the Trust Shares by SESSB to Shapadu Energy. Further, the valuation excludes SESSB, which will be disposed of by Shapadu Energy prior to the completion of the Proposed Acquisition, in accordance with the conditions precedent to the SSA.

^{*2} AER has adopted FCFE as the primary approach to determine the fair value of Shapadu Energy on the basis that the FCFE approach accounts for the value of a controlling stake in a company (i.e. the ability to influence and control financial and operational matters). Further, Shapadu Energy and SCRA's capital structure is funded entirely by equity as opposed to a company funded substantially by debt, which in the case of the latter, the Free Cash Flow to Firm approach would be deemed more appropriate. For information purposes, Shapadu Energy and SCRA did not record any borrowings based on the audited financial statements of Shapadu Energy and SCRA for the FYE 2023 and FYE 2024, respectively. Pursuant thereto, AER has considered the FCFE approach to be appropriate.

Set out below are the following key bases and assumptions adopted by AER in arriving at the fair value of Shapadu Energy:-

	Financial metrics	Maximum (%)
1.	Annual expected market return	10.03
2.	Annual risk-free rate	3.59
3.	Equity risk premium	6.44
4.	Levered beta	0.63
5.	Equity risk premium x beta	4.07
6.	Required rate of return	7.66
7.	Specific risk for a private company	0.50
8.	Equity discount rate	8.16

Pursuant thereto, the Purchase Consideration of RM30.00 million for 60% equity interest in Shapadu Energy represents a discount of between 1.70% to 8.28% of the fair value of Shapadu Energy as assessed by AER;

- ii. the relative valuation methodology, which AER has used as the secondary approach to cross-check the results of the FCFE approach, computes the implied PE ratio and EV/EBITDA ratio as derived based on the fair value range as determined using the FCFE and compared against the traded multiples of comparable companies, as shown further in **Section 2.3** of this Circular. For information purposes, the fair value range for 60% equity interest in Shapadu Energy of between RM30.52 million and RM32.71 million translates to an implied PE ratio^{*1} of 5.81 times to 6.22 times, and implied EV/EBITDA^{*2} of 4.19 times to 4.50 times, based on the Valuation Certificate;

Notes:-

^{*1} The implied PE ratio of 5.81 times and 6.22 times is computed by dividing the minimum and maximum fair value of the 100% equity interest in Shapadu Energy, (i.e. RM50.87 million and RM54.51 million, respectively), over the historical PAT of Shapadu Energy for the FYE 2024 of RM8.76 million.

^{*2} The implied EV/EBITDA ratio of 4.19 times and 4.50 times is computed by dividing the minimum and maximum fair value of the 100% equity interest in Shapadu Energy (i.e. RM50.87 million and RM54.51 million, respectively), by the historical EBITDA of Shapadu Energy for the FYE 2024 of RM11.64 million.

- iii. the prospects of the enlarged GFM Group as set out in **Section 5.4** of this Circular; and
- iv. the rationale and benefits to be accrued to GFM through the Proposed Acquisition as set out in **Section 4** of this Circular.

Relative Valuation Methodology

Companies	Country of listing	Principal activities	Implied PE Times ^{*1}	Implied EV/EBITDA Times ^{*2}
GFM Services Berhad	Malaysia	GFM Services Berhad is listed on the Main Market of Bursa Securities. Through HSSB, a wholly-owned subsidiary of GFM, it provides facility planning and development, operation, maintenance, asset life cycle replacement, and strategic management services.	6.25	4.79
AWC Berhad ^{*3}	Malaysia	AWC Berhad is listed on the Main Market of Bursa Securities. It provides electrical distribution, lighting, air-conditioning and security, building controls, engineering components, and systems, as well as waste collection services.	9.64	4.52
UEM Edgenta Berhad ^{*3}	Malaysia	UEM Edgenta Berhad is listed on the Main Market of Bursa Securities. It provides hospital support services, hotel management services, develops hotels and operates as a hotel proprietor.	11.62	2.02
Shapadu Energy's implied multiples (based on the relative valuation methodology as determined by AER)			Low High Simple Average	2.02 4.79 3.78 4.19 - 4.50

(Source: Valuation Certificate by AER)

Notes:-

^{*1} The implied PE ratios of GFM Services Berhad, AWC Berhad and UEM Edgenta Berhad were computed based on their respective market capitalisations as at 19 June 2025 of RM148.12 million, RM187.77 million and RM602.91 million, divided by their latest audited PAT of RM23.71 million, RM19.48 million and RM51.91 million, respectively.

^{*2} The implied EV/EBITDA ratios of GFM Services Berhad, AWC Berhad and UEM Edgenta Berhad, were computed based on their respective market capitalisations as at 19 June 2025 of RM148.12 million, RM187.77 million and RM602.91 million, aggregated with their short and long term debts of RM312.15 million, RM106.92 million and RM461.80 million, reduced by their cash balances of RM155.82 million, RM119.24 million and RM648.01 million, and then divided by their EBITDA of RM63.51 million, RM38.83 million and RM206.65 million, respectively.

^{*3} For information purposes, notwithstanding that AWC Berhad and UEM Edgenta Berhad does not operate directly within the O&G facilities management sector, they were selected as comparables due to their substantial involvement in integrated facilities management across various industries. As such, AWC Berhad and UEM Edgenta Berhad were included to reduce the risk of statistical bias and for providing a broader peer set, given that there are no other comparable O&G facilities management company listed on Bursa Securities at the date of valuation by AER.

Based on the Valuation Certificate, the Board takes cognisance that the fair value range for 60% equity interest in Shapadu Energy of between RM30.52 million and RM32.71 million translates to:-

- i. an implied PE ratio of 5.81 times to 6.22 times, which is below the range of comparable companies of 6.25 times to 11.62 times and below the simple average of 9.17 times; and
- ii. an implied EV/EBITDA of 4.19 times to 4.50 times, which is within the range of comparable companies of 2.02 times to 4.79 times and above the simple average of 3.78 times.

Premised on the foregoing, the Board has deemed the Purchase Consideration reasonable based on the above valuation statistics of the comparable companies as well as the rationale for the Proposed Acquisition as set out in **Section 4** of this Circular.

2.4 Mode of settlement

Pursuant to the terms of the SSA, the Purchase Consideration will be satisfied wholly in cash in the following manner:-

Payment terms	Timing of settlement	Amount	
		RM'000	%
Deposit	Paid to SPC's solicitors on 2 July 2025, as stakeholders upon execution of the SSA ^{*1}	3,000	10.00
Balance purchase consideration	Payable to SPC's solicitors as stakeholders upon completion of the SSA	27,000	90.00
		30,000	100.00

Note:-

^{*1} The deposit upon receipt by SPC's solicitors shall be retained by them and the same shall only be released to SPC within five (5) business days from the date on which the last of the conditions precedent to the SSA is satisfied or waived. In addition, the deposit is refundable to GFM without interest, if any of the conditions precedent to the SSA is not satisfied or waived by 5.00 pm on the date that is 12 months from the date of the SSA.

2.5 Source of funding

The Purchase Consideration shall be satisfied via a total cash consideration of RM30.00 million, as set out in **Section 2.4** of this Circular.

At this juncture, GFM intends to fund the Purchase Consideration through internally generated funds, bank borrowings and/ or other fundraising exercises, the exact quantum of which will be determined by the Board at a later date. For shareholders' information, the Group's deposits, cash and bank balances stood at approximately RM155.82 million based on the latest audited financial statements of GFM Group for the FYE 2024. Further, based on the latest unaudited financial position of the Group as at 31 March 2025, the Group's deposits, cash and bank balances stood at approximately RM198.41 million.

2.6 Liabilities to be assumed by GFM

Save for the obligations and liabilities in and arising from, pursuant to or in connection with the SSA, Call Option Agreement and SHA (the salient terms of which are set out in **Appendices II, III and IV** of this Circular), there are no other liabilities including contingent liabilities and/ or guarantees to be assumed by GFM arising from the Proposals.

2.7 Additional financial commitment required

Save for the Purchase Consideration, there are no additional financial commitments to be incurred by GFM Group to put the business of Shapadu Energy and SCRA on-stream in view that they are an ongoing business entity.

2.8 Information on SPC

SPC was incorporated in Malaysia on 20 March 1984 under the Companies Act 1965 as a private limited company. As at the LPD, the issued share capital of SPC is RM10,000,000 comprising 10,000,000 ordinary shares. As at the LPD, SPC does not have any convertible securities. SPC is principally engaged in management and investment holding activities. Through its subsidiaries, it is involved in O&G contractor activities, marine operations, property investment, hotel management, security services and general support services.

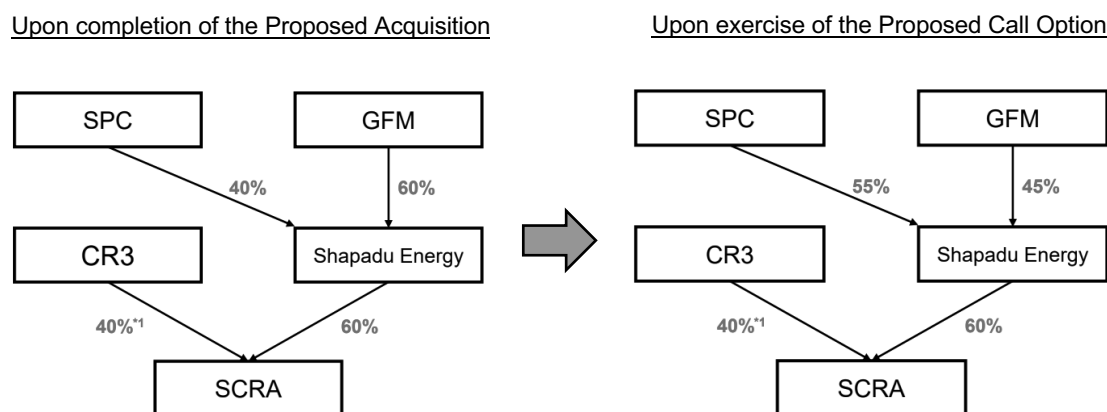
As at the LPD, the directors and shareholders of SPC and their direct shareholdings in SPC are as follows:-

Name	Designation	Nationality/ Place of incorporation	No. of shares	%
Dato' Sri Haji Shafiz Bin Dato' Haji Shahrani	Director/ shareholder	Malaysian	1,836,538	18.37
Siti Shazwani Binti Dato' Haji Shahrani	Shareholder	Malaysian	518,269	5.18
Siti Shazirah Binti Dato' Haji Shahrani	Shareholder	Malaysian	518,269	5.18
Siti Shafizah Binti Dato' Haji Shahrani	Shareholder	Malaysian	518,269	5.18
Siti Latiffah Binti Dato' Haji Shahrani	Shareholder	Malaysian	518,269	5.18
Shazlina Binti Dato' Haji Shahrani	Shareholder	Malaysian	518,269	5.18
Shazizan Binti Dato' Haji Shahrani	Shareholder	Malaysian	1,036,538	10.37
Shazamin Binti Dato' Haji Shahrani	Shareholder	Malaysian	1,036,538	10.37
Shazali Binti Dato' Haji Shahrani	Shareholder	Malaysian	1,036,538	10.37
Shazakami Corporation Sdn Bhd	Shareholder	Malaysia	1,500,000	15.00
Datin Hajah Zaleha Binti Abd Rahman	Shareholder	Malaysian	962,503	9.63

3. PROPOSED CALL OPTION

On 2 July 2025, GFM had entered into the Call Option Agreement with SPC, whereby SPC has the right to purchase 15% equity interest in Shapadu Energy for a cash consideration of RM10.00 million, exercisable within a period of 24 months from the completion of the Proposed Acquisition, subject to the terms of the Call Option Agreement as set out in **Section 3 of Appendix III** of this Circular.

In the event SPC exercises the Proposed Call Option, the changes to the structure of Shapadu Energy will be as follows:-



Note:-

*1 For information purposes, as at the LPD, CR3 holds 40% equity interest in SCRA in trust for SESSB pursuant to the Trust Deed which stipulates that SESSB is the beneficial owner of the Trust Shares in SCRA. This shareholding structure in SCRA was established in connection with the award of the TA4MS contract by Petroliaam Nasional Berhad, whereby CR3 was engaged as a joint venture partner to contribute its technical expertise and experience to undertake the TA4MS related operations together with SESSB.

Nevertheless, pursuant to the terms of the SSA as set out in **Section 4(ii) of Appendix II** of this Circular, it is a condition precedent that all rights and benefits attaching to the Trust Shares shall be assigned by SESSB to Shapadu Energy through the execution of the Deed of Assignment and prior to the SSA becoming unconditional. Hence, upon completion of the Proposed Acquisition, Shapadu Energy shall become the beneficial owner of the Trust Shares, and shall be deemed to hold the entire equity interest in SCRA.

As such, in the event SPC exercises the Proposed Call Option, SPC shall acquire such number of Shapadu Energy Shares, representing 15% equity interest in Shapadu Energy from GFM. Accordingly, Shapadu Energy shall become a 45% associate company of GFM. The consideration of RM10.00 million to reacquire 15% in Shapadu Energy pursuant to the Proposed Call Option is at a higher valuation than the price that GFM has paid for the Proposed Acquisition, as shown in the table below:-

	Proposed Acquisition	Proposed Call Option
Consideration sum	RM30.00 million for 60% equity interest in Shapadu Energy	RM10.00 million for 15% equity interest in Shapadu Energy
Valuation of 100% equity interest	RM50.00 million for 100% of Shapadu Energy	RM66.67 million for 100% of Shapadu Energy

Accordingly, in the event SPC exercises the Proposed Call Option, SPC will purchase Shapadu Energy from GFM at a higher valuation than the price GFM initially acquired Shapadu Energy.

The Call Option Price to be received by GFM, in the event the Proposed Call Option is exercised, are expected to fund the future working capital requirements of the Group. The proceeds to be used for working capital are subject to the operational requirements of the Group at the point of utilisation, and thus the actual timeframe and breakdown of the utilisation of proceeds is not determinable at this juncture.

4. RATIONALE AND JUSTIFICATION FOR THE PROPOSALS

The Proposed Acquisition is undertaken as part of the Group's strategic expansion plan to grow the operations of its O&G facilities management business by tapping in to the customer base, resources and expertise of SCRA, specifically amongst holders of the TA4MS contract.

GFM Group is primarily involved in the provision of facilities management services to customers across various industries. During the FYE 2023, GFM Group expanded its scope of services and clientele base to the O&G sector, via the acquisition of HSSB, a wholly-owned subsidiary of GFM. Similar to SCRA, HSSB is an O&G facilities management service provider and presently operates a TA4MS contract, whereby HSSB provides maintenance services such as maintenance of mechanical static, desludging and decontamination, turnaround works, etc. to O&G companies. With the inclusion of SCRA, the Board opines that the enlarged GFM Group may expand its business operations and enhance its presence in the O&G facilities management sector, in order to strategically position GFM Group to obtain larger projects within the TA4MS contract holder space.

Additionally, given that both HSSB and SCRA are involved in similar business operations, the Proposed Acquisition may create synergy between HSSB and SCRA, which may result in the following benefits to the enlarged Group:-

- i. **Increased market presence** – Given that both HSSB and SCRA are TA4MS contract holders, HSSB and SCRA may strategically collaborate to have an increased market presence within the TA4MS contract holder business, thereby enabling the enlarged Group to potentially secure larger scale projects; and
- ii. **Shared resources** – HSSB and SCRA may be able to share certain resources, such as manpower and equipment, which may enable the enlarged Group to rationalise the costs required for operating its O&G facilities management business. Accordingly, this may improve the enlarged Group's profit margins and enhance the financial performance of the enlarged Group.

Furthermore, the Board has taken cognisance of the financial performance of SCRA, which has been profitable in recent years, as shown below:-

	FYE 2022	Audited FYE 2023	FYE 2024
	RM'000	RM'000	RM'000
Revenue	44,083	72,819	114,701
PAT	3,685	8,650	8,757

Notwithstanding the above, GFM and SPC have also agreed to enter into the Call Option Agreement, which provides SPC the right to repurchase 15% of Shapadu Energy from GFM, for a consideration of RM10.00 million within 24 months from the completion of the Proposed Acquisition, subject to the terms of the Call Option Agreement as set out in **Section 3 of Appendix III** of this Circular. The Proposed Call Option was agreed on a commercial basis between GFM and SPC in contemplating the Proposals, in order to enable the GFM Group to expand the operations of its O&G facilities management business, while providing SPC the flexibility to repurchase a portion of its equity interest in Shapadu Energy. Notwithstanding the above, the Board remains cautiously optimistic that the exercise of the Proposed Call Option will not deter the Group's strategic expansion plans, and that the Group may continue to reap the benefits of an increased market presence and shared resources within its O&G facilities management business, given the potential strategic collaborations between HSSB and SCRA.

The Board takes cognisance that the exercise of the Proposed Call Option may result in Shapadu Energy becoming a 45% associate company of GFM, and that in such event GFM may not be able to consolidate the financials of Shapadu Energy but rather recognise profit in the form of share of associate (based on 45% equity interest in Shapadu Energy). Despite this, the Group may still realise the primary benefits of undertaking the Proposals, being the potential strategic collaborations between HSSB and Shapadu Energy in order to expand the Group's O&G facilities management business. Regardless of whether the Proposed Call Option is exercised, the Group intends to capitalise on its expanded O&G facilities management business to secure larger scale projects in the O&G facilities management space. Such strategic collaborations are anticipated to persist in the event the Proposed Call Option is exercised. Given this, the Board opines that its enlarged O&G facilities management business and resultant increased market presence, may contribute positively to the Group's financial performance notwithstanding the potential exercise of the Proposed Call Option.

Additionally, in the event the Proposed Call Option is exercised, SPC will purchase Shapadu Energy from GFM at a higher valuation than the price GFM initially acquired Shapadu Energy, as stated in **Section 3** of this Circular. As such, the Board opines that the benefits of strategically collaborating with Shapadu Energy, outweighs the potential effects of the Proposed Call Option, and that the Proposed Call Option does not deter the Group from realising the primary benefits of the Proposed Acquisition, to increase the market presence and expand its O&G facilities management business. Barring any unforeseen circumstances, the Board believes that the Proposed Acquisition has the potential to augur well with the growth prospects of the Group in the medium to long term.

5. INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

5.1 Overview and outlook of the Malaysian economy

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 due mainly to lower mining exports. This was partially offset by stronger electrical and electronics (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%).

Headline inflation moderated to 1.5% in the first quarter (4Q 2024: 1.8%). The moderation was largely due to lower utilities inflation at 3.0% (4Q 2024: 18.1%). This followed the dissipation of the effects of earlier water tariff adjustments and higher electricity charges for high-usage households in 1Q 2024. Inflation in mobile communication services continued to decline, averaging at -13.5% (4Q 2024: -10%). Core inflation, however, edged higher to 1.9% (4Q 2024: 1.7%). It was driven mainly by rental inflation, which rose to 2.1% (4Q 2024: 1.7%). Inflation pervasiveness, measured by the share of Consumer Price Index (CPI) items recording monthly price increases, experienced an uptick amid seasonal menu price adjustments. Nonetheless, it remained well below the long-term average for the first quarter (43.3%; 4Q 2024: 39.8%; 1Q 2011-2019: 52.2%).

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% - 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.

In 2025, headline inflation is projected to remain within a moderate range of 2.0 - 3.5%, driven by further moderating global costs and absence of excessive demand. Similar to the economic outlook, any changes to the forecast will be released once there is greater visibility on the external developments. Global commodity prices are expected to be lower, contributing to further downward pressure. The recently introduced wage-related policies will support demand, although the impact on inflation is expected to be limited. In this environment, the overall impact from domestic policy measures is expected to be contained.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2025, Bank Negara Malaysia)

5.2 Overview and outlook of the facilities management industry

According to the Facility Management Market – Growth Opportunities, Analysis, Forecast, Asia Pacific, 2022 report by Frost & Sullivan, the Malaysian facility management market is considerably more advanced than its neighboring country markets (except Singapore) due to the extensive public sector participation and presence of global and regional companies. The high outsourcing culture in the public sector and support from government agencies have been instrumental in driving domestic facility management development. New constructions support this development, contributing to the penetrable facility management market base expansion. In addition, the domestic facility management market is witnessing increasing familiarity with information technologies across most corporations. The evolving customer requirements and growing needs for cost and energy efficiency play an important role in facility management demand fluctuation.

The high preference for in-house services among conservative end users affects the market. The manpower constraint is another concern for the labor-intensive market. The lack of regulation or guidelines related to building services resulted in an expectation gap between service providers and clients.

Malaysia has one of the more developed facility management markets, in terms of outsourcing, among its Southeast Asian counterparts, owing to the public sector participation and relatively mature end users from commercial and institutional sectors. Soft facility management dominates the Malaysian facility management market, especially cleaning and security services. The top 3 end-user segments are institutional, government, and commercial sectors. The adoption of an integrated approach is still growing, supported by a few foreign and a handful of local service providers that have been at the forefront of introducing sophisticated facility management solutions.

(Source: Facility Management Market – Growth Opportunities, Analysis, Forecast, Asia Pacific, 2022, Frost & Sullivan, November 2022)

Malaysia facility management market size is projected to grow at a CAGR of around 5.11% during the forecast period, i.e., 2025-30, owing to the government's goal to develop smart cities & expand the tourism industry, a rise in warehouses due to the growth in e-commerce, etc. The need for facility management in the country has surged as a result of the expanding development of smart cities projects in Sabah and Sarawak, which have been promoting consistent smart city efforts by improving their public services & management systems using digital solutions.

Infrastructure development & maintenance in smart cities could be expensive & challenging. As a result, using facility management during the construction phase is critical to ensuring the functionality and usability of the buildings. However, neglecting these services would lead to long-term effects on the sustainability of cities. Thus, the country's growing development of smart cities has positively impacted the facility management market.

Moreover, Malaysia is a developing country that invests in a variety of sectors to strengthen its economy, ranging from agriculture & community-based to robust manufacturing & service sectors. Malaysia ranks 55th out of 157 countries in the World Bank's Human Capital Index, with significant growth in the educational, commercial, and healthcare industries. As a result, the demand for soft & hard facility management has grown in both the commercial & educational sectors.

Furthermore, rising Foreign Direct Investment ("FDI") is a major contributor to investment in the country for infrastructural development. The country's FDI accounts for about 70.9% of approved investments with an approximate value of USD 19.5 billion, which has become the primary reason for attracting new projects, resulting in rising demand for facility management in recent years.

(Source: Malaysia Facility Management Market Research Report: Forecast (2025-2030), MarkNtel Advisors, December 2024)

5.3 Overview and outlook of the O&G industry

The mining sector rebounded by 4.3% in the first half of 2024 with broad-based expansion recorded across all subsectors. The natural gas subsector posted a growth of 6%, underpinned by higher production from all regions. The crude oil and condensate subsector increased by 1.4% attributed to stable condensate production during the period. Meanwhile, the other mining & quarrying and supporting services subsector posted a steady growth of 5.9%. For the second half of the year, the sector is forecast to grow marginally by 0.3%. Despite the anticipated strong performance in the natural gas subsector owing to the operational commencement of new gas fields, overall growth of the mining sector is expected to moderate due to subdued performance in the crude oil and condensate subsector.

For the year, the mining sector is projected to grow by 2.2%, driven mainly by strong performance in the natural gas subsector. steady output from existing fields, coupled with commencement of production from new gas blocks in the Kasawari, Jerun and Gansar gas developments as well as the Kayu Manis South East gas development, are expected to contribute significantly to the growth of the subsector. Furthermore, higher demand from major trading partners, in particular Japan and China, as well as increased domestic consumption, primarily from industrial and power sector players, are anticipated to contribute positively to the growth. In contrast, the crude oil and condensate subsector is expected to decline due to reduction in crude oil production, particularly in Sabah. In terms of prices, the Brent crude oil price is expected to remain stable between USD80 and USD85 per barrel, amid uncertainties in the global environment and the Organization of Petroleum Exporting Countries' (OPEC) decision on the production levels.

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

Oil prices are forecasted to stay between USD70- USD80 per barrel long-term, but volatility will rise due to geopolitical conflicts disrupting trade routes, adding to transportation and insurance costs of shippers. Elevated costs across the oil supply chain persist due to disruptions since the pandemic.

OPEC+ remains influential, controlling over 40 per cent of global production. While the alliance continues to manage the oil market, there is concern that demand is weak amid elevated interest rates, heightened trade tension and geopolitical turmoil.

Gas demand is increasingly dependent on sudden weather changes, with cold snaps or heatwaves causing Liquefied Natural Gas ("**LNG**") price spikes. While LNG prices are expected to stay high, the market will see more supply from the US and Qatar by 2025-2026. Long-term, natural gas demand is projected to outpace oil as emerging markets use it due to its lower carbon content as compared to oil. By 2050, under some scenarios, oil and gas could still make up over two-thirds of the primary energy mix, necessitating more exploration despite constrained spending due to investment in decarbonisation and obligation to shareholders.

In the downstream sector, weak refining margins are expected due to sluggish economic conditions, especially in China. An influx of refining capacity, led by China, Africa and the Middle East combined with weak domestic demand in these regions, lead to exports flooding global markets. As climate targets are tightened, refiners are increasingly pivoting to bio-based substitutes in their production of petrochemical products.

Electrified transport has seen the largest green investment in 2023 as it approaches critical mass in many regions, which will erode growth in diesel and gasoline sales used in transport. Electric vehicles (EVs) made up 17 per cent of global new vehicle sales in 2023, with projections by BloombergNEF and the International Energy Agency suggesting this could exceed 60 per cent by 2050. Meanwhile, the price of lithium-ion batteries has fallen by about 90 per cent over the past decade and is expected to keep declining due to economies of scale. However, larger scale adoption will hinge on addressing infrastructure gaps, reducing costs and maintaining consistent policy support to sustain growth as overcapacity looms.

Led by significant expansions in China, renewables surpassed 30 per cent of global electricity generation, driven primarily by rapid growth in solar and wind power despite coal and natural gas still dominating the power sector. In 2023, solar and wind power combined added more new energy capacity than fossil fuels. As nations commit to tripling renewable energy capacity and doubling energy efficiency by 2030 at the 28th United Nations Climate Change Conference, these efforts must be paired with energy storage and grid modernisation solutions to address the intermittency challenges of renewable power.

Energy security remains central amid geopolitical and climate-related challenges. Nations are diversifying energy sources as supply chain vulnerabilities and infrastructure bottlenecks pose risks to energy security. As the world accelerates its transition to cleaner sources of energy, reliable, uninterrupted energy supply is required to meet growing demand and safeguard economic interest.

(Source: PETRONAS Activity Outlook 2025-2027, PETRONAS)

5.4 Future prospects of the enlarged GFM Group

Since the acquisition of HSSB on 30 November 2023, the Group has been focusing on the expansion of its O&G facilities management business, which the Group operates through its wholly-owned subsidiary HSSB. The completion of the acquisition of HSSB on 30 November 2023 marked the Group's first expansion into the O&G facilities management sector.

A summary of the Group's revenue and PAT performance for the past 3 financial years up to the FYE 2024 is set out below:-

	FYE 2022 RM'000	Audited FYE 2023 RM'000	FYE 2024 RM'000
<u>Segmental Revenue</u>			
Facilities management	102,502	109,870	107,237
Concession arrangements	46,329	43,635	31,789
Oil and gas services (i.e. HSSB)	-	3,283	59,472
Others	18,766	29,630	31,164
Adjustments and eliminations	(26,797)	(40,504)	(39,312)
Total Revenue	140,798	145,914	190,350
<u>Segmental PAT</u>			
Facilities management	12,935	27,079	26,337
Concession arrangements	24,127	17,087	11,445
Oil and gas services (i.e. HSSB)	-	1,018	6,525
Others	(2,581)	7,527	8,904
Adjustments and eliminations	(16,195)	(26,275)	(29,504)
Total PAT	18,286	26,436	23,707

As shown above, the O&G facilities management business had contributed 31.24% and 27.52% of the Group's revenue and PAT for the FYE 2024, respectively. Taking cognisance of this, the Group intends to undertake the Proposed Acquisition as part of its business strategy to further enhance the operations of its O&G facilities management business, in order to further enhance the overall financial performance of the Group. As set out in **Section 4** of this Circular, SCRA has consistently recorded profitability in recent financial years from the FYE 2022 up to the FYE 2024.

The Board also takes note of the potential synergies between the operations of HSSB and SCRA upon the completion of the Proposed Acquisition, whereby HSSB and SCRA may potentially enter into strategic collaborations to increase its market presence to potentially secure larger scale projects, and share its resources (i.e. manpower and equipment), in order to rationalise the overall operating costs of the enlarged Group. With the abovementioned benefits coupled with the recognition of SCRA's financial performance, the Board is cautiously optimistic that the Proposed Acquisition may contribute positively to the financial performance of the enlarged Group moving forward. For information purposes, the Group's order book as at the LPD stood at approximately RM1.07 billion, whereby the O&G facilities management business contributed approximately RM116.70 million. With the inclusion of Shapadu Energy and SCRA into the GFM Group, the Board opines that the enlarged Group may have the opportunity to increase its order book size moving forward, through securing larger scale O&G facilities management projects.

In light of the above, and the overall prospects of the facilities management and O&G industry as highlighted in **Sections 5.2 and 5.3** of this Circular, the Board opines that the Proposed Acquisition augurs well with the business strategy of the GFM Group to expand its O&G facilities management business operations. Barring any unforeseen circumstances and taking cognisance of the above, the Board believes that the Proposed Acquisition may deliver greater value to the shareholders of GFM and further improve the financial performance of the Group moving forward.

(Source: Management of GFM)

6. RISK FACTORS

Shapadu Energy is subject to risks inherent in the O&G and facilities management industry, of which GFM Group is also subject to the similar known business and industry risks. Therefore, such risks factors associated with the Proposed Acquisition are already known and mitigating measures would have already been implemented and will continuously be implemented given GFM Group's experience in the O&G and facilities management industry. Nevertheless, the other potential risks that may have an impact on GFM Group, which may not be exhaustive pertaining to the Proposed Acquisition, are set out below:-

6.1 Delay or non-completion of the Proposed Acquisition

The Proposed Acquisition is subject to the fulfilment of the conditions precedent under the SSA, the details of which are as set out in **Appendix II** of this Circular. In the event that the conditions precedent are not satisfied and/ or waived, or any of the termination events occur, the Proposed Acquisition will not be completed. The Proposed Acquisition may also be delayed in the event that any of the dates for the fulfilment of the respective conditions precedent under the SSA are extended by mutual agreement of GFM and SPC. Nevertheless, GFM will take all necessary and reasonable steps to ensure that the conditions precedent of the SSA are met in a timely manner and that every effort is made to obtain all necessary approvals for the Proposed Acquisition within the stipulated timeframe.

6.2 Investment risk

It is expected that upon completion of the Proposed Acquisition, the business and operations of Shapadu Energy and SCRA will contribute positively to the enlarged GFM Group's future financial performance. However, such benefits to be realised from the Proposed Acquisition are dependent upon the successful integration of Shapadu Energy and SCRA into the enlarged GFM Group. Further, there can be no assurance that GFM Group will be able to generate sufficient returns arising from the Proposed Acquisition to offset the associated acquisition costs incurred. Nevertheless, the Board has exercised due care in considering the potential risks and the benefits associated with the Proposed Acquisition which will be value accretive to GFM Group, after taking into consideration, amongst others, the prospects of Shapadu Energy and SCRA, and the experience and expertise of the management team of the Group in the O&G facilities management business.

6.3 Business and operational risk

The Proposed Acquisition is subject to business and operational risks inherent in the O&G and facilities management industry which includes but is not limited to the following:-

- i. increase in operational costs such as maintenance costs, labour costs and administration costs due to exposure to inflationary pressures; and
- ii. changes in general economic and business conditions and the existence and/ or development of other alternatives in the O&G and facilities management industry.

There is no assurance that the abovementioned factors will not have any material effect on the financial performance of Shapadu Energy and SCRA. GFM will endeavour to manage the O&G and facilities management business and operational risks inherent in the O&G and facilities management industry by keeping abreast with the latest development in the O&G and facilities management industry as well as employing measures including putting in place suitable policies (e.g. talent management and strategy policies).

7. EFFECTS OF THE PROPOSALS

The Proposals will not have any effect on the issued share capital and the substantial shareholders' shareholdings of the Company as the Proposals do not involve any issuance of GFM Shares.

7.1 NA and gearing level

For illustrative purposes only, based on the latest audited consolidated statements of financial position of the Group for the FYE 2024, the pro forma effects of the Proposals on the NA per share and gearing of the Group are as follows:-

		I	II	III
	Audited as at 31 December 2024 RM	Subsequent adjustments up to the LPD ^{*1} RM	After I and the Proposed Acquisition RM	After II and assuming exercise of the Proposed Call Option RM
Share capital	118,317,051	118,321,251	118,321,251	118,321,251
Retained earnings	140,463,867	140,463,867	140,208,867 ^{*2}	150,208,867 ^{*3}
Reorganisation deficit	(45,265,315)	(45,265,315)	(45,265,315)	(45,265,315)
NA	213,515,603	213,519,803	213,264,803	223,264,803
No. of shares in issue	759,530,998	759,550,998	759,550,998	759,550,998
NA per share (RM)	0.28	0.28	0.28	0.29
Total borrowings	312,151,115	312,151,115	312,151,115	312,151,115
Gearing ratio (times)	1.46	1.46	1.46	1.40

Notes:-

^{*1} After adjusting for the exercise of 20,000 Warrants D at the exercise price of RM0.21 per Warrant D.

^{*2} After deducting the estimated expenses of RM0.26 million in relation to the Proposed Acquisition.

^{*3} After taking into consideration the Call Option Price to be paid by SPC to GFM.

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7.2 Earnings and EPS

Upon completion of the Proposed Acquisition, Shapadu Energy will become a 60% owned subsidiary of GFM and accordingly, the future net profits of Shapadu Energy (and SCRA) will be consolidated into the Group's financial statements.

However, in the event the Proposed Call Option is exercised, Shapadu Energy will become a 45% associate company of GFM. Accordingly, GFM will recognise its share of Shapadu Energy's result as an associate (including the consolidated performance of SCRA, by virtue of SCRA being a subsidiary company of Shapadu Energy) under GFM Group's consolidated financial statements.

For illustrative purposes only, assuming that the Proposals had been effected at the beginning of the FYE 2024, the pro forma effects of the Proposals on the earnings and EPS of the Group are as follows:-

	Audited FYE 2024 RM	I After the Proposed Acquisition RM	II After I and assuming exercise of the Proposed Call Option RM
PAT attributable to owners of the Company	23,706,553	23,706,553	23,706,553
Recognition of PAT from Shapadu Energy and SCRA	-	5,548,885 ^{*1}	4,161,664 ^{*2}
Less: Estimated expenses of the Proposed Acquisition	-	(255,000)	-
Total PAT	23,706,553	29,000,438	27,868,217
Weighted average no. of shares	747,010,682	747,010,682	747,010,682
Basic EPS (sen)	3.17	3.88	3.73

Notes:-

^{*1} Based on the aggregated latest audited financial results of Shapadu Energy (at the company level) and SCRA for the FYE 2024, multiplied by the 60% equity interest to be acquired.

^{*2} Based on the aggregated latest audited financial results of Shapadu Energy (at the company level) and SCRA for the FYE 2024, multiplied by the remaining 45% equity interest held by GFM, in the event the Proposed Call Option is exercised.

7.3 Convertible securities

As at the LPD, the Company has 379,641,279 outstanding Warrants D. Save for the aforementioned, the Company has no other outstanding convertible securities.

The Proposals are not expected to give rise to any adjustments on the Warrants D.

8. HIGHEST PERCENTAGE RATIO APPLICABLE

Pursuant to Paragraph 10.02(g) of the Listing Requirements of Bursa Securities, the highest percentage ratio applicable to the Proposals is approximately 29.26% computed based on the aggregated latest unaudited net profit of Shapadu Energy and SCRA for the FYE 2024 against the net profit of GFM Group based on its latest audited financial statements for the FYE 2024.

For the avoidance of doubt, the abovementioned computation was arrived at after taking into consideration the 60% equity interest in Shapadu Energy to be acquired pursuant to the Proposed Acquisition, aggregated with the 15% equity interest in Shapadu Energy that may be reacquired by SPC in the event the Proposed Call Option is exercised.

9. APPROVALS REQUIRED/ OBTAINED

The Proposals is subject to the following approvals being obtained:-

- i. the shareholders of GFM at the forthcoming EGM; and
- ii. any other relevant authority and/ or party, if required.

The Proposals is not conditional upon any other proposals undertaken or to be undertaken by the Company.

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

None of the Directors, Major Shareholders and/ or persons connected with them have any interest, whether direct and/ or indirect, in the Proposals.

11. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMETABLE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals/ consents being obtained, the Proposed Acquisition is expected to be completed by the second half of 2025.

The Proposed Call Option shall be exercisable within a period of 24 months from the completion of the Proposed Acquisition.

The tentative timetable for the implementation of the Proposals is set out below:-

Date	Events
3 September 2025	• Convening of EGM to obtain the approval of the shareholders of GFM
Within 12 months from 2 July 2025	• Fulfilment of all the conditions precedent to the SSA • Completion of the Proposed Acquisition
Within 24 months from completion of the Proposed Acquisition	• Proposed Call Option may be exercised within 24 months from the completion of the Proposed Acquisition, subject to the terms of the Call Option Agreement as set out in Section 3 of Appendix III of this Circular

12. PROPOSALS ANNOUNCED BUT PENDING COMPLETION

Save as disclosed below, there are no other outstanding proposals, which have been announced but not yet completed as at the LPD:-

- i. on 15 March 2023, GFM entered into a Share Sale Agreement with Ahmad Nasri Bin Abdul Gani ("**AASB-SSA**") for the acquisition of the entire equity interest in Atmajaya Arvino Sdn Bhd ("**AASB**") for a total purchase consideration of RM9.00 million. The acquisition is conditional upon the fulfilment of the conditions precedent to the AASB-SSA, and will be undertaken in 3 tranches comprising 40% ("**Tranche-1**"), 20% ("**Tranche-2**") and lastly, 40% ("**Tranche-3**"). As at the LPD, the acquisition of 40% equity interest in AASB pursuant to Tranche-1 has been completed, and the acquisition of the remaining 60% equity interest in AASB pursuant to Tranche-2 and Tranche-3 is still pending.

13. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, having considered all aspects of the Proposals including but not limited to the terms and conditions of the SSA, Call Option Agreement and SHA, the basis and justification in arriving at the Purchase Consideration, the rationale and justification, the prospects of the enlarged Group as well as the pro forma effects of the Proposals, is of the opinion that the Proposals are in the best interests of the Company.

Accordingly, the Board recommends that you **vote in favour** of the resolution pertaining to the Proposals to be tabled at the forthcoming EGM.

14. EGM

The EGM, the notice of which is enclosed in this Circular, will be held at The Majestic Hotel, 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 3 September 2025 at 10.00 a.m., or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification, the resolution to give effect to the Proposals.

If you are unable to attend and vote in person at the EGM, you should complete, sign and return the enclosed Form of Proxy in accordance with the instructions provided thereon so as to arrive at the Share Registrar Office of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time set for holding the EGM or any adjournment thereof. The lodging of the Form of Proxy will not, however, preclude you from attending the EGM and voting in person should you subsequently wish to do so.

15. FURTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board
GFM SERVICES BERHAD

ZAINAL ARIFIN BIN KHALID
Independent Non-Executive Chairman

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA

1. HISTORY AND BUSINESS

Shapadu Energy

Shapadu Energy was incorporated in Malaysia on 26 September 2014 under the Companies Act 1965 as a private limited company under the name of Shapadu Onshore Services Sdn Bhd. It assumed its current name on 28 June 2024.

For the purposes of the Proposals, on 11 March 2024, the shareholding structure of Shapadu Energy, SCRA and SESSB was restructured pursuant to an internal reorganisation exercise, whereby Shapadu Energy had acquired 60% equity interest in SCRA and 100% equity interest in SESSB. Prior to this, SESSB was a wholly-owned subsidiary company of SPC and SCRA was in turn a 60% owned subsidiary company of SESSB. Additionally, prior to the internal reorganisation, Shapadu Energy was dormant. Notwithstanding the above, SESSB being an existing wholly-owned subsidiary of Shapadu Energy, shall be disposed by Shapadu Energy prior to the completion of the Proposed Acquisition, in accordance with the conditions precedent of the SSA. The disposal of SESSB as a condition precedent to the SSA was agreed on a commercial basis between GFM and SPC in contemplating the Proposed Acquisition, in order to streamline the transaction and enable GFM to focus on acquiring Shapadu Energy's interest in SCRA, which is aligned with GFM's strategic focus on expanding its capabilities in the O&G facilities management sector.

Accordingly, through SCRA, Shapadu Energy is involved in the provision of O&G extraction service activities, in which such activities are provided on a fee or contract basis, together with repair and maintenance services of other equipment.

SCRA

SCRA was incorporated in Malaysia on 21 August 2019 under the Act as a private limited company. SCRA's principal place of business is located at Blok A, G-08 & 08-01, Jalan Rengit 1/1, Taman Rengit Sentral, 81600 Pengerang, Johor.

SCRA is principally engaged in the extraction of crude petroleum oils as well as the provision of maintenance, turnaround and support services essential to the extraction and production of O&G, in which such activities include preventive, corrective, predictive and major overhaul maintenance activities undertaken on a fee or contract basis. Such maintenance activities include routine inspections, fault diagnosis, component repairs, etc. These maintenance activities are primarily conducted on equipment such as pumps, compressors, turbines, heat exchangers, valves and piping systems. SCRA is presently a holder of the Integrated TA4MS contract, which is a contract executed with PRefChem, which are two joint venture companies formed between Petroliaam Nasional Berhad and Saudi Aramco. Holders of the TA4MS contract are allowed to provide plant turnaround services to PRefChem as and when required by PRefChem during the duration of the TA4MS contract.

SCRA operates solely in Malaysia and derives its revenue solely from customers in Malaysia.

For information purposes, the major component of SCRA's assets of construction equipment which SCRA utilises in its maintenance activities. Further, SCRA had no spending on research and development during the FYE 2024.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

2. SHARE CAPITAL**Shapadu Energy**

As at the LPD, the issued share capital of Shapadu Energy is RM100,000 comprising 100,000 ordinary shares. As at the LPD, Shapadu Energy does not have any convertible securities.

SCRA

As at the LPD, SCRA has a total issued share capital of RM100,000 comprising 100,000 ordinary shares. As at the LPD, SCRA does not have any convertible securities.

3. DIRECTORS AND SHAREHOLDERS**Shapadu Energy**

As at the LPD, the directors and shareholders of Shapadu Energy and their direct shareholdings in Shapadu Energy are as follows:-

Name	Designation	Nationality/ Place of incorporation	No. of shares	%
SPC	Shareholder	Malaysia	100,000	100.00
Syed Saggaf Bin Syed Ahmad	Director	Malaysian	-	-
Mastura Binti Othman	Director	Malaysian	-	-

SCRA

As at the LPD, the directors and shareholders of SCRA and their direct shareholdings in SCRA are as follows:-

Name	Designation	Nationality/ Place of incorporation	No. of shares	%
Roberto Beneventi	Director	Italian	-	-
Mastura Binti Othman	Director	Malaysian	-	-
Syed Saggaf Bin Syed Ahmad	Director	Malaysian	-	-
Shapadu Energy	Shareholder	Malaysia	60,000	60.00
CR3	Shareholder	Malaysia	40,000 ^{*1}	40.00

Note:-

^{*1} For information purposes, as at the LPD, SESSB is the beneficial owner of the 40% Trust Shares in SCRA, which is being held by CR3 in trust for SESSB pursuant to the Trust Deed. Pursuant to the terms of the SSA as set out in **Section 4(ii) of Appendix II** of this Circular, it is a condition precedent that all rights and benefits attaching to the Trust Shares shall be assigned by SESSB to Shapadu Energy through the execution of the Deed of Assignment and prior to the SSA becoming unconditional. Hence, upon completion of the Proposed Acquisition, Shapadu Energy shall become the beneficial owner of the Trust Shares, and shall be deemed to hold the entire equity interest in SCRA.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

4. SUBSIDIARY AND ASSOCIATE COMPANIES**Shapadu Energy**

As at the LPD, Shapadu Energy has the following subsidiary companies:-

Name of company	Place of incorporation	Date of incorporation	Equity interest %	Principal activities
SCRA	Malaysia	21 August 2019	60.00 ^{*1}	Extraction of crude petroleum oil, O&G extraction service activities provided on a fee or contract basis, and repair and maintenance of other equipment
SESSB ^{*2}	Malaysia	27 November 1980	100.00	Business in O&G (upstream, downstream) services, construction, fabrication, retail trading, marine services and transportation agents

Notes:-

^{*1} For information purposes, as at the LPD, CR3 holds the remaining 40% equity interest in SCRA in trust for SESSB pursuant to the Trust Deed. Nevertheless, pursuant to the terms of the SSA as set out in **Section 4(ii) of Appendix II** of this Circular, it is a condition precedent that all rights and benefits attaching to the Trust Shares shall be assigned by SESSB to Shapadu Energy through the execution of the Deed of Assignment and prior to the SSA becoming unconditional. Hence, upon completion of the Proposed Acquisition, Shapadu Energy shall become the beneficial owner of the Trust Shares, and shall be deemed to hold the entire equity interest in SCRA.

^{*2} For information purposes, SESSB shall be disposed of by Shapadu Energy prior to the completion of the Proposed Acquisition, in accordance with the conditions precedent to the SSA. Accordingly, SESSB will not be a subsidiary of GFM upon completion of the Proposed Acquisition.

Shapadu Energy does not have any associate or joint venture companies as at the LPD.

SCRA

As at the LPD, SCRA does not have any subsidiary, associate or joint venture companies.

5. MATERIAL CONTRACTS**Shapadu Energy**

As at the LPD, save for the SHA, Shapadu Energy has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the past 2 years immediately preceding the LPD.

SCRA

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

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

6. MATERIAL LITIGATION**Shapadu Energy**

As at the LPD, Shapadu Energy is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the directors of Shapadu Energy confirm that there are no proceedings pending or threatened against Shapadu Energy, or any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of Shapadu Energy.

SCRA

As at the LPD, SCRA is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the directors of SCRA confirm that there are no proceedings pending or threatened against SCRA, or any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of SCRA.

7. MATERIAL COMMITMENTS**Shapadu Energy**

As at the LPD, the directors of Shapadu Energy confirm that there are no material commitments incurred or known to be incurred by Shapadu Energy which, upon becoming enforceable, may have a material impact on the financial results/ position of Shapadu Energy.

SCRA

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

8. CONTINGENT LIABILITIES**Shapadu Energy**

As at the LPD, the directors of Shapadu Energy confirm that there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of Shapadu Energy.

SCRA

As at the LPD, the directors of SCRA confirm that there are no contingent liabilities incurred or known to be incurred which, upon becoming enforceable, may have a material impact on the financial results/ position of SCRA.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

9. SUMMARY OF FINANCIAL INFORMATION

Shapadu Energy

A summary of the financial information of Shapadu Energy for the past 3 financial years up to the FYE 2024 is set out below:-

	FYE 2022 RM'000	Audited FYE 2023 RM'000	FYE 2024 ^{*2} RM'000
Revenue	-	-	-
Gross profit	-	-	-
PBT/ (LBT)	(2)	(2)	491
PAT/ (LAT)	(2)	(2)	491
Share capital	_*1	_*1	_*1
Retained earnings/ (Accumulated losses)	(17)	(18)	473
NA	(17)	(18)	473
Cash and bank balances	_*1	_*1	_*1
Total borrowings	-	-	-
No. of ordinary shares in issue	2	2	2
EPS/ (LPS) (RM)	(1,072)	(785)	245,579
NA per share (RM)	(8,302)	(9,087)	236,492
Gearing ratio (times)	-	-	-
Current ratio (times)	_*1	_*1	5.75

Notes:-

^{*1} Negligible.

^{*2} For clarification purposes, Shapadu Energy's audited financial statements for the FYE 2024 on a group level have consolidated the financial performance of SCRA and SESSB as subsidiary companies. However, given that (i) SESSB will be disposed by Shapadu Energy prior to the completion of the Proposed Acquisition pursuant to the terms of the SSA; and (ii) the audited financial information of SCRA for the FYE 2024 are available, we have displayed Shapadu Energy's audited financial statements for the FYE 2024 on a company level basis for clarity. Save for investment holding of shares in SESSB and SCRA, Shapadu Energy does not have any other business activities in the FYE 2024.

For the past 3 audited financial years up to the FYE 2024:-

- i. There were no exceptional or extraordinary items;
- ii. There is no accounting policy adopted by Shapadu Energy which is peculiar to Shapadu Energy because of the nature of its business or the industry it is involved in; and
- iii. There was no audit qualification in its audited financial statements.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

SCRA

A summary of the financial information of SCRA for the past 3 financial years up to the FYE 2024 is set out below:-

	FYE 2022 RM'000	Audited FYE 2023 RM'000	FYE 2024 RM'000
Revenue	44,083	72,819	114,701
Gross profit	10,006	17,759	20,094
PBT	4,909	11,368	11,492
PAT	3,685	8,650	8,757
Share capital	100	100	100
Retained earnings	7,646	16,296	6,353 ^{*1}
NA	7,746	16,396	6,453 ^{*1}
Cash and bank balances	1,433	15	1,832
Total borrowings	-	-	-
No. of ordinary shares in issue	100,000	100,000	100,000
EPS (RM)	36.85	86.50	87.57
NA per share (RM)	77.46	163.96	64.53
Gearing ratio (times)	-	-	-
Current ratio (times)	1.34	2.07	1.11

Note:-

^{*1} The NA of SCRA consist of its retained earnings and RM0.10 million of share capital. As such, for information purposes, the significant decrease in retained earnings and/ or NA of SCRA during the FYE 2024 were the result of a final single tier dividend (31 December 2024) of RM0.50 million and an interim single tier dividend (28 February 2024) of RM18.20 million, totalling up to RM18.70 million, declared and paid out by SCRA during the financial year.

For the past 3 audited financial years up to the FYE 2024:-

- There were no exceptional or extraordinary items;
- There is no accounting policy adopted by SCRA which is peculiar to SCRA because of the nature of its business or the industry it is involved in; and
- There was no audit qualification in its audited financial statements.

Commentary on past performance:-

FYE 2023 compared to FYE 2022

SCRA recorded an increase in revenue of RM28.74 million or 65.20% to RM72.82 million in the FYE 2023 (FYE 2022: RM44.08 million). The increase in revenue was mainly attributable to an increase in turnaround management and asset integrity management works conducted.

SCRA recorded an increase in PBT of RM6.46 million or 131.57% to RM11.37 million in the FYE 2023 (FYE 2022: RM4.91 million). The increase in PBT was in tandem with the abovementioned increase in revenue.

FYE 2024 compared to FYE 2023

SCRA recorded an increase in revenue of RM41.88 million or 57.51% to RM114.70 million in the FYE 2024 (FYE 2023: RM72.82 million). The increase in revenue was mainly attributable to an increase in area and central maintenance work conducted.

SCRA recorded an increase in PBT of RM0.12 million or 1.06% to RM11.49 million in the FYE 2024 (FYE 2023: RM11.37 million). The increase in PBT was in tandem with the abovementioned increase in revenue. However, the PBT was partially offset by an increase in the operating costs of SCRA in the FYE 2024.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

SHAPADU ENERGY SDN. BHD.
(Company No. 201401034674 (1110772 - X))
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

**DIRECTOR'S REPORT AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2024**
(In Ringgit Malaysia)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

CORPORATE INFORMATION

DIRECTOR : Dato' Sri Haji Shafiz Bin Dato' Haji Shahrani

SECRETARY : Mastura Binti Othman (MIA 28480)

**REGISTERED OFFICE/
PRINCIPAL PLACE OF
BUSINESS** : Suite 401, 4th Floor
Campbell Complex
98 Jalan Dang Wangi
50100 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

AUDITORS : Adam & Co. (AF 1250)
Chartered Accountants
No. 29-1-1B
Jalan Medan PB 2B
Seksyen 9
43650 Bandar Baru Bangi
Selangor Darul Ehsan

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

FINANCIAL STATEMENTS

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10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

DIRECTOR'S REPORT

The Director of **SHAPADU ENERGY SDN. BHD.**, have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business in oil & gas (upstream, downstream) services, construction, fabrication, retail trading and marine services.

The principal activities of its subsidiary companies are set out in Note 10 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	4,103,157	491,157
Tax expense	-	-
Profit for the year	<u>4,103,157</u>	<u>491,157</u>
	The Group RM	The Company RM
Profit for the year attributable to:		
Owners of the Company	4,103,157	491,157
Non-controlling interests	-	-
Profit for the year	<u>4,103,157</u>	<u>491,157</u>

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

DIVIDEND

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

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statement of profit or loss and other comprehensive income and statement of financial position of the Group and of the Company were made out, the Director took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

As of 31 December 2024, the Group's current liabilities have exceeded their current assets by RM4,565,565, as a result of losses sustained in prior financial years. However, the financial statements of the Company has been prepared on the basis of accounting principles applicable to a going concern. This going concern basis presumes that the Group will continue to receive financial support from its holding company and consequently, the realisation of assets and the settlement of liabilities will occur in the ordinary course of business. In this connection, the Director is satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future and a letter of financial support has been obtained from its holding company that it will continue to provide financial support to the Group.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Other than as stated in the preceding paragraph, at the date of this report, the Director is not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

In the opinion of the Director, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

DIRECTOR

The Director of the Company in office during the financial year and during the period from the end of the financial year to the date of this report is:

Dato' Sri Haji Shafiz Bin Dato' Haji Shahrani

DIRECTOR'S INTERESTS

The Director in the office at the end of the financial year held no shares or had beneficial interest in shares of the Company or its related companies during and at the end of the financial year. Under the Company's Article of Association, the Director is not required to hold shares in the company.

DIRECTOR'S BENEFITS

Since the end of the previous financial year, none of the Director of the Group and of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors) by reason of a contract made by the Group and the Company or a related corporation 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.

During and at the end of the financial year, no arrangements subsisted to which the Company was a party, whereby Director of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Group and the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTOR AND OFFICERS

There was no indemnity given to or insurance effected for any Director, Officers and Auditors of the Company and its subsidiary companies in accordance with Section 289 of the Companies Act, 2016.

HOLDING COMPANY

The Company is a subsidiary company of Shapadu Corporation Sdn. Bhd., a company in Malaysia. The Directors regard Shapadu Corporation Sdn, Bhd., as the ultimate holding company.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

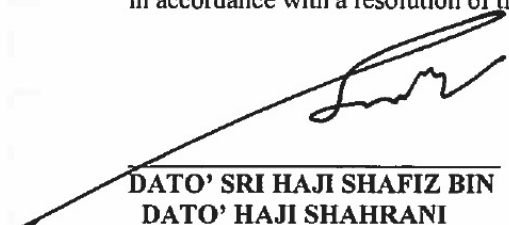
AUDITORS

The auditors, Adam & Co., have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount payable as remuneration of the auditors for the financial year ended 31 December 2024 is described in Note 8 to the financial statements.

Signed by the board
in accordance with a resolution of the Director,



**DATO' SRI HAJI SHAFIZ BIN
DATO' HAJI SHAHRANI**

Bandar Baru Bangi,
Date: 26 JUN 2025

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

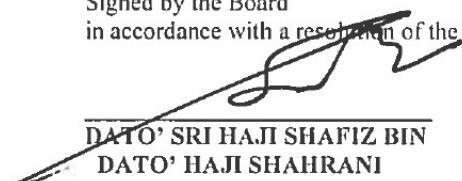
Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENT BY DIRECTOR

The Director of **SHAPADU ENERGY SDN. BHD.**, state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of its financial performance and the cash flows for the year then ended.

Signed by the Board
in accordance with a resolution of the Director,



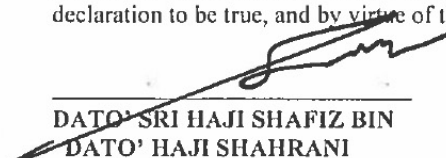
DATO' SRI HAJI SHAFIZ BIN
DATO' HAJI SHAHRANI

Bandar Baru Bangi,

Date: **26 JUN 2025**

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE GROUP AND OF THE COMPANY

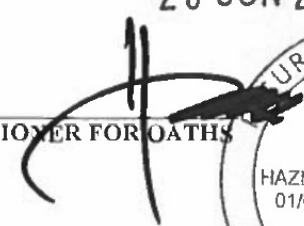
I, **DATO' SRI HAJI SHAFIZ BIN DATO' HAJI SHAHRANI**, the Director primarily responsible for the financial management of **SHAPADU ENERGY SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company are, in my opinion, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.



DATO' SRI HAJI SHAFIZ BIN
DATO' HAJI SHAHRANI

Subscribed and solemnly declared
by the abovenamed **DATO' SRI**
HAJI SHAFIZ BIN DATO' HAJI
SHAHRANI at **BANDAR BARU**
BANGI in the state of
SELANGOR this day of **26 JUN 2025**

Before me,



COMMISSIONER FOR OATHS



10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SHAPADU ENERGY SDN. BHD.**
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SHAPADU ENERGY SDN. BHD.**, which comprise the statements of financial position as of 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year ended, and notes to the financial statements, including material accounting policy information, as set out on pages 11 to 48.

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

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's 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 a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Group's current liabilities have exceeded their current assets by RM4,565,565. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

(Forward)

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URL
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10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 25 in the financial statements. The Group is the defendant in a lawsuit of their construction project. The Group has filed a counterclaim, and preliminary hearings and discovery proceeding in both actions are in progress. The ultimate outcome of the matter cannot presently be determined and accordingly, no provision for liability has been recognised in the financial statements in respect of these actions.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Director for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Director is responsible for assessing the Group's and 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 Director either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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.

(Forward)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director.
- Conclude on the appropriateness of the Director's 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 Group's or 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 auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Director 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.

(Forward)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Other Matter

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 towards any other person for the contents of this report.


ADAM & CO.
Chartered Accountants (AF 1250)


MOHAMAD FAIZAL BIN ABDUL FATAH
Partner - 93378/06/2026 J
Chartered Accountant

Bandar Baru Bangi,
Date: **26 JUN 2025**

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

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

	Note	The Group 2024 RM	The Company 2024 RM	2023 RM
Other income	5	4,112,000	500,000	-
Administrative expenses		<u>(8,843)</u>	<u>(8,843)</u>	<u>(1,570)</u>
Profit/(Loss) before tax	6	4,103,157	491,157	(1,570)
Tax expense	7	<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year		<u>4,103,157</u>	<u>491,157</u>	<u>(1,570)</u>
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year attributable to:				
Owner of the company		4,103,157	491,157	(1,570)
Non-controlling interest		<u>-</u>	<u>-</u>	<u>-</u>
Profit/(Loss) for the year, representing total comprehensive income/(loss) for the year		<u>4,103,157</u>	<u>491,157</u>	<u>(1,570)</u>

The accompanying Notes form an integral part of the Financial Statements.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024

		The Group	The Company	
		2024	2024	2023
		RM	RM	RM
ASSETS				
Non-current Assets				
Property, plant and equipment	8	1,666,101	-	-
Goodwill	9	9,862,418	-	-
Investment in subsidiary companies	10	-	60,001	-
Total Non-current Assets		11,528,519	60,001	-
Current Assets				
Inventories	11	2,890,767	-	-
Amount owing by contract customer	12	12,108,538	-	-
Trade receivables	13	24,439,517	-	-
Other receivables, deposits and prepayments	14	25,710,724	500,000	-
Amount owing by related companies	15	9,029,866	-	-
Fixed deposits with licensed banks	16	259,375	-	-
Cash and bank balances	16	2,238,351	2	2
Total Current Assets		76,677,138	500,002	2
TOTAL ASSETS		88,205,657	560,003	2

(Forward)

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

		The Group 2024 RM	The Company 2024 RM	2023 RM
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	17	2	2	2
Retained earnings	18	4,084,982	472,982	(18,175)
Equity attributable to owners of the Company				
Non-controlling interest		2,781,334	-	-
Shareholder's Equity/ (Capital Deficiency)				
		6,866,318	472,984	(18,173)
Non-current Liabilities				
Deferred tax liabilities	19	96,636	-	-
Total Non-current Liabilities				
		96,636	-	-
Current Liabilities				
Trade payables	20	18,635,713	-	-
Other payables and accruals	21	18,089,208	8,070	6,710
Amount owing to holding company	22	13,449	13,449	5,967
Amount owing to subsidiary companies	23	-	60,000	2,798
Amount owing to related companies	15	41,734,004	5,500	2,700
Tax payable		2,770,329	-	-
Total Current Liabilities				
		81,242,703	87,019	18,175
Total Liabilities				
		81,339,339	87,019	18,175
TOTAL EQUITY AND LIABILITIES				
		88,205,657	560,003	2

The accompanying Notes form an integral part of the Financial Statements.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

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

	Share capital RM	(Accumulated losses)/ Retained earning RM	Non- controlling interest RM	Net RM
The Group				
As of 1 January 2024	2	(18,175)	-	(18,173)
Acquisition of subsidiary companies	-	-	2,781,334	2,781,334
Profit for the year, representing total comprehensive income for the year	-	4,103,157	-	4,103,157
As of 31 December 2024	<u>2</u>	<u>4,084,982</u>	<u>2,781,334</u>	<u>6,866,318</u>
The Company				
As of 1 January 2023	2	(16,605)	-	(16,603)
Loss for the year, representing total comprehensive loss for the year	-	(1,570)	-	(1,570)
As of 31 December 2023	<u>2</u>	<u>(18,175)</u>	<u>-</u>	<u>(18,173)</u>
As of 1 January 2024	2	(18,175)	-	(18,173)
Profit for the year, representing total comprehensive income for the year	-	491,157	-	491,157
As of 31 January 2024	<u>2</u>	<u>472,982</u>	<u>-</u>	<u>472,984</u>

The accompanying Notes form an integral part of the Financial Statements.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

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

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
CASH FLOWS GENERATED FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax	4,103,157	491,157	(1,570)
Adjustments for:			
Dividend income	-	(500,000)	-
Bargain purchase on acquisition of subsidiary company	(4,112,000)	-	-
Operating Loss Before Working Capital Changes	(8,843)	(8,843)	(1,570)
Increase/(Decrease) in:			
Other payables and accruals	1,360	1,360	1,570
Amount owing to holding company	7,482	7,482	-
Amount owing to subsidiary companies	-	(2,799)	-
Amount owing to related companies	1	2,800	-
Net Cash Generated From Operating Activities	-	-	-
CASH FLOWS GENERATED FROM INVESTING ACTIVITY			
Net cash inflow from acquisition of subsidiary companies	2,238,349	-	-
Net Cash Generated From Investing Activity	2,238,349	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,238,349	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	2	2	2
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (NOTE 16)	2,238,351	2	2

The accompanying Notes form an integral part of the Financial Statements.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

SHAPADU ENERGY SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS**1. GENERAL INFORMATION**

The Company is a private limited liability company, incorporated and domiciled in Malaysia.

The Company is principally engaged in the business in oil & gas (upstream, downstream) services, construction, fabrication, retail trading and marine services. The principal activities of its subsidiary companies are set out in Note 10.

The registered office of the Company and principal place of business is located at Suite 401, 4th Floor, Campbell Complex, 98 Jalan Dang Wangi, 50100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The financial statements of the Group and of the Company were authorised by the Board of Director for issuance on **26 JUN 2025**

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

As of 31 December 2024, the Group's current liabilities have exceeded their current assets by RM4,565,565 as a result of losses sustained in the prior financial years. However, the financial statements of the Group has been prepared on the basis of accounting principles applicable to a going concern. This going concern basis presumes that Group will continue to receive financial support from its holding company and consequently, the realisation of assets and the settlement of liabilities will occur in the ordinary course of business. In this connection, the Director is satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future and a letter of financial support has been obtained from its holding company that it will continue to provide financial support to the Group.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Application of Standards and Amendments to Malaysian Financial Reporting Standards

In the current year, the Company have applied a number of standards and amendments to MFRS issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual financial years beginning on or after 1 January 2024 as follows:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The application of these Standards and Amendments to MFRSs have no material impact on the disclosures or on the amount recognised in the financial statements of the Company.

Standards and Amendments in Issue but Not Yet Effective

The Company anticipate that the following Standards and Amendments to MFRSs will be adopted in the annual financial statements of the Company when they become effective:

Amendments to MFRS 121	Lack of Exchangeability ¹
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments ²
Amendments to MFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to MFRS 19	Subsidiaries without Public Accounting: Disclosures ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual years beginning on or after 1 January 2025, with earlier application permitted.

² Effective for annual years beginning on or after 1 January 2026, with earlier application permitted.

³ Effective for annual years beginning on or after 1 January 2027, with earlier application permitted.

⁴ Effective date deferred to a date to be announced by MASB.

The adoption of the above accounting standards and or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policy stated below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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Company No. 201401034674 (1110772 - X)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary company is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's Ownership Interests in Existing Subsidiary Companies

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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When the Group loses control of a subsidiary company, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Subsidiary Companies

Investment in subsidiary companies which is eliminated on consolidation, is stated at cost less impairment losses, if any, in the Company's separate financial statements.

Business Combinations

The acquisition of subsidiary companies and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquire. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with *MFRS 112 Income Taxes* and *MFRS 119 Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with *MFRS 2 Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with *MFRS 5 Non-current Assets held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

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If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in other Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement year adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement year adjustments are adjustments that arise from additional information obtained during the "measurement year" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement year adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interests in the acquiree are remeasured to fair value at the acquisition date (i.e. the date when the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting year in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement year (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

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Revenue

Revenue is measured based on the consideration specified with a contract with a customer with exchange of transferring goods or services to a customer. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customers obtain control of the asset.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. As soon as the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised in profit or loss in proportion to the stage of completion of the contract. Contract expenses are recognised as incurred unless they create an asset related to future contract activity. The stage of completion is assessed by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss. Significant judgement is exercised in determining the percentage of completion, the extent of the costs incurred, the estimated total contract value and costs, as well as the recoverability of the contract projects.

Other income

Other income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Employee Benefits**i. Short-term employee benefits**

Wages, salaries, paid annual leave, bonuses and social contributions are recognised in the year which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absence such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Defined contribution plan

The Group and the Company are required by law to make monthly contributions to the Employees Provident Funds ("EPF"), a statutory defined contribution plan for all their eligible employees based on certain prescribed rates of the employees' salaries. Once the contributions have been paid, the Group and the Company have no further payment obligations. The Group's and the Company's contribution to EPF are disclosed separately. The employees' contributions to EPF are included in staff costs.

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Borrowing Costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Income Tax

Income tax comprises current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The Group's and the Company's liability for current tax as recognised in profit or loss, is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting year, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and the subsidiary companies intend to settle its current tax assets and liabilities on a net basis. The tax effects of the unutilised reinvestment allowance are recognised only upon actual realisation.

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Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant, and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Construction equipment	20 - 50%
Office equipment	10 - 20%
Furniture and fitting	10%
Computer equipment	10%
Motor vehicles	20%
Consumable asset	10 - 20%

The useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method, and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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Inventories

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

The cost of inventories is measured based on the first in, first out method, and includes expenditure incurred in acquiring the inventories and other cost incurred in bringing them to their existing location and condition.

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

At each reporting date, the Group and the Company assess whether any inventories are impaired by comparing the carrying amount of each item of inventory or group of similar items with its selling price less costs to complete and sell. If an item of inventory or group of similar items is impaired, the Group and the Company reduces the carrying amount of the inventory or the group of similar items to its selling price less costs to complete and sell. That reduction is an impairment loss and it is recognised immediately in profit or loss.

Impairment of Non-financial Assets

At the end of each reporting year, the Group and the Company review the carrying amounts of assets (other than inventories and financial assets, which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the asset's recoverable amount, which is the higher of fair value less costs of disposal and value in use, is estimated. When it is not possible to estimate recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. 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.

Whenever the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

An impairment loss is only reversed in profit or loss to the revised estimate of its recoverable amount, to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Provisions

Provisions are made when the Group and the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a realisable estimate of the amount can be made.

At the end of each reporting year, the provisions are reviewed by the Director and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Company will be required to settle the obligation.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

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Financial Instruments

Financial assets and financial liabilities are recognised in the Group and the Company's statement of financial position when the Group and the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i. **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

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- Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company always recognise lifetime ECL (expected credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group and the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

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Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group and the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continues to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in an equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

ii. Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group and the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group and the Company's own equity instruments.

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Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group and the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying the Company's accounting policies

In the process of applying the Group and the Company's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Director believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

5. OTHER INCOME

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Dividend income	-	500,000	-
Bargain purchase on acquisition of a subsidiary company	4,112,000	-	-
	<u>4,112,000</u>	<u>500,000</u>	<u>-</u>

6. PROFIT/(LOSS) BEFORE TAX

Included in profit/(loss) before tax are the following charges:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
After charging:			
Auditors' remuneration	<u>6,500</u>	<u>6,500</u>	<u>1,000</u>

7. TAX EXPENSE

No provision for taxation has been made in financial statements as the Group and the Company have no chargeable income.

A reconciliation of tax expense applicable to profit/(loss) before tax at the statutory tax rate to tax expense at the effective tax rate is as follows:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Profit/(Loss) before tax	<u>4,103,157</u>	<u>491,157</u>	<u>(1,570)</u>
Tax expense at the statutory tax rate of 24% (2023: 15%)	984,758	117,878	(236)
Tax effects of:			
Expenses not deductible for tax purposes	2,722	2,122	236
Income not subject to tax	<u>(987,480)</u>	<u>(120,000)</u>	<u>-</u>
Tax expense	<u>-</u>	<u>-</u>	<u>-</u>

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

8. PROPERTY, PLANT AND EQUIPMENT

The Group	Construction equipment RM	Office equipment RM	Furniture and fitting RM	Computer equipment RM	Subtotal RM
Cost					
As of 1 January 2024	-	-	-	-	-
Acquisition of subsidiary companies	8,625,827	133,571	149,215	235,003	9,143,616
As of 31 December 2024	8,625,827	133,571	149,215	235,003	9,143,616
Accumulated depreciation					
As of 1 January 2024	-	-	-	-	-
Acquisition of subsidiary companies	7,997,861	94,033	26,212	82,563	8,200,669
As of 31 December 2024	7,997,861	94,033	26,212	82,563	8,200,669
Net book value					
As of 31 December 2024	627,966	39,538	123,003	152,440	942,947

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	Subtotal RM	Motor vehicles RM	Consumable asset RM	Work-in- progress RM	Total RM
Cost					
As of 1 January 2024	-	-	-	-	-
Acquisition of subsidiary companies	9,143,616	155,400	16,699	702,357	10,018,072
As of 31 December 2024	9,143,616	155,400	16,699	702,357	10,018,072
Accumulated depreciation					
As of 1 January 2024	-	-	-	-	-
Acquisition of subsidiary companies	8,200,669	148,519	2,783	-	8,351,971
As of 31 December 2024	8,200,669	148,519	2,783	-	8,351,971
Net book value					
As of 31 December 2024	942,947	6,881	13,916	702,357	1,666,101

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

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9. GOODWILL

	Goodwill on consolidation RM
The Group	
Carrying amount	
1 January 2024	-
Acquisition of subsidiary company	<u>9,862,418</u>
As of 31 December 2024	<u>9,862,418</u>

For the purposes of impairment testing, goodwill is allocated to the subsidiary company, which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating unit ("CGU") that is expected to benefit from that business combination, as follows:

	Goodwill on consolidation RM
Services for the construction, maintenance and other related services to the oil and gas industry	<u>9,862,418</u>

The recoverable amount of the CGU is determined based on value in use calculation which use cash flow projections based on financial budgets approved by the Directors. The key assumptions for the value in use calculation include management's expectation on the growth of services every year.

Management believes that any reasonable possible change in the key assumptions would not cause the carrying values of the goodwill to materially exceed their recoverable amounts.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

10. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	60,001	2,498
Less: Accumulated impairment loss	-	(2,498)
	<u>60,001</u>	<u>-</u>

The movement in impairment account for unquoted shares is as follows:

	The Company	
	2024	2023
	RM	RM
As of 1 January	2,498	2,498
Less: Disposal of a subsidiary company	<u>(2,498)</u>	<u>-</u>
As of 31 December	<u>-</u>	<u>2,498</u>

The company's equity interest in subsidiary companies, its respective principal activities and country of incorporation are as below:

Name of Company	Country of Incorporation	Principal Activities	Effective ownership interest	
			2024	2023
			%	%
Shapadu Grand Campbell Sdn. Bhd.*	Malaysia	Hotel and Resort	-	100
Shapadu Cr Asia Sdn. Bhd.*	Malaysia	Carry on business of repair and maintenance of other equipment N.E.C in oil and gas industry	60	-
Shapadu Energy Services Sdn. Bhd.*	Malaysia	Provision of services for the construction, maintenance and other related services to the oil and gas industry together with barge service and rental of the land and building	100	-

**Audited by Adam & Co.*

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Assets acquired and liabilities recognised as of the date of acquisition of Shapadu Cr Asia Sdn. Bhd. are as follows:

	2024 RM
Non-current Asset	
Property, plant and equipment (Note 8):	
Cost	2,180,350
Accumulated depreciation	(797,235)
	1,383,115
Current Assets	
Trade receivables	16,792,780
Other receivables, deposit and prepayments	18,382,688
Amount owing by holding companies	12,724,578
Amount owing by related parties	344,300
Fixed deposit with a licensed bank	259,375
Cash and bank balance	1,832,361
Current Liabilities	
Trade payables	(13,386,257)
Other payables and accruals	(29,444,175)
Amount owing to holding companies	(700,000)
Tax payable	(1,138,795)
Non-current Liabilities	
Deferred tax liabilities	(96,636)
	6,953,334
Less: Non-controlling interest (40%)	(2,781,334)
Fair value of identifiable net assets acquired	4,172,000
Profit on acquisition of a subsidiary company is as follows:	
	2024 RM
Consideration transferred	60,000
Less: Fair value of identifiable net assets acquired	(4,172,000)
Bargain purchase	(4,112,000)

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Assets acquired and liabilities recognised as of the date of acquisition of Shapadu Energy Services Sdn. Bhd. are as follows:

	2024 RM
Non-current Asset	
Property, plant and equipment (Note 8):	
Cost	7,837,722
Accumulated depreciation	(7,554,736)
	282,986
Current Assets	
Inventories	2,890,767
Amount owing by contract customers	12,108,538
Trade receivables	18,568,063
Other receivables, deposits and prepayments	25,528,036
Amount owing by holding companies	7,560,905
Amount owing by related parties	8,654,286
Cash and bank balances	405,988
Current Liabilities	
Trade payables	(16,170,782)
Other payables and accruals	(6,836,963)
Amount owing to holding companies	(20,194,203)
Amount owing to related companies	(41,028,504)
Tax payable	(1,631,534)
Fair value of identifiable net liabilities acquired	(9,862,417)
Loss on acquisition of a subsidiary company is as follows:	
	2024 RM
Consideration transferred	1
Less: Fair value of identifiable net liabilities acquired	9,862,417
Goodwill	9,862,418

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

11. INVENTORIES

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
At costs:			
Raw material	817,183	-	-
Consumables	634,158	-	-
Tools	1,096,894	-	-
Safety equipment and apparel	279,062	-	-
Hydrotest	63,470	-	-
	<u>2,890,767</u>	<u>-</u>	<u>-</u>

12. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Aggregate costs incurred to date	353,900,022	-	-
Add: Attributable profits	<u>14,486,972</u>	<u>-</u>	<u>-</u>
	368,386,994	-	-
Less: Progress billings	(349,700,328)	-	-
Allowance for foreseeable loss	<u>(6,578,128)</u>	<u>-</u>	<u>-</u>
	<u>12,108,538</u>	<u>-</u>	<u>-</u>

Movement in allowance for foreseeable loss during the financial year is as follows:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
As of 1 January	-	-	-
Acquisition of subsidiary companies	<u>6,578,128</u>	<u>-</u>	<u>-</u>
As of 31 December	<u>6,578,128</u>	<u>-</u>	<u>-</u>

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

13. TRADE RECEIVABLES

	The Group 2024 RM	The Company 2024 RM	2023 RM
Related parties	10,925,316	-	-
Third parties	19,518,137	-	-
Less: Allowance for doubtful debts	(3,865,722)	-	-
Allowance for expected credit loss	(2,138,214)	-	-
	<u>24,439,517</u>	<u>-</u>	<u>-</u>

Trade receivables are non-interest bearing and normal trade credit terms granted by the Group are from 30 to 90 days term.

Aging of trade receivables are categorised as follows:

	The Group 2024 RM	The Company 2024 RM	2023 RM
Non-impaired:			
1 to 30 days past due	3,288,646	-	-
31 to 60 days past due	1,893,696	-	-
61 to 90 days past due	188,795	-	-
More than 90 days past due	19,068,380	-	-
	<u>24,439,517</u>	<u>-</u>	<u>-</u>
Impaired:			
More than 90 days past due	6,003,936	-	-
	<u>30,443,453</u>	<u>-</u>	<u>-</u>

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of reporting year. The concentration of credit risk is limited due to the customer base being large and unrelated.

The allowance for doubtful debts recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Movement in allowance for doubtful debts during the financial year is as follows:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
As of 1 January	-	-	-
Acquisition of subsidiary companies	3,865,722	-	-
As of 31 December	<u>3,865,722</u>	<u>-</u>	<u>-</u>

Movement in allowance for expected credit loss during the financial year is as follows:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
As of 1 January	-	-	-
Acquisition of subsidiary companies	2,138,214	-	-
As of 31 December	<u>2,138,214</u>	<u>-</u>	<u>-</u>

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Other receivables	23,095,462	-	-
Deposits	163,171	-	-
Prepayments	2,423,999	-	-
Advance to employees	28,092	-	-
Dividend receivable	-	500,000	-
	<u>25,710,724</u>	<u>500,000</u>	<u>-</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

15. AMOUNT OWING BY/(TO) RELATED COMPANIES

The Company is a subsidiary company of Shapadu Corporation Sdn. Bhd., a company incorporated in Malaysia. The Director regard Shapadu Corporation Sdn. Bhd., as the ultimate holding company.

The Company is related to other subsidiary companies within Shapadu Corporation Sdn. Bhd. Group.

The amount owing by/(to) related parties, which arose from non-trade transactions payment made on behalf and reimbursement, is unsecured, interest-free and repayable on demand.

Amount owing by/(to) related parties, which arose from trade transactions is non-interest bearing and normal trade credit terms granted by the Group's and the Company's is 30 until 90 days until date of invoice.

16. CASH AND BANK BALANCES

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Cash at bank	2,175,060	-	-
Cash in hands	63,291	2	2
Bank guarantee with a licensed bank	259,375	-	-
	<u>2,497,726</u>	<u>2</u>	<u>2</u>
Less: Fixed deposit pledged to a licensed bank	<u>(259,375)</u>	<u>-</u>	<u>-</u>
	<u>2,238,351</u>	<u>2</u>	<u>2</u>

The fixed deposit with a licensed bank have a maturity period of 1 year.

17. SHARE CAPITAL

	The Group and the Company	
	2024	2023
	RM	RM
Issued and fully paid:		
2 ordinary shares	<u>2</u>	<u>2</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

18. RETAINED EARNINGS

The retained earnings of the Group and the Company as of 31 December 2024 and 31 December 2023 are distributable profits and may distributed as dividends under the single-tier system based on the tax regulations in Malaysia.

19. DEFERRED TAX LIABILITIES

Deferred tax liabilities are as follows:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
As of 1 January	-	-	-
Acquisition of subsidiary companies	96,636	-	-
As 31 December	<u>96,636</u>	<u>-</u>	<u>-</u>

Deferred tax liabilities provided in the financial statements are in respect of the tax effects of the following:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Deferred tax liabilities:			
Temporary differences arising from property, plant and equipment	<u>96,636</u>	<u>-</u>	<u>-</u>

20. TRADE PAYABLES

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Third parties	16,053,594	-	-
Related parties	<u>2,582,119</u>	<u>-</u>	<u>-</u>
	<u>18,635,713</u>	<u>-</u>	<u>-</u>

Trade payables are non-interest bearing and normal trade credit terms granted by the Company is 30 days from the date of invoice.

21. OTHER PAYABLES AND ACCRUALS

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Other payables	177,865	-	-
Accruals	<u>17,911,343</u>	<u>8,070</u>	<u>6,710</u>
	<u>18,089,208</u>	<u>8,070</u>	<u>6,710</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

22. AMOUNT OWING TO HOLDING COMPANY

Amount owing to holding company, which arose from non-trade transactions, payment on behalf and reimbursement, is unsecured, interest-free and repayable on demand.

23. AMOUNT OWING TO SUBSIDIARY COMPANIES

Amounts owing to subsidiary companies which arise mainly from non-trade transactions and payment on behalf and reimbursement, is unsecured, interest-free and repayable on demand.

24. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES
Capital Management

The Group's and the Company's objectives when managing capital is to maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, to maintain investors, creditors and market confidence and to sustain future development of the business.

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	The Group	The Company	
	2024	2024	2023
	RM	RM	RM
Financial assets			
At amortised cost:			
Amount owing by contract customers	12,108,538	-	-
Trade receivables	24,439,517	-	-
Other receivables and deposits	25,710,724	500,000	-
Amount owing by related companies	9,029,866	-	-
Fixed deposit with licensed banks	259,375	-	-
Cash and bank balances	<u>2,238,351</u>	<u>2</u>	<u>2</u>
Financial liabilities			
At amortised cost:			
Trade payables	18,635,713	-	-
Other payables and accruals	18,089,208	8,070	6,710
Amount owing to holding company	13,449	13,449	5,967
Amount owing to subsidiary companies	-	60,000	2,798
Amount owing to related companies	<u>41,734,004</u>	<u>5,500</u>	<u>2,700</u>

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Financial Risk Management Objectives and Policies

The Group and the Company are subject to a variety of financial risks, including credit, liquidity, interest rate and cash flow risks. The Group and the Company have taken measures to minimise their exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

The Group and the Company do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises from trade receivables which comprise customers of the Company, 24% of which come from the 3 largest customers. Overdue balances are reviewed regularly by the management of the Company.

Management has taken reasonable steps to ensure that receivables from customers that are neither past due nor impaired are stated at its realisable values.

The exposure of credit risk for receivables at the end of the reporting period is solely from the domestic region.

(b) **Liquidity risk**

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirement of working capital.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

The Group	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM
31 December 2024				
Financial liabilities:				
Trade payables	18,635,713	-	18,635,713	18,635,713
Other payables and accruals	18,089,208	-	18,089,208	18,089,208
Amount owing to holding company	13,449	-	13,449	13,449
Amount owing to related companies	41,734,004	-	41,734,004	41,734,004
Total undiscounted financial liabilities	78,472,374		78,472,374	78,472,374

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

The Company	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM
31 December 2024				
Financial liabilities:				
Other payables and accruals	8,070	-	8,070	8,070
Amount owing to holding company	13,449	-	13,449	13,449
Amount owing to subsidiary companies	60,000	-	60,000	60,000
Amount owing to related companies	<u>5,500</u>	-	<u>5,500</u>	<u>5,500</u>
Total undiscounted financial liabilities	<u>87,019</u>		<u>87,019</u>	<u>87,019</u>
31 December 2023				
Financial liabilities:				
Other payables and accruals	6,710	-	6,710	6,710
Amount owing holding company	5,967	-	5,967	5,967
Amount owing to subsidiary companies	2,798	-	2,798	2,798
Amount owing to related companies	<u>2,700</u>	-	<u>2,700</u>	<u>2,700</u>
Total undiscounted financial liabilities	<u>18,175</u>		<u>18,175</u>	<u>18,175</u>

(c) **Fair value risk**

Fair value of financial assets and financial liabilities of the Group and the Company as of 31 December 2024 and 31 December 2023 are not materially different from their carrying values due to the relatively short-term maturity of these financial instruments.

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

25. MATERIAL LITIGATION

Name of the Company	Third Parties	Details and Quantum	Details and status
Shapadu Energy Services Sdn. Bhd. (SES)	Sri Similajau Corporation Sdn. Bhd.	Bintulu High Court: BTU-22NCVC-12-9/2023 Amount claimed: RM2,157,500	The Consent Judgement was recorded on 1.2.2024. The amount claimed is to be paid via 36 monthly instalments commencing from 30.6.2024 to 31.5.2027. Payments are being made accordingly.
	Lembaga Hasil Dalam Negeri (LHDN)	KLHC, Winding Up No.: WA-28NCC-856-08/2023 Amount claimed: RM3,157,171	The Winding Up Petition was withdrawn on 13.5.2024 after we successfully settled the sum of RM2,142,945.94.
	Serba Mahir Sdn. Bhd.	Kota Kinabalu High Court: BK1-22NCVC-119-11/2023 Amount claimed: RM4,368,013.60	The Consent Judgement was recorded on 17.4.2024. The amount claimed is to be paid via 36 monthly instalments commencing from 24.2.2024 - 24.1.2027.
	Labuan Gas & Macheinery Sdn. Bhd.	Labuan Session Court: LBN-A52NCC-5-11/2023 Amount claimed: RM285,318.56	The Consent Judgement was recorded on 31.1.2024. The amount claimed is to be paid via 6 monthly instalments commencing from 24.2.2024 - 24.7.2024.
	IKM Testing (M) Sdn. Bhd.	KLHC: WA-22C-47-07/2023 Amount claimed: RM2,211,296.30	The Consent Judgement was recorded on 17.9.2024. SES has defaulted on the payments stipulated in the Consent Judgement. Consequently, IKM proceeded with a Garnishee Order dated 29.4.2025 to recover the amount claimed.

(Forward)

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Name of the Company	Third Parties	Details and Quantum	Details and status
	Nusantara Test Services Sdn. Bhd.	KLSC: BA-12BNCVC-67-11/2024 Amount claimed: RM396,533.41	The Sessions Court dismissed Nusantara's claim on 24.10.2024. Nusantara has since appealed the decision and the appeal is currently ongoing and pending determination. The Court has fixed the decision to be delivered via Zoom on 25.6.2025.
	Techno Analysis Sdn. Bhd.	Putrajaya Court of Appeal: W-02(IM)(NCVC)-1919-11/2024 Amount claimed: RM1,168,554.50	The Court on 27.2.2024 allowed SES application based on Section 10 Arbitration Act 2005 – which means this case have to refer arbitration proceeding. Techno then appeal the said decision made by High Court to Court of Appeal and the matter now is ongoing.
	Uzma Engineering Sdn. Bhd.	Abitration No.: AIAC/D/ADM-1195-2023 Amount claimed: RM10,094,065.77	This action is taken by SES for services rendered. The Uzma then have filed their counter claimed for RM19,331,159.88. The Arbitrator fixed oral Hearing for Expert Witness on 18.8.2025 - 20.8.2025.
	Ocean Might Sdn. Bhd. (OMSB)	Abitration No.: AIAC/D/ADM-1263-2024 AIAC/D/ADM-1241-2024 Amount claimed: RM60,190,487.78 (Pesa Project) RM77,347,098.94 (Baronia Project)	This action is taken by Ocean Might (OMSB). SES then have filed our counter claimed for Pesa Project RM15,986,650.94 and Baronia Project for RM7,058,086.58. The Arbitrator will re-fixed the Hearing date. SES probability 60% chance of success.

(Forward)

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Name of the Company	Third Parties	Details and Quantum	Details and status
	Qasturie Engineering Services Sdn. Bhd.	AIAC/D/ADM-1228-2023 Amount claimed: RM721,037.54	The matter was filed in 2023, continued throughout 2024, and a Consent Award was recorded on 22.2.2025.
	Kumpulan Wang Simpanan Pekerja (KWSP)	Outstanding contribution of March 2023 - June 2023 Court Case No.: WA-A52NCVC-796-10/2023 Amount claimed: RM211,250	This matter involves 24 post-dated cheques from 30.1.2024 to 30.11.2025, each in the amount of TM8,802, with the final cheque dated 30.12.2025 for RM8,804.
	Kumpulan Wang Simpanan Pekerja (KWSP)	Outstanding contribution of July 2023 - October 2023 Court Case No.: WA-A52NCVC-147-02/2024 Amount claimed: RM167,692	The Consent Judgement was recorded on 19.6.2024 and the 24 PD Cheques successfully served to KWSP on 2.7.2024. The payment is ongoing accordingly based on SES updates.
	Kumpulan Wang Simpanan Pekerja (KWSP)	Outstanding contribution of 11/2023 - 2/2024 Court Case No.: WA-A72NCVC-1965-4/2024 Amount claimed: RM40,318	The Consent Judgement was recorded on 30.10.2024. The amount claimed was paid via 3 monthly instalment commencing 30.10.2024 - 30.12.2024. Payments for the outstanding contribution was paid accordingly.

(Forward)

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

10. AUDITED FINANCIAL STATEMENTS OF SHAPADU ENERGY FOR THE FYE 2024

Company No. 201401034674 (1110772 - X)

Name of the Company	Third Parties	Details and Quantum	Details and status
	Kumpulan Wang Simpanan Pekerja (KWSP)	Outstanding contribution of November 2021 - February 2022 Court Case No.: WA-A52NCVC-462-6/2022 Amount claimed: RM289,908	This matter went for 24 PD Cheques commencing on 10.8.2022 - 10.6.2024 for RM12,079 and the final month of 10.7.2024 for RM12,091. Payment for outstanding contribution was paid accordingly.

26. SUBSEQUENT EVENTS

On 2 July 2025, GFM Services Berhad (“GFM”) entered into a conditional Share Sale Agreement (“SSA”) with Shapadu Corporation Sdn Bhd (“SPC”) to acquire a 60% equity interest in Shapadu Energy Sdn Bhd (“SEB”) for a cash consideration of RM30.0 million.

SEB’s wholly-owned subsidiary, Shapadu CR Asia Sdn Bhd (“SCRA”), holds a contract for the provision of TA4MS (turnaround maintenance services) at the Pengerang facility operated by PRefChem.

Upon completion of the transaction, SEB will become a subsidiary of GFM. SPC will retain a 40% equity interest in SEB and has a call option to reacquire a 15% stake for RM10.0 million within two years from the date of the SSA.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

SHAPADU CR ASIA SDN. BHD.

(Company No. 201901029829 (1339159 - X))

(Incorporated in Malaysia)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2024**

(In Ringgit Malaysia)

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS	: Syed Saggaf Bin Syed Ahmad Mastura Binti Othman Roberto Beneventi
SECRETARY	: Asbariah Binti Arshad (LS0008446)
REGISTERED OFFICE	: Suite 401, 4th Floor Campbell Complex 98 Jalan Dang Wangi 50100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	: Suite 901, 9th Floor Campbell Complex 98 Jalan Dang Wangi 50100 Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
AUDITORS	: Adam & Co. (Af 1250) Chartered Accountants No. 29-1-1B Jalan Medan PB 2B, Seksyen 9 43650 Bandar Baru Bangi Selangor Darul Ehsan
PRINCIPAL BANKER	: Bank Islam Malaysia Berhad

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors of **SHAPADU CR ASIA SDN. BHD.**, have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITY

The Company is to carry on business of repair and maintenance of other equipment N.E.C in oil and gas industry.

RESULTS OF OPERATIONS

The results of operations of the Company for the financial year are as follows:

	RM
Profit before tax	11,491,682
Tax expense	<u>(2,734,697)</u>
Profit for the year	<u>8,756,985</u>

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

DIVIDEND

Since the end of the previous financial year, a final single tier dividend of RM500,000 and an interim single tier dividend of RM18,200,000 in respect of the current financial year was declared by the Company during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year other than as disclosed in the financial statements.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

ISSUE OF SHARES AND DEBENTURES

The company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statement of profit or loss and other comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there are no known bad debts to be written off and that no allowance for doubtful debts is required; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or the setting up of an allowance for doubtful debts in the financial statements of the Company; or
- (b) which would render the values attributed to the current assets in the financial statements of the Company misleading; or
- (c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

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 liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the succeeding financial year.

DIRECTORS

The Directors of the Company in the office during the financial year and during the period from the end of the financial year to the date of this report are:

Syed Saggaf Bin Syed Ahmad

Mastura Binti Othman

Roberto Beneventi (Appointed on 19 April 2024)

Rohit Prakash Java (Resigned on 19 April 2024)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

DIRECTORS' INTERESTS

None of the Directors in the office at the end of the financial year held shares or had beneficial interest in shares of the Company or its related companies during and at the end of the financial year. Under the Company's Article of Association, the Directors are not required to hold shares in the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the directors or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

During and at the end of the financial year, no arrangements subsisted to which the Company was a party, whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITIES AND INSURANCE FOR DIRECTORS AND OFFICERS

There were no indemnities given to or insurance affected for any Directors, Officers and Auditors of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

HOLDING COMPANIES

The Company is a subsidiary company of Shapadu Energy Sdn. Bhd., a company incorporated in Malaysia. The Directors regards Shapadu Corporation Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

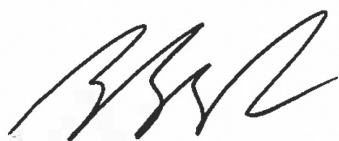
AUDITORS

The auditors, Adam & Co., have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid as remuneration of the auditors for the financial year ended 31 December 2024 is described in Note 6 to the financial statements.

Signed by the Board
in accordance with a resolution of the Directors,



SYED SAGGAF BIN SYED AHMAD



MASTURA BINTI OTHMAN

Bandar Baru Bangi,

Date: **19 JUN 2025**

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The Directors of **SHAPADU CR ASIA SDN. BHD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of its financial performance and the cash flows for the year then ended.

Signed by the Board
in accordance with a resolution of the Directors,



SYED SAGGAF BIN SYED AHMAD



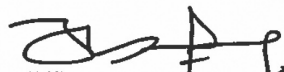
MASTURA BINTI OTHMAN

Bandar Baru Bangi,

Date: **19 JUN 2025**

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **MASTURA BINTI OTHMAN**, being the director primarily responsible for the financial management of **SHAPADU CR ASIA SDN. BHD.**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.



MASTURA BINTI OTHMAN

Subscribed and solemnly declared by the
above named **MASTURA BINTI OTHMAN** at **BANDAR BARU BANGI**
in the state of **SELANGOR** this day of

19 JUN 2025

Before me,


COMMISSIONER FOR OATH
NO. 24-2, JALAN 9/9C,
SEKSYEN 9,
43850 BANDAR BARU BANGI,
SELANGOR DARUL EHSAN.


PESURUHJAYA SUMPAAH
PJS: B448
HAZLIN BINTI MOHAMED
01/01/2025-31/12/2027
MALAYSIA

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SHAPADU CR ASIA SDN. BHD.**
(Incorporated in Malaysia)
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SHAPADU CR ASIA SDN. BHD.**, which comprise the statement of financial position as of 31 December 2024 of the Company, and the statement of profit or loss and other 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 material accounting policy information, as set out on pages 11 to 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of its financial performance and its cash flows for the year ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. 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.

(Forward)

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E-Mail
admin@adamco.my

URL
www.adamco.my

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

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.

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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.

Auditors' 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.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

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:

- 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.
- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

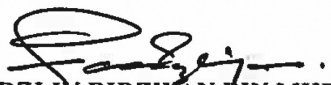
Other Matter

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 contents of this report.



ADAM & CO.

Chartered Accountants (AF 1250)



FADZLIY RIDZWAN BIN MHD HILMIY

Partner - 03575/05/2027 J

Chartered Accountant

Bandar Baru Bangi,

Date: **19 JUN 2025**

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
Revenue	5	114,700,510	72,818,866
Cost of sales		<u>(94,606,060)</u>	<u>(55,059,401)</u>
Gross profit		20,094,450	17,759,465
Other income		3,666	16,100
Administrative expenses		<u>(8,606,434)</u>	<u>(6,407,429)</u>
Profit before tax	6	11,491,682	11,368,136
Tax expense	8	<u>(2,734,697)</u>	<u>(2,718,130)</u>
Profit for the year, representing total other comprehensive income for the year		<u>8,756,985</u>	<u>8,650,006</u>

The accompanying Notes form an integral part of the Financial Statements

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2024**

	Note	2024 RM	2023 RM
ASSETS			
Non-current Asset			
Property, plant and equipment	9	<u>1,383,115</u>	<u>1,243,702</u>
Current Assets			
Trade receivables	10	16,792,780	20,413,122
Other receivables, deposit and prepayments	11	18,382,688	351,138
Amount owing by holding company	12	12,724,578	7,047,688
Amount owing by related companies	13	344,300	1,595,300
Fixed deposits with a licensed bank	14	259,375	-
Cash and bank balance	14	<u>1,832,361</u>	<u>14,964</u>
Total Current Assets		<u>50,336,082</u>	<u>29,422,212</u>
TOTAL ASSETS		<u>51,719,197</u>	<u>30,665,914</u>
EQUITY AND LIABILITIES			
Capital			
Share capital	15	100,000	100,000
Retained earnings	16	<u>6,353,334</u>	<u>16,296,349</u>
Shareholders' Equity		<u>6,453,334</u>	<u>16,396,349</u>

(Forward)

The accompanying Notes form an integral part of the Financial Statements

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

	Note	2024 RM	2023 RM
Non-current Liability			
Deferred tax liabilities	17	<u>96,636</u>	<u>74,025</u>
Current Liabilities			
Trade payables	18	13,386,257	9,719,775
Other payables and accruals	19	29,944,175	329,762
Amount owing to ultimate holding company	20	700,000	700,000
Tax payable		<u>1,138,795</u>	<u>3,446,003</u>
Total Current Liabilities		<u>45,169,227</u>	<u>14,195,540</u>
Total Liabilities		<u>45,265,863</u>	<u>14,269,565</u>
TOTAL EQUITY AND LIABILITIES		<u><u>51,719,197</u></u>	<u><u>30,665,914</u></u>

The accompanying Notes form an integral part of the Financial Statements

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	Share capital RM	Retained earnings RM	Total RM
As of 1 January 2023		100,000	7,646,343	7,746,343
Profit for the year, representing total other comprehensive income for the year		-	8,650,006	8,650,006
As of 31 December 2023		<u>100,000</u>	<u>16,296,349</u>	<u>16,396,349</u>
As of 1 January 2024		100,000	16,296,349	16,396,349
Profit for the year, representing total other comprehensive income for the year		-	8,756,985	8,756,985
Dividend	21	-	(18,700,000)	(18,700,000)
As of 31 December 2024		<u>100,000</u>	<u>6,353,334</u>	<u>6,453,334</u>

The accompanying Notes form an integral part of the Financial Statements.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	2024 RM	2023 RM
CASH FLOW GENERATED FROM/ (USED IN) OPERATING ACTIVITIES		
Profit before tax	11,491,682	11,368,136
Adjustments for:		
Depreciation of property, plant and equipment	156,022	119,531
Hibah income	<u>(3,666)</u>	<u>(16,100)</u>
Operating Profit Before Working Capital Changes	11,644,038	11,471,567
Decrease/(Increase):		
Trade receivables	3,620,342	2,783,940
Other receivables, deposit and prepayments	(18,031,550)	(283,906)
Amount owing by holding company	8,642,988	2,305,240
Amount owing by related companies	(13,068,878)	(8,344,688)
Increase/(Decrease):		
Trade payables	3,666,482	(5,421,191)
Other payables and accruals	<u>10,914,413</u>	<u>(1,816,136)</u>
Net Cash Generated From Operating Activities	7,387,835	694,826
Tax paid	(5,019,294)	(1,650,189)
Hibah received	<u>3,666</u>	<u>16,100</u>
Net Cash Generated From/(Used In) Operating Activities	<u>2,372,207</u>	<u>(939,263)</u>
CASH FLOW USED IN INVESTING ACTIVITY		
Acquisition of property, plant and equipment	<u>(295,435)</u>	<u>(478,305)</u>
Net Cash Used In Investing Activity	<u>(295,435)</u>	<u>(478,305)</u>
CASH FLOW USED IN FINANCING ACTIVITY		
Fixed deposit pledged to a licensed bank	<u>(259,375)</u>	<u>-</u>
Net Cash Used In Financing Activity	<u>(259,375)</u>	<u>-</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,817,397	(1,417,568)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>14,964</u>	<u>1,432,532</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (NOTE 14)	<u>1,832,361</u>	<u>14,964</u>

The accompanying Notes form an integral part of the Financial Statements.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

SHAPADU CR ASIA SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. GENERAL INFORMATION

The Company is a private limited company, incorporated and domiciled in Malaysia.

The Company is to carry on business of repair and maintenance of other equipment N.E.C in oil and gas industry.

The registered office of the Company is located at Suite 401, 4th Floor, Campbell Complex, 98 Jalan Dang Wangi, 50100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The principal place of business is located at Suite 901, 9th Floor, Campbell Complex, 98 Jalan Dang Wangi, 50100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

The financial statements of the Company were authorised by the Board of Directors for issuance in accordance with a resolution of Directors on **19 JUN 2025**

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Application of Standards and Amendments to Malaysian Financial Reporting Standards

In the current year, the Company have applied a number of standards and amendments to MFRS issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual financial years beginning on or after 1 January 2024 as follows:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-Current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The application of these Standards and Amendments to MFRSs have no material impact on the disclosures or on the amount recognised in the financial statements of the Company.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Standards and Amendments in Issue but Not Yet Effective

The Company anticipate that the following Standards and Amendments to MFRSs will be adopted in the annual financial statements of the Company when they become effective:

Amendments to MFRS 121	Lack of Exchangeability ¹
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments ²
Amendments to MFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to MFRS 19	Subsidiaries without Public Accounting: Disclosures ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual years beginning on or after 1 January 2025, with earlier application permitted.

² Effective for annual years beginning on or after 1 January 2026, with earlier application permitted.

³ Effective for annual years beginning on or after 1 January 2027, with earlier application permitted.

⁴ Effective date deferred to a date to be announced by MASB.

The adoption of the above accounting standards and or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application.

3. SIGNIFICANT ACCOUNTING POLICIES INFORMATION
Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

In addition, for financial reporting purposes, fair value measurement are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted price included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below:

Revenue Recognition

Revenue is measured based on the consideration specified with a contract with a customer with exchange of transferring goods or services to a customer. The Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customers obtain control of the asset.

Revenue from supplying and installation of corrosion control products and related service works are recognised upon services rendered.

Employee benefits

i. Short-term employee benefits

Salaries, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Company.

The short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii. Post-employment benefits

The Company contribute to the Employees Provident Funds ("EPF"), the national defined contribution plan. The contributions are charged to the statement of comprehensive incomes in the year to which they relate. Once the contributions have been paid, the Company have no further payment obligation.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Income Tax

Income tax comprises current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in other period and items that are never taxable or deductible. The Group's and the Company's liability for current tax as recognised in profit or loss, is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss except when it arises from a transaction which is recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the the Company expect, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company and the subsidiary companies intend to settle its current tax assets and liabilities on a net basis. The tax effects of the unutilised reinvestment allowance are recognised only upon actual realisation.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Construction equipment	20 - 50%
Furniture and fitting	10%
Office equipment	10%
Computer equipment	10%

The useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Impairment of Non-financial Assets

At the end of each reporting year, the Company review the carrying amounts of assets (other than inventories and financial assets, which are dealt with in their respective policies) to determine if there is any indication that those assets may be impaired. If any such indication exists, the asset's recoverable amount, which is the higher of fair value less costs of disposal and value in use, is estimated. When it is not possible to estimate recoverable amount of an individual asset, the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. 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.

Whenever the carrying amount of an asset exceeds its recoverable amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss.

An impairment loss is only reversed in profit or loss to the revised estimate of its recoverable amount, to the extent the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

Provisions

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

i. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL (expected credit losses) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

ii. Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Statement of Cash Flows

The Company adopts the indirect method in the preparation of the statement of cash flows.

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

In the application of the Company's accounting policies, which are described in Note 3, the Directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The Directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. REVENUE

	2024 RM	2023 RM
Over time:		
Services rendered	<u>114,700,510</u>	<u>72,818,866</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

6. PROFIT BEFORE TAX

Profit before tax is arrived at after charging/(crediting) the following:

	2024 RM	2023 RM
Auditors' remuneration	36,000	35,000
Depreciation of property, plant and Equipment (Note 9)	156,022	119,531
Staff costs (Note 7)	4,527,892	14,201,014
Rental site office	49,400	49,400
Hibah income	<u>(3,666)</u>	<u>(16,100)</u>

7. STAFF COSTS

	2024 RM	2023 RM
Salaries and allowances	4,016,512	13,274,402
Contributions to:		
Employee Provident Fund	426,855	779,680
Social Security Contribution	49,925	83,729
Human Resource Development Fund	<u>34,600</u>	<u>63,203</u>
	<u>4,527,892</u>	<u>14,201,014</u>

8. TAX EXPENSE

	2024 RM	2023 RM
Estimated tax payable:		
Current year	2,765,671	2,716,334
Overprovision in prior years	<u>(53,585)</u>	<u>(39,426)</u>
	2,712,086	2,676,908
Deferred tax (Note 14):		
Current year	23,215	41,222
Overprovision in prior years	<u>(604)</u>	<u>-</u>
	<u>22,611</u>	<u>41,222</u>
	<u>2,734,697</u>	<u>2,718,130</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

A reconciliation of tax expense applicable to profit before tax at the statutory tax rate to tax expense at the effective tax rate of the Company is as follows:

	2024 RM	2023 RM
Profit before tax	<u>11,491,682</u>	<u>11,368,136</u>
Tax at statutory tax rate of 24% (2023: 24%)	2,758,004	2,728,353
Tax effects of:		
Expenses not deductible for tax purposes	31,762	33,067
Income not subject to tax	(880)	(3,864)
Overprovision of tax expense:		
Current tax	(53,585)	(39,426)
Deferred tax	<u>(604)</u>	<u>-</u>
	<u>2,734,697</u>	<u>2,718,130</u>

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

9. PROPERTY, PLANT AND EQUIPMENT

	Construction equipment RM	Furniture and fitting RM	Office equipment RM	Computer equipment RM	Work-in- progress RM	Total RM
Cost						
As of 1 January 2024	876,650	93,742	19,950	192,216	702,357	1,884,915
Additions	177,930	55,473	19,245	42,787	-	295,435
As of 31 December 2024	1,054,580	149,215	39,195	235,003	702,357	2,180,350
Accumulated depreciation						
As of 1 January 2024	587,138	15,780	1,227	37,068	-	641,213
Charges for the year	97,341	10,432	2,754	45,495	-	156,022
As of 31 December 2024	684,479	26,212	3,981	82,563	-	797,235
Net carrying amount						
As of 31 December 2024	370,101	123,003	35,214	152,440	702,357	1,383,115

(Forward)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Construction equipment RM	Furniture and fitting RM	Office equipment RM	Computer equipment RM	Work-in- progress RM	Total RM
Cost						
As of 1 January 2023	799,566	49,377	1,875	72,900	482,892	1,406,610
Additions	77,084	44,365	18,075	119,316	219,465	478,305
As of 31 December 2023	876,650	93,742	19,950	192,216	702,357	1,884,915
Accumulated depreciation						
As of 1 January 2023	507,779	6,459	288	7,156	-	521,682
Charges for the year	79,359	9,321	939	29,912	-	119,531
As of 31 December 2023	587,138	15,780	1,227	37,068	-	641,213
Net carrying amount						
As of 31 December 2023	289,512	77,962	18,723	155,148	702,357	1,243,702

*Work-in-progress represent development of Lot 153 at Pengerang Integrated Complex amounted RM702,357 (2023: RM702,357)

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

10. TRADE RECEIVABLES

	2024	2023
	RM	RM
Related parties	10,925,316	19,727,036
Third parties	<u>5,867,464</u>	<u>686,086</u>
	<u>16,792,780</u>	<u>20,413,122</u>

Trade receivables are non-interest bearing and normal trade credit terms granted by the Company is 30 days (2023: 30 days) from date of invoice.

Aging of trade receivables are categorised as follows:

	2024	2023
	RM	RM
Non-impaired:		
1 to 30 days	3,249,503	10,275,938
31 to 60 days	1,848,335	4,775,449
61 to 90 days	184,795	100,000
More than 90 days past due	<u>11,510,147</u>	<u>5,261,735</u>
	<u>16,792,780</u>	<u>20,413,122</u>

In determining the recoverability of a trade receivables, the Company considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of reporting year. The concentration of credit risk is limited due to the customer base being large and unrelated.

11. OTHER RECEIVABLES, DEPOSIT AND PREPAYMENTS

	2024	2023
	RM	RM
Other receivables	18,258,425	259,375
Refundable deposit	94,809	58,920
Prepayments	1,362	1,362
Advance to employees	<u>28,092</u>	<u>31,481</u>
	<u>18,382,688</u>	<u>351,138</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

12. AMOUNT OWING BY HOLDING COMPANY

Amount owing by holding company, which arose from non-trade transactions, payment made on behalf and reimbursement, is unsecured, interest-free and repayable on demand.

13. AMOUNT OWING BY RELATED COMPANIES

The Company is a subsidiary company of Shapadu Energy Services Sdn. Bhd., a company incorporated in Malaysia. The Director regard Shapadu Corporation Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company.

The Company is related to other subsidiary company within Shapadu Corporation Sdn. Bhd. Group.

The amount owing by related companies, which arose from non-trade transactions, payment made on behalf and reimbursement, is unsecured, interest-free and repayable on demand.

During the financial year, significant related companies transactions, which are entered into on terms negotiated between the parties, are as follows:

	2024	2023
	RM	RM
Related companies:		
Sales	49,879,549	68,297,543
Purchase	<u>(58,685,269)</u>	<u>(73,753,896)</u>

14. CASH AND CASH EQUIVALENTS

	2024	2023
	RM	RM
Cash and bank balance	1,832,361	14,964
Bank guarantee with a licensed bank	<u>259,375</u>	<u>-</u>
	2,091,736	14,964
Less: Bank guarantee pledged to a licensed bank	<u>(259,375)</u>	<u>-</u>
	<u>1,832,361</u>	<u>14,964</u>

The bank guarantee with a licensed bank have a maturity period of 1 year.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

15. SHARE CAPITAL

	2024	2023
	RM	RM
Issued and fully paid:		
100,000 ordinary shares	<u>100,000</u>	<u>100,000</u>

16. RETAINED EARNINGS

The retained earnings of the Company as of 31 December 2024 and 31 December 2023 are distributable profits and may be distributed as dividends under the single-tier system based on the tax regulations in Malaysia.

17. DEFERRED TAX LIABILITIES

	2024	2023
	RM	RM
As of 1 January 2024	74,025	32,803
Charge to profit or loss (Note 8):		
Current year:	23,215	41,222
Property, plant and equipment		
Overprovision in prior years:		
Property, plant and equipment	<u>(604)</u>	<u>-</u>
As of 31 December 2024	<u>96,636</u>	<u>74,025</u>

Deferred tax liabilities provided in the financial statement are in respect of the tax effects the following:

	2024	2023
	RM	RM
Deferred tax liabilities:		
Temporary differences arising from property, plant and equipment	<u>96,636</u>	<u>74,025</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

18. TRADE PAYABLES

	2024 RM	2023 RM
Third parties	10,804,138	7,561,395
Related party	<u>2,582,119</u>	<u>2,158,380</u>
	<u>13,386,257</u>	<u>9,719,775</u>

Trade payables are non-interest bearing and the credit terms granted to the Company is range term 30 days (2023: 30 days) from date of invoice. Other credit terms are assessed and approved on case-by-case basis.

19. OTHER PAYABLES AND ACCRUALS

	2024 RM	2023 RM
Other payables	16,679	6,293
Accruals	11,227,496	323,469
Dividend payable	<u>18,700,000</u>	<u>-</u>
	<u>29,944,175</u>	<u>329,762</u>

20. AMOUNT OWING TO ULTIMATE HOLDING COMPANY

The amount owing to ultimate holding company, arising from expenses paid on behalf and reimbursement, is unsecured, interest free and is repayable on demand.

21. DIVIDEND

	2024 RM	2023 RM
For the financial year ended:		
Final 31 December 2024	500,000	-
Interim 28 February 2024	<u>18,200,000</u>	<u>-</u>
	<u>18,700,000</u>	<u>-</u>

A final single tier dividend of RM500,000 and an interim single tier dividend of RM18,200,000 in respect of the current financial year was declared by the Company during the financial year.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

22. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**Capital Management**

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business.

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

	2024 RM	2023 RM
Financial assets		
At amortised cost:		
Trade receivables	16,792,780	20,413,122
Other receivables and deposit	18,381,326	349,776
Amount owing by holding company	12,724,578	7,047,688
Amount owing by related companies	344,300	1,595,300
Bank guarantee with a licensed bank	259,375	-
Cash and bank balance	<u>1,832,361</u>	<u>14,964</u>
	2024 RM	2023 RM
Financial liabilities		
At amortised cost:		
Trade payables	13,386,257	9,719,775
Other payable and accruals	29,944,175	329,762
Amount owing to ultimate holding company	<u>700,000</u>	<u>700,000</u>

Financial Risk Management Objectives and Policies

The Company are subject to a variety of financial risks, including credit, liquidity, interest rate and cash flow risks. The Company have taken measures to minimise their exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

The Company do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

(a) **Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises from trade receivables which comprise customers of the Company which 81% (2023: 78%) come from the third parties. Overdue balances are reviewed regularly by management of the Company.

Management has taken reasonable steps to ensure that receivables from customers that are neither past due nor impaired are stated at its realisable values.

The exposure of credit risk for receivables as at the end of the reporting period is solely from the domestic region.

(b) **Liquidity risk**

The Company practise prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient funds for contingent funding requirement of working capital.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations:

	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Within 1 year RM
31 December 2024				
Financial liabilities:				
Trade payable	13,386,257	-	13,386,257	13,386,257
Other payables and accruals	29,944,175	-	29,944,175	29,944,175
Amount owing to ultimate holding company	<u>700,000</u>		<u>700,000</u>	<u>700,000</u>
Total undiscounted financial liabilities	<u>44,030,432</u>		<u>44,030,432</u>	<u>44,030,432</u>
31 December 2023				
Financial liabilities:				
Trade payable	9,719,775	-	9,719,775	9,719,775
Other payables and accruals	329,762	-	329,762	329,762
Amount owing to ultimate holding company	<u>700,000</u>		<u>700,000</u>	<u>700,000</u>
Total undiscounted financial liabilities	<u>10,749,537</u>		<u>10,749,537</u>	<u>10,749,537</u>

APPENDIX I – INFORMATION ON SHAPADU ENERGY AND SCRA (CONT'D)

11. AUDITED FINANCIAL STATEMENTS OF SCRA FOR THE FYE 2024

Company No. 201901029829 (1339159 - X)

c) **Fair value risk**

Fair value of financial assets and financial liabilities of the Company as of 31 December 2024 and 31 December 2023 are not materially different from their carrying values due to the relatively short-term maturity of these financial instruments.

APPENDIX II – SALIENT TERMS OF THE SSA

The salient terms of the SSA are as follows:-

1.	Parties involved	GFM and SPC.
2.	Purchase consideration	RM30,000,000.
3.	Mode of payment	The Purchase Consideration of RM30,000,000.00 shall be paid by GFM in the following manner: - upon execution of the SSA, RM3,000,000.00 ("Deposit") shall be deposited with SPC's solicitors as stakeholder who shall be authorised to release the same to SPC within 5 business days from the date on which the last of the Condition Precedent (as defined in Section 4 of this Appendix II) is satisfied or waived; and - on the Completion Date (as defined in Section 5 of this Appendix II), RM27,000,000.00 shall be deposited with SPC's solicitors as stakeholder who shall be authorised to release the same to SPC within 5 business days from the Completion Date.
4.	Conditions precedent	The Proposed Acquisition is conditional upon the satisfaction (or waiver by GFM in accordance with the SSA) of the following conditions precedent ("Conditions Precedent") by 5.00pm on the date that is 12 months from the date of the SSA ("Stop Date"):- - all shares in SESSB, held by Shapadu Energy, have been transferred to a third party determined by SPC; - SPC having delivered to GFM the duly executed and stamped Deed of Assignment under which, SESSB assigns to Shapadu Energy all SESSB's rights and benefits in and to the 40,000 ordinary shares in SCRA currently held by CR3 in trust for SESSB; - SPC having obtained the written consent of PRCSB and PPCSB consenting to Shapadu Energy's existing group structure; - SPC having obtained the written consent of CR3 in relation to the transfer of 60% equity interest in SCRA from SESSB to Shapadu Energy; - SPC having delivered to GFM the audited financial statements of SESSB for financial year ended 2024 and the same reflects that SESSB owns 40% equity interest in SCRA; - SPC having delivered to GFM the audited consolidated financial statements of Shapadu Energy and SCRA for financial year ended 2024; - GFM having conducted a due diligence on the legal, financial, taxation of Shapadu Energy and SCRA, and is satisfied with the results from the due diligence as confirmed in writing by GFM; and

APPENDIX II – SALIENT TERMS OF THE SSA (CONT'D)

		viii. the passing at a general meeting of GFM of the requisite resolutions authorising GFM to purchase the 60% equity interest in Shapadu Energy in accordance with the terms of the SSA, if required. If any of the Conditions Precedent is not satisfied or waived by 5.00 pm on the Stop Date, SPC's solicitors shall within 7 days refund the Deposit to GFM without interest and thereafter, the agreement constituted by the SSA shall thereupon become void and of no effect except as regards and without prejudice to any and all rights of action of the parties for any prior breach of any of the provisions of the SSA.
5.	Completion	Completion of the Proposed Acquisition shall take place within the period of 7 business days from the date the last of the Conditions Precedent is satisfied or waived. The date on which the Proposed Acquisition is completed in accordance with the SSA shall be referred to as the "Completion Date".
6.	Termination	<u>Termination by GFM</u> GFM is entitled to terminate the SSA if, at any time at or before completion:- - SPC commits a material breach of any of its obligations under the SSA which: - is incapable of remedy; or - if capable of remedy, is not remedied within 30 business days of it being given notice to do so; - a petition is presented (and such petition is not struck-out within 14 business days of the petition being served) or an order is made or a resolution is passed for the winding up of SPC or SCRA; - an administrator or receiver and manager is appointed over, or distress, attachment or execution is levied or enforced upon, any part of the assets or undertaking of SPC or SCRA. <u>Termination by SPC</u> SPC is entitled to terminate the SSA if, at any time at or before completion:- - GFM commits a material breach of any of its obligations under the SSA which: - is incapable of remedy; or - if capable of remedy, is not remedied within 30 business days of it being given notice to do so; - a petition is presented (and such petition is not struck-out within 14 business days of the petition being served) or an order is made or a resolution is passed for the winding up of GFM.
7.	Governing law	Laws of Malaysia.

APPENDIX III – SALIENT TERMS OF THE CALL OPTION AGREEMENT

The salient terms of the Call Option Agreement are as follows:-

1.	Parties involved	GFM and SPC.
2.	Conditionality and effective date	The Call Option Agreement is conditional upon the completion of the SSA and shall be effective on the date on which completion of the SSA takes place.
3.	Call option	GFM irrevocably grants to SPC the right, exercisable at any time during the period of 24 months from the completion of the SSA ("Option Period"), for SPC to acquire and purchase such number of ordinary shares equivalent to fifteen percent (15%) of the total paid-up capital of Shapadu Energy held by GFM ("Option Shares") from GFM ("Call Option") in accordance with the Call Option Agreement. The Call Option: i. may only be exercised upon the occurrence of a Listing*; ii. may only be exercised during the Option Period; iii. shall be exercisable by SPC upon issuance of an exercise notice to GFM; and iv. shall lapse if not exercised within the Option Period. <i>Note: *means SPC, or via its designated entity, having appointed a recognised principal adviser and submitted an application, to Securities Commission Malaysia or Bursa Malaysia Securities Berhad, as the case may be, for the initial public offering of shares of SCRA or via an initial public offering of shares of another company on any recognised stock market in Malaysia.</i>
4.	Call Option price	RM10,000,000.00 and the same shall be paid on completion of the sale and purchase of the Option Shares.
5.	Completion	Completion of the sale and purchase of the Option Shares shall take place within the period of 7 business days from the date GFM receives the exercise notice from SPC.
6.	Governing law	Laws of Malaysia.

APPENDIX IV – SALIENT TERMS OF THE SHA

The salient terms of the SHA are as follows:-

1.	Parties involved	GFM, SPC, and Shapadu Energy.		
2.	Shareholdings	Shareholder	Number of Shares	Equity Proportion (%)
		GFM	60,000	60.00%
		SPC	40,000	40.00%
		TOTAL	100,000	100.00%
3.	Conditionality and effective date	The SHA is conditional upon the completion of the SSA and shall be effective on the date on which completion of the SSA takes place.		
4.	Directors and Chairperson	The board of directors of Shapadu Energy ("SE Board") shall at all times during the continuance of the SHA be 3 of whom: i. GFM shall have the right, but shall not be obliged, to nominate up to 2 directors; and ii. SPC shall have the right, but shall not be obliged, to nominate up to 1 director. The SE Board shall appoint one of the directors nominated by GFM as the chairperson of the SE Board ("Chairperson") to chair the SE Board meeting and Shapadu Energy's shareholders' meeting. In the event SPC exercises the Proposed Call Option and holds 55% of the entire issued share capital of Shapadu Energy: i. the composition of the SE Board shall be as follows: a. GFM shall have the right, but shall not be obliged, to nominate up to 1 director; and b. SPC shall have the right, but shall not be obliged, to nominate up to 2 directors. ii. the Chairperson shall be a director nominated by SPC.		
5.	Reserved matters	The shareholders shall ensure that no action or decision is taken (whether by the SE Board, Shapadu Energy or any of the officers of the Shapadu Energy) to effect or proceed with among others, any of the following matters, unless it is approved by the affirmative votes of all the shareholders: i. any change to the share capital of Shapadu Energy or its subsidiaries ("SE Group"); ii. any alteration to or amendment of the constitution of any company within the SE Group; iii. initiation or undertaking of any action which will result in the dissolution, liquidation, bankruptcy or winding-up of any company within the SE Group, whether or not voluntary, or any restructuring or reorganisation which has a similar effect;		

APPENDIX IV – SALIENT TERMS OF THE SHA (CONT'D)

		iv. unless permitted under the SHA, any company within the SE Group declaring or paying dividends, or making any distributions; and v. entering into any related party transactions by any company within the SE Group.
6.	Working capital requirement in SCRA	If SCRA requires additional working capital after the Proposed Acquisition, Shapadu Energy shall advance Ringgit Malaysia Five Million (RM5,000,000.00) to SCRA. Such advance shall be funded by rights issue by the Shapadu Energy to the shareholders, and the shareholders shall subscribe for their proportionate entitlement based on their shareholding in Shapadu Energy at the time of the rights issue.
7.	Restrictions on transfer of shares	Unless undertaken in accordance with the SHA, neither GFM nor SPC shall: i. transfer its shares in Shapadu Energy ("SE Shares"); ii. grant an option over any of its SE Shares or any interest in any SE Shares; or iii. enter into any agreement in respect of votes attached to any SE Shares. If either GFM or SPC intends to transfer any of its SE Shares ("Transferor") to a bona fide third party ("Transferee"), the Transferor must first offer the same to the other shareholder ("Offer"). If the Offer is not accepted by the other shareholder, then the Transferor may transfer the said SE Shares to the Transferee on terms and conditions not more favourable than those contained in the Offer. The restriction above shall not apply to any transfer of SE Shares by GFM to any of its subsidiaries.
8.	Non-Competition	Each shareholder undertakes to the other that it shall not, without the prior written consent of all shareholders, either alone or jointly with, through or on behalf of (whether as director, partner, consultant, manager, employee, agent or otherwise) any person, directly or indirectly: i. create, carry on or be engaged or concerned or interested in business which is in competition with the SE Group at any time during the term of the SHA; ii. seek to compete with the business of the SE Group during the term of the SHA; iii. engage or employ, or solicit or contact with a view to the engagement or employment by any person, any senior employee, officer or manager of any person who has been a senior employee, officer or manager of a company within the SE Group at any time during the term the SHA; and

APPENDIX IV – SALIENT TERMS OF THE SHA (CONT'D)

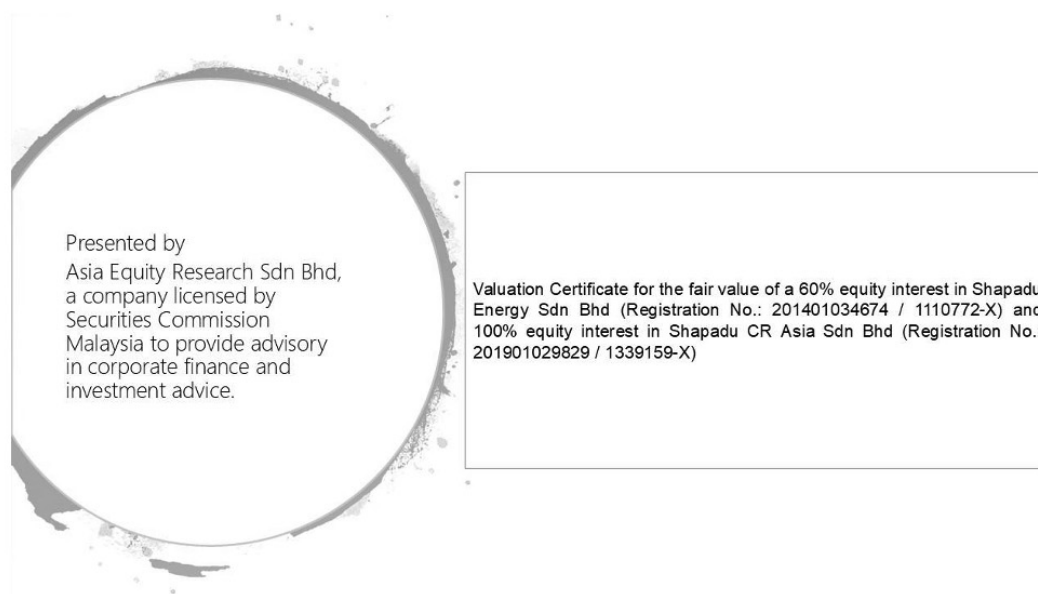
		iv. seek to contract with or engage (in such a way as to adversely affect the SE Group) any person who has been contracted with or engaged to supply or deliver products, goods or services to the SE Group during the term of the SHA. The restrictions above: i. shall apply while a shareholder holds SE Shares and for a period of 2 years from the later of the date of termination of the SHA or after cessation of holding SE Shares; and ii. shall not apply to GFM in respect of its interest in HSSB.
9.	Dividend policy	Subject to any restrictions under applicable law and any restrictions applicable to Shapadu Energy, the SE Board shall propose to Shapadu Energy in respect of the declaration and distribution of dividend to the shareholders of at least 30% of the SE Group's profit after tax in respect of each financial year during the term of the SHA or any other amount to be determined by the SE Board.
10.	Termination	The SHA shall terminate on the earliest to occur of: i. the date on which one shareholder holds all the issued shares in the capital of Shapadu Energy; ii. the date on which the SHA is terminated by the written agreement of all shareholders; and iii. the date on which an effective resolution is passed or a binding order is made for the winding-up of Shapadu Energy.
11.	Governing law	Laws of Malaysia.

APPENDIX V – SALIENT TERMS OF THE DEED OF ASSIGNMENT

The salient terms of the Deed of Assignment to be executed pursuant to the SSA are as follows:-

1.	Parties involved	SESSB and Shapadu Energy.
2.	Assignment	SESSB irrevocably and unconditionally assigns, transfers, and conveys absolutely to Shapadu Energy all of its rights, title, interests, and benefits in and to the Trust Shares and Trust Deed with effect from the date of this Deed of Assignment.
3.	Consideration	RM100.00 to be paid by Shapadu Energy to SESSB.
4.	SESSB's Undertaking	SESSB undertakes to immediately notify CR3 of the assignment contemplated under this Deed of Assignment and do all acts and execute all documents as may reasonably be required by Shapadu Energy to perfect or give full effect to this assignment.
4.	Governing law	Laws of Malaysia.

VALUATION CERTIFICATE FOR THE FAIR VALUE OF A 60% EQUITY INTEREST IN SHAPADU ENERGY SDN BHD AND 100% EQUITY INTEREST IN SHAPADU CR ASIA SDN BHD



Independent Fair Valuation Certificate ("Valuation Certificate") is prepared by Asia Equity Research Sdn Bhd ("AER"), a company licensed by Securities Commission Malaysia in providing advisory in Corporate Finance and Investment Advice, for the board of directors of GFM Services Berhad ("**GFM**" or "**the Company**").

AER is not making any representation or warranty, expressed or implied, as to the contents of this Valuation Certificate. No liability whatsoever is accepted by AER for the accuracy of any information or opinions contained in this Valuation Certificate.

The directors of GFM are responsible to make available to us all relevant financial information pertaining to this fair valuation exercise, including informing us of any material changes which may have an impact on our valuation.

We have relied on information furnished to us by GFM, external information which is extracted from Bloomberg, information published in public domain and our own analysis in order for us to prepare this Valuation Certificate.

The preparation of the Valuation Certificate is based on prevailing economic, market and other conditions which may change over time.

Our Valuation Certificate is prepared based on the information / representation supplied to us on valuation date is correct / accurate. The result of our appraisal is also dependent upon no material omission of any information / representation of which the inclusion of such information / representation may have significant effects on the fair valuation results appraised by us. We reserve the exclusive right to revise our Valuation Certificate considering any information that existed at the date of the Valuation Certificate but which becomes known to us subsequent to the date of the Valuation Certificate.

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1 July 2025

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)



ASIA EQUITY RESEARCH SDN BHD

Registration No.: 201401027762 (1103848-M)

(License Number: eCMSL/A0330/2015)

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1 July 2025

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Horizon 2 Bangsar South City

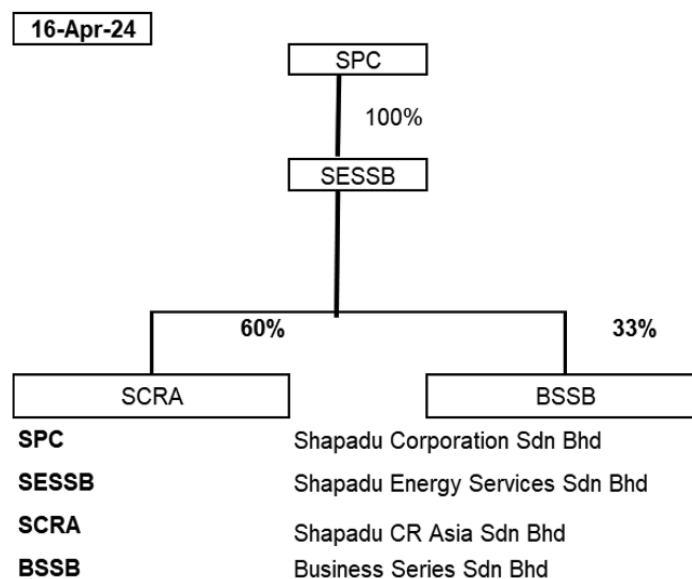
59200 Kuala Lumpur, Malaysia

Dear sirs,

ASCRIBING THE FAIR VALUE FOR 60% EQUITY INTEREST IN SHAPADU ENERGY SDN BHD AND 100% EQUITY INTEREST IN SHAPADU CR ASIA SDN BHD

1. BACKGROUND

On 3 June 2024, GFM engaged AER to perform a due diligence on Shapadu Energy Services Sdn Bhd ("SESSB") and Shapadu CR Asia Sdn Bhd ("SCRA"). We issued our report on 16 April 2024. In our report dated 16 April 2024, the corporate structure on 16 April 2024 was as shown below:-



APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

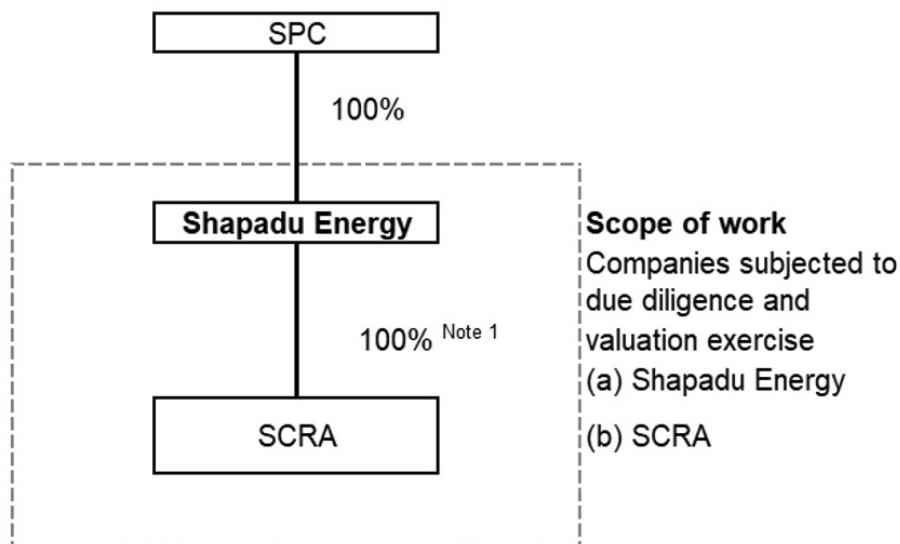
As of 1 July 2025 ("**Report Date**"), the holding company of SCRA is Shapadu Energy Sdn Bhd ("**Shapadu Energy**"), previously SESSB as of 16 April 2024. Shapadu Energy owns 100% in SCRA and 100% in SESSB. For appraising the fair value of Shapadu Energy group, we were instructed to appraise Shapadu Energy and 100% of SCRA. SESSB is excluded from the valuation as it will be disposed of by Shapadu Energy. The corporate structure diagram is below:

	RM'000 (31 Dec) FYE 2022	RM'000 (31 Dec) FYE 2023	RM'000 (31 Dec) FYE 2024
Revenue	44,083	72,819	114,701
PAT	3,685	8,650	8,757
NA	7,746	16,396	6,453
No. of shares	100,000	100,000	100,000
ROE, %	48%	53%	136%
Net margin, %	8%	12%	8%

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2. SCOPE OF WORK OF AER

To appraise 100% in Shapadu Energy and 100% in SCRA



Note 1- Shapadu Energy and CR3 having completed the execution of a trust deed under terms acceptable to GFM, confirming that CR3 is holding the 40,000 ordinary shares in SCRA in trust for Shapadu Energy.

We were instructed with appraising the fair value of Shapadu Energy Group, which includes Shapadu Energy and a 100% equity interest in SCRA. While Shapadu Energy typically holds a 60% equity interest in SCRA, you requested that we value it as a 100% interest. This is based on a trust deed executed between Shapadu Energy and CR3, under terms acceptable to GFM, confirming CR3 holds the 40,000 ordinary shares in SCRA in trust for Shapadu Energy.

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APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

3. OPINION OF VALUE

Using the FCFE approach, the fair value for the **60%** equity interest in Shapadu Energy is between the range of **RM30.52 million to RM32.71 million** as presented in the table below.

Item number	Description	Minimum range	Maximum range	Source of reference
1	Fair value of 100% equity interest in Shapadu Energy Group, RM million	50.87	54.51	Appendix 1
2	Fair value of 60% equity interest in Shapadu Energy Group, RM million	30.52	32.71	Appendix 1
3	Equity discount rate	8.16%	8.16%	Appendix 4A
4	DLOM ^{Note 1} Shapadu Energy Group is a private company and to account for illiquidity risk, a DLOM has been applied.	30%	25%	
5a	Cross Check Implied P/E based on FYE 31 December 2024's results	5.81 times	6.22 times	Appendix 1
	Trailing P/E of Comparable Companies	6.25 times – 11.62 times		Appendix 6A
5b	Implied EV/EBITDA based on FYE 31 December 2024's results	4.19 times	4.50 times	Appendix 1
	Cross Check Trailing EV/EBITDA of Comparable Companies	2.02 times – 4.79 times		Appendix 6B

Note 1 - DLOM

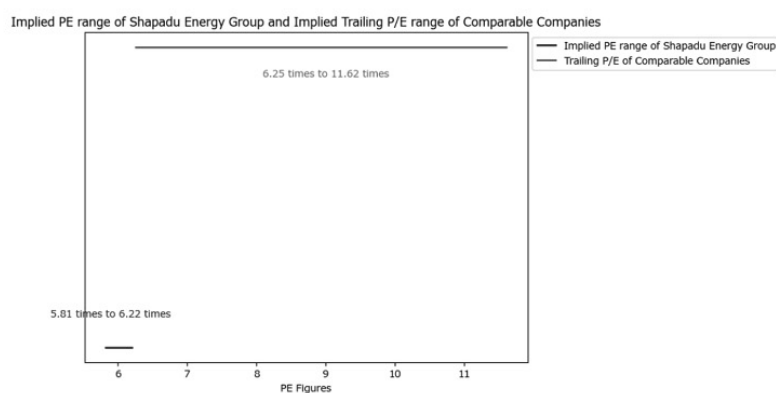
DLOM reduces a private company's value to account for the challenge of selling its shares compared to publicly traded companies. Public company shares are listed on exchanges, making them easier to buy and sell. However, unlisted company shares lack such platforms, requiring significant time and effort to market. The discount is evident when comparing pre-IPO and post-IPO prices, reflecting higher risk and lower liquidity of a private company like Shapadu Energy Group.

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

4. SECONDARY APPROACH – Cross Checking

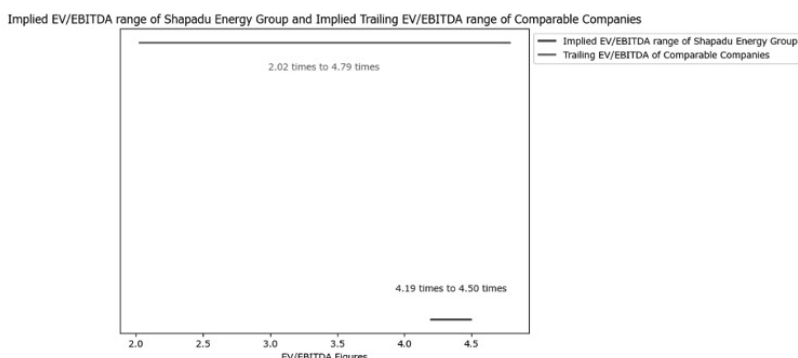
4.1 Implied P/E

As a cross check, the fair value range for the 60% equity interest in Shapadu Energy Group of between RM30.52 million and RM32.71 million, shall translate to an implied trailing P/E based on the PAT of SCRA in FYE 31 December 2024 of SCRA between 5.81 times to 6.22 times respectively. In comparison, the traded trailing P/E multiple of the Comparable Companies are between 6.25 times to 11.62 times. The implied P/E based on the projected PAT in FYE 31 December 2024 falls **lower than** the range of P/E of the Comparable Companies.



4.2 Implied EV/EBITDA

As a cross check, the fair value range for the 60% equity interest in Shapadu Energy Group of between RM30.52 million and RM32.71 million, shall translate to an implied trailing EV/EBITDA based on EBITDA of SCRA in FYE 31 December 2024 of between 4.19 times to 4.50 times respectively. In comparison, the traded trailing EV/EBITDA multiple of the Comparable Companies are between 2.02 times to 4.79 times. The implied EV/EBITDA based on the projected EBITDA in FYE 31 December 2024 falls **within** the range of EV/EBITDA of the Comparable Companies.



Note: As at date of Report, Shapadu Energy has no reported revenue with an audited net liability of approximately RM18,000.

Hence, we concluded that the results of the appraisal are **reasonable**.

5. SOURCES OF INFORMATION

The information provided to us is listed in **Appendix 8** of this Valuation Certificate. We clarified, cross-checked, and confirmed the sources of the information. However, we do not guarantee or take responsibility for its accuracy or completeness.

Important notice

GFM / SPC provided the projected Future Financials. We reviewed their assumptions and methodologies to understand the projections and assess their credibility in determining Shapadu Energy Group's fair equity value. However, we do not guarantee nor provide any form or assurance on these projections as future performance may vary materially due to market conditions, economic factors, and company-specific events.

Our work process involved assessing the reasonableness of key assumptions, such as revenue growth, projected gross margin, and net margin. This included cross-checks, sensitivity analysis, industry benchmark comparisons with selected comparable companies, and discussions with management. It is important to note that this review is not an audit or assurance engagement.

We referred to International Valuation Standards set by the International Valuation Standards Council for our fair valuation exercise. Our fair valuation results are based on market inputs and management's assumptions, which carry risks and uncertainties. These factors may result in actual outcomes differing significantly from projections, potentially affecting the appraised fair valuation range.

We are not responsible for any losses based on the valuation results. Please read this report and its appendices carefully to fully understand its contents.

6. DECLARATION OF INDEPENDENCE

AER and/or its directors and staff who are involved in this exercise do not own any equity ownership of the SIB's shares or are involved in any advisory matters except being mandated to perform our scope of issuing a Valuation Certificate.

Yours faithfully
ASIA EQUITY RESEARCH SDN BHD



ONG TEE CHIN, CFA, FRM, CAIA
DIRECTOR

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

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APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

DEFINITIONS

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

"AER" or "Independent Adviser"	Asia Equity Research Sdn Bhd (Registration No.: 201401027762 / 1103848-M), a company licensed by the Securities Commission Malaysia to provide advisory services in corporate finance and investment advice
"β" or Beta	" β " or "beta" is a risk measurement that measures industry and financial risk of a listed company. The industry risk that are measured are general risk affecting a listed company, i.e., also known as systematic risk. It does not measure company specific risk. The beta measurement when the financial risk is excluded is known as unlevered beta, and the beta measurement that includes the financial risk element is known as levered beta
"Bursa Securities"	Bursa Securities Malaysia Berhad (Registration No.: 200301033577 / 635998-W)
"BSSB"	Business Series Sdn Bhd (Registration No.: 199701036628 / 452128-T)
"CAPM"	Capital Asset Pricing Model
"Comparable Companies"	Selected companies listed on listing exchanges that are involved in facility management services at Valuation Date
"CR3"	CR3 (Malaysia) Sdn Bhd, formerly known as CR Asia (Malaysia) Sdn Bhd (Registration No.: 199301001653 / 256390-U)
"DLOM"	Discount for Lack of Marketability when a valuation exercise involves a private company that do not have exchange to trade for its shares
"EBITDA"	Enterprise value as a percentage of trailing 12-month earnings before interest, taxes, depreciation, and amortization
"EV"	Enterprise value
"EV/EBITDA"	EV divided by EBITDA, multiple
"FCFE"	Free Cash Flow to Equity
"Future Financials"	Financial projections of SCRA from FYE 31 December 2025 to FYE 31 December 2029, prepared by SPC and provided to GFM and then to us
"FYE"	Financial year ended / ending
"GFM"	GFM Services Berhad (Registration No.: 201301003302 / 1033141-H)
"SCRA"	Shapadu Cr Asia Sdn. Bhd. (Registration No.: 201901029829 / 1339159-X)

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

“SESSB”	Shapadu Energy Services Sdn Bhd (Registration No.: 198001011101 / 64887-V)
“Shapadu Energy”	Shapadu Energy Sdn Bhd (Registration No.: 201401034674 / 1110772-X)
“Shapadu Energy Group”	Shapadu Energy and 100% of SCRA
“SPC or SCSB”	Shapadu Corporation Sdn.Bhd. (Registration No.: 198401004202 / 116721-M)
“PAT”	Profit after tax
“P/E”	Price-to-earnings ratio
“RM”	Ringgit Malaysia
“TA4MS”:	contracts awarded to SCRA by Pengerang Petrochemical Company Sdn Bhd and Pengerang Refining Company Sdn Bhd which are service agreements for Integrated Turnaround Main Mechanical and Maintenance Mechanical Static. Integrated Turnaround (TA): Refers to major, periodic plant shutdowns for inspection, maintenance, and repairs, often encompassing the most critical and complex tasks in industrial facilities (e.g., refineries, petrochemical plants). Main Mechanical: Focuses on the core mechanical systems and equipment. Maintenance Mechanical Static: Pertains to routine and preventive maintenance of static (non-rotating) mechanical assets, such as pressure vessels, piping, tanks, exchangers, and structural steel.
“Valuation Certificate”	Independent Valuation Certificate on appraising the fair value of 60% equity interest in Shapadu Energy Group
“Valuation Date”	19 June 2025

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APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

1. FAIR EQUITY VALUE FOR 60% EQUITY INTEREST IN SHAPADU ENERGY AND 100% EQUITY INTEREST IN SCRA

1.1 Primary approach – FCFE

Using the FCFE approach, the fair value for the **60%** equity interest in Shapadu Energy is between the range of **RM30.52 million to RM32.71 million** as presented in the table below.

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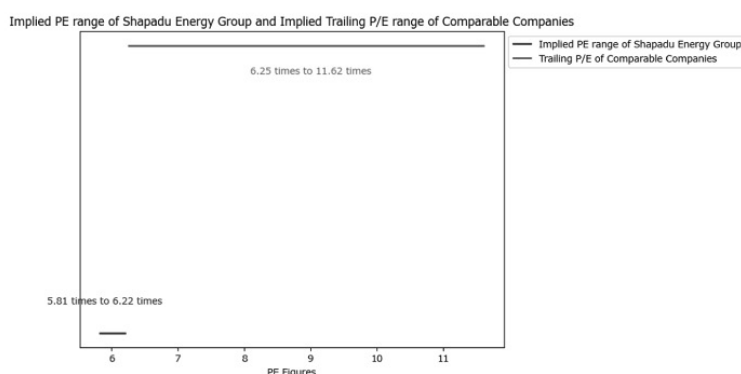
DLOM reduces a private company's value to account for the challenge of selling its shares compared to publicly traded companies. Public company shares are listed on exchanges, making them easier to buy and sell. However, unlisted company shares lack such platforms, requiring significant time and effort to market. The discount is evident when comparing pre-IPO and post-IPO prices, reflecting higher risk and lower liquidity of a private company like Shapadu Energy Group.

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

1.2 Secondary approach – Cross Checking

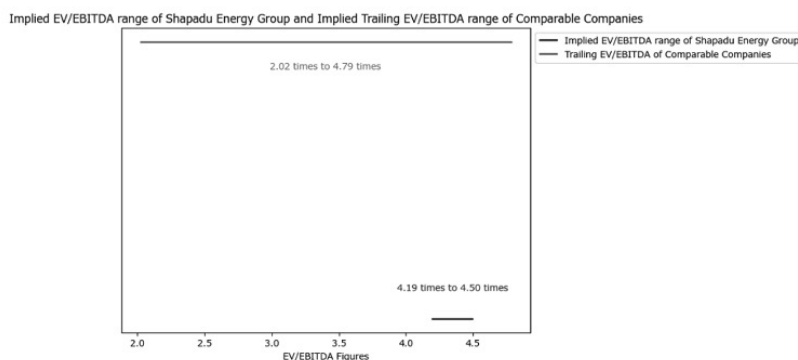
1.2.1 Implied P/E

As a cross check, the fair value range for the 60% equity interest in Shapadu Energy Group of between RM30.52 million and RM32.71 million, shall translate to an implied trailing P/E based on the PAT of SCRA in FYE 31 December 2024 of between 5.81 times to 6.22 times respectively. In comparison, the traded trailing P/E multiple of the Comparable Companies are between 6.25 times to 11.62 times. The implied P/E based on the proforma PAT in FYE 31 December 2024 falls **lower than** the range of P/E of the Comparable Companies.



1.2.2 Implied EV/EBITDA

As a cross check, the fair value range for the 60% equity interest in Shapadu Energy Group of between RM30.52 million and RM32.71 million, shall translate to an implied trailing EV/EBITDA based on EBITDA of SCRA in FYE 31 December 2024 of between 4.19 times to 4.50 times respectively. In comparison, the traded trailing EV/EBITDA multiple of the Comparable Companies are between 2.02 times to 4.79 times. The implied EV/EBITDA based on the proforma EBITDA in FYE 31 December 2024 falls **within** the range of EV/EBITDA of the Comparable Companies.



Note: As at date of Report, Shapadu Energy has no reported revenue with an audited net liability of approximately RM18,000.

Hence, we concluded that the results of the appraisal are **reasonable**.

2. COMPARABLE COMPANIES

Criteria of selection adopted by AER:-

- A. The criteria for selection emphasized companies with operations in facility management services
- B. The market capitalisation on Valuation Date should not exceed RM150 million.

Comparable Companies Listed on Bursa Malaysia

1. GFM Services Berhad (“GFM”)

GFM's principal activity in facility management services is the comprehensive delivery of both hard and soft services, ensuring the seamless operation, safety, and comfort of buildings. This includes maintaining essential systems such as MEP (Mechanical, Electrical, and Plumbing), HVAC (Heating, Ventilation, and Air Conditioning), fire safety, and infrastructure, alongside enhancing the occupant experience through cleaning, security, and landscaping. In addition, GFM provides specialized services like energy management, sustainability consulting, and smart building solutions, all aimed at optimizing facility performance, reducing costs, and supporting long-term sustainability.

2. AWC Berhad (“AWC”)

AWC's core activity in facility management is delivered through its subsidiary Ambang Wira Sdn Bhd (AWSB), which provides integrated facilities management services across Malaysia. This includes the maintenance of biomedical and engineering facilities, security, and cleaning services for both government and commercial properties. The division's main income is derived from a concession with the Federal Government to manage facilities in the Southern Zone and Sarawak — covering tasks such as engineering maintenance and the Critical Asset Refurbishment Programme — ensuring seamless, high-quality environments for its clients.

3. Widad Group Berhad (“Widad”)

Widad's facility management services comprise a core pillar of its business, providing comprehensive solutions that span scheduled and ad hoc maintenance, property management, mechanical and electrical upkeep, as well as civil and structural works. With nearly two decades of expertise in the domestic market, Widad ensures cost-effective, high-quality service delivery by adhering to international quality management standards and leveraging advanced technology. Its offerings cover everything from cleaning, landscaping, and security to specialised engineering projects, making Widad a leading provider in maintaining and enhancing customer facilities throughout their asset lifecycle.

4. UEM Edgenta Berhad (“UEM Edgenta”)

UEM Edgenta's principal activity centres on delivering comprehensive facility management services, utilising technology-driven solutions to optimise building operations and enhance asset value throughout their lifecycle. Their offering encompasses end-to-end maintenance and management for healthcare institutions — including over 250 hospitals — and extends to other property sectors through services such as strategic planning, upgrades, energy management, sustainability programs, and continuous innovation. By leveraging data-driven insights and cloud connectivity, UEM Edgenta ensures efficient operations, cost reductions, and improved performance, all while embedding ESG (Environmental, Social, and Governance) standards and sustainability initiatives at the core of their facility management approach.

Note:

AWC and UEM Edgenta do not operate directly within the oil and gas maintenance sector; however, they were included as Comparable Companies based on their significant involvement in integrated facilities management across multiple industries. Restricting the benchmark to companies exclusively engaged in oil and gas facility management would have resulted in a smaller peer set, potentially affecting the statistical validity and comprehensiveness of the analysis.

3. RISK CONSIDERATION IN FAIR VALUATION ASCRIBED

The fair valuation ascribed for Shapadu Energy Group, could be affected by a number of major risk factors such as the following broad categories amongst others: -

- (i) In the use of FCFE approach, the model relies on the assumptions of the Future Financials. If these assumptions are inaccurate or overly optimistic, this could affect the fair value ascribed for the 60% equity interest of Shapadu Energy Group.

We have mitigated the risk of valuation by substantiating each of the key inputs and perform a cross-checking with the value range of the Comparable Companies.

- (ii) Any unforeseen factors that resulted in the projected FCFE being lower than projected, shall translate to a discount to the fair value ascribed by us.

Factors that could cause the lower projected FCFE include:-

- (a) Revenue Volatility: Projected revenues indicate notable growth between FY2025 and FY2027, with a subsequent decrease anticipated in FY2028 due to SPC's expectation of being awarded significant turnaround work for the Pengerang project in 2027. Although information about the turnaround work for Pengerang facilities is available from public sources, the actual scale, timing, and value may differ from SCRA's assumptions. Should the eventual sales and amounts be lower than projected, this would negatively impact the fair value assessment.

"Based on PETRONAS' plan, approximately 50 turnarounds and shutdowns are scheduled from 2025 to 2027; mainly to be held in five regions i.e. Sabah, Sarawak, Kertih, Melaka and Pengerang. These activities require significant manpower particularly in Q2 2026 and Q1 2027. The dynamic and resource-intensive work demands skilled labour, highlighting potential gaps in trades like mechanical fitters, scaffolders and welders."

Source:-  3aa. Petronas Outlook Page 33 Petronas Activity Outlook 2025-2027, Updated as of 29 April 2025

- (b) Profitability Margins: Gross profit and EBITDA margins fluctuate throughout the forecast, suggesting challenges in maintaining consistent profitability due to variable costs and operational efficiency.
- (c) Cost Management: Administrative and operating expenses increase with revenue, but their proportion varies. Effective cost control is essential, especially in years of revenue decline.
- (d) Financial Structure: The business relies on some debt, and rapid growth may require more financing, increasing exposure to interest rate risk.
- (e) Operational Risks: The company faces risks in scaling operations quickly, dependency on cyclical industries like energy, and potential project execution issues such as delays or cost overruns.
- (f) Market and Competition: Increased competition or industry-specific shifts (like oil price changes or new technologies) could affect business performance. The revenue forecast may fall below expectations.

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

- (iii) We were provided copies of service agreements involving TA4MS works to be provided by SCRA to Pengerang Refining Company Sdn Bhd and Pengerang Petrochemical Company Sdn Bhd with options to renew. For the Future Financials, SCRA had assumed that projection period until 31 December 2029. In the event that the contracts were terminated earlier, this shall represent a loss of revenue to SCRA and shall have a negative effect on the fair value as appraised by us.
- (iv) Any unforeseen cost overrun that resulted in lower return of equity shall represent a discount to the fair value ascribed by us.
- (v) Global and regional economic activity, which is dependent on a number of factors such as political and macro-economic factors beyond the control of Shapadu Energy Group subjected to fair valuation exercise. Significant global events that affect the regional and global growth may translate to lesser business volumes and accordingly shall negatively affect the fair valuation. During such period, valuation metrics may also change as investors tend to become risk adverse in most asset classes of investments and hence requiring higher required rate of return in appraising its valuation during periods of uncertainties which translate to a lower fair value range.
- (vi) Changes in investor's risk appetite in the equity capital markets may contribute either positively or negatively to the fair value as appraised by us. In circumstances that lead to risk aversion shall result in lesser weightings allocated to equity capital markets and hence causing the equity price to be lower than the fair value as ascribed. Conversely, in circumstances that lead to increasing risk appetite shall result in increased weights allocated to equity capital markets and hence causing the equity price to be higher than its fair value as ascribed.

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APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 1 – Minimum and maximum value range for 60% equity interest in Shapadu Energy and 100% equity interest in SCRA

	Fair 60% equity value in Shapadu Energy Group (RM million)	P/E Multiple	EV/EBITDA Multiple
Minimum	30.52	5.81	4.19
Maximum	32.71	6.22	4.50
Range of Comparable Companies		6.25 to 11.62 times	2.02 times to 4.79 times

Projected Future Financials of Shapadu CR Asia Sdn Bhd						
RM'000	(31 Dec) FYE2025	(31 Dec) FYE2026	(31 Dec) FYE2027	(31 Dec) FYE2028	(31 Dec) FYE2029	Total
Revenue	126,000	188,600	442,548	152,460	167,706	
Cost of Sales	(105,313)	(155,508)	(364,317)	(127,058)	(139,764)	
Gross Profit	20,687	33,092	78,231	25,402	27,942	
Administrative Expenses	(8,276)	(8,773)	(17,545)	(9,299)	(9,857)	
Other Operating Expenses	(159)	(168)	(337)	(178)	(189)	
Other Operating Income	4	4	8	4	5	
Profits from Operations	12,256	24,155	60,357	15,929	17,901	
Finance Costs	(13)	(14)	(28)	(15)	(16)	
Profit Before Tax	12,243	24,141	60,329	15,914	17,885	
Tax Expense	(2,938)	(5,794)	(14,479)	(3,819)	(4,292)	= (31,322)
Profit After Tax	9,304	18,347	45,850	12,094	13,592	= 99,187
Profit from operations included						
Depreciation of property, plant and equipment	159	168	337	178	189	
EBITDA (RM'000)	12,415	24,323	60,694	16,107	18,090	= 130,598
Source: Shapadu Energy						
Financial ratios						
Turnover Growth (%)	10%	50%	135%	-66%	10%	
GP margin (%)	16%	18%	18%	17%	17%	
EBITDA margin (%)	10%	13%	14%	11%	11%	
PBT margin (%)	10%	13%	14%	10%	11%	
PAT margin (%)	7%	10%	10%	8%	8%	
Overhead margin (%)	7%	5%	4%	6%	6%	
Tax / PBT	24%	24%	24%	24%	24%	

Source: 6. GFM-17 June 2025 = SSA Big Picture-Draft_Ann-16_June2025 4d. SCRA Financial Projection 2025 - 2029

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APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

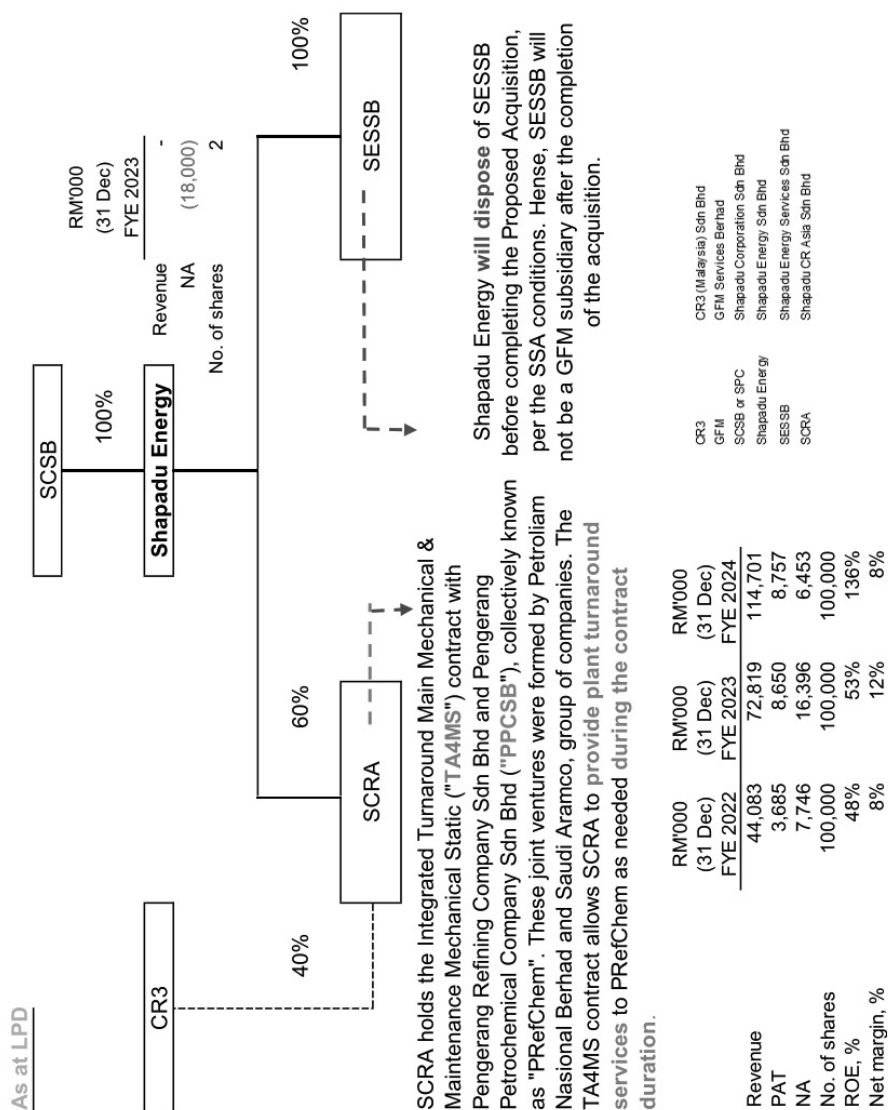
Workings on calculation						
	(31 Dec)	(31 Dec)	(31 Dec)	(31 Dec)	(31 Dec)	
	FYE2025	FYE2026	FYE2027	FYE2028	FYE2029	
EBITDA	12,415	24,323	60,694	16,107	18,090	
Income tax expenses	(2,938)	(5,794)	(14,479)	(3,819)	(4,292)	
	9,477	18,529	46,215	12,288	13,798	Total
Working capital investment on additional incremental revenue for 30 days financing	(942)	(5,217)	(21,162)	24,174	(1,271)	
Fixed capital investment	(370)	(370)	(370)	(370)	(370)	
FCFE	8,165	12,942	24,683	36,092	12,158	94,040
Discount rate	8.16%	0.9246	0.8548	0.7903	0.7307	0.6756
Net present value	7,549	11,063	19,507	26,372	8,213	72,705
	Minimum		Maximum			
Fair value before DLOM	72,705		72,705			
DLOM, 30% and 25%	(21,811)		(18,176)			
Fair value after DLOM	50,893		54,529			
Shapadu Energy						
Add the net liabilities of Shapadu Energy as at 31 December 2023	(18)		(18)			
Fair value for 100% in Shapadu Energy	50,875		54,511			
Fair value for 60% in Shapadu Energy	30,525		32,706			
Implied P/E					Comparable Companies	
(based on PAT for FYE 2024)	5.81		6.22	Lower	6.25 times to 11.62 times	
PAT for FYE 2024 = RM8,756,985						
Implied EV/EBITDA					Comparable Companies	
(based on EBITDA for FYE 2024)					2.02 times to 4.79 times	
EBITDA for FYE 2024 = RM11,644,038	4.19		4.50	Within		
Appraised by AER						

Source: 6. GFM-17 June 2025 = SSA 8ig_Picture-Draft_Ann-16_June2025 4d. SCRA Financial Projection 2025 - 2029

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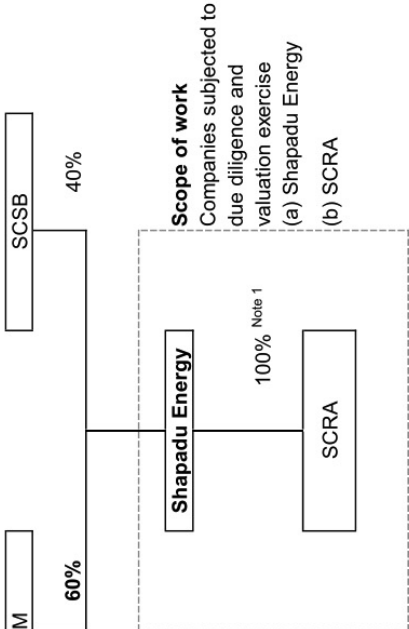
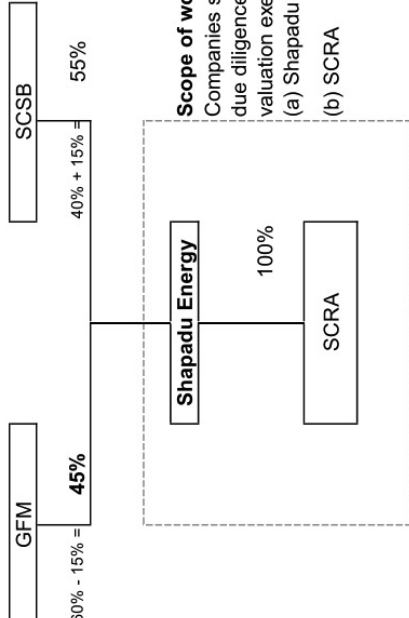
APPENDIX 2 – Corporate Structure of Shapadu Energy Group

Corporate Structure of Shapadu Energy Group as of Valuation Date



Source: 6. GFM-17 June 2025 = SSA Big Picture-Draft_Ann-16_June2025

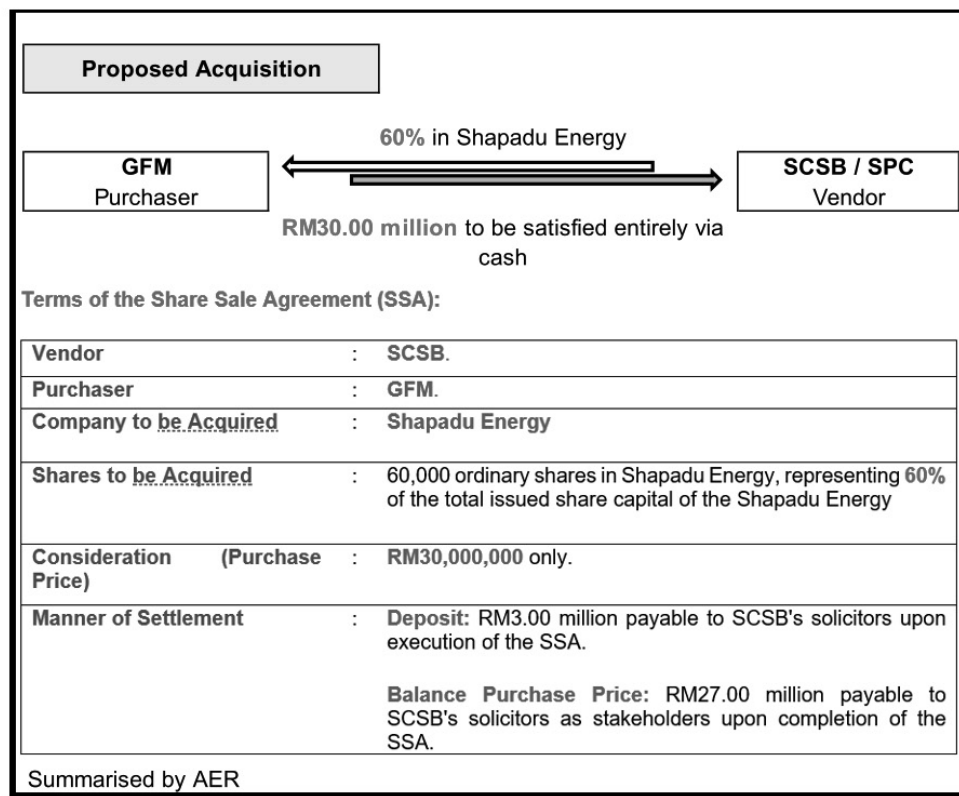
APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

Corporate structure showing SCSEB holding 40% and GFM holding 60% in Shapadu Energy, if SCSEB does not exercise its option shares	Corporate structure showing SCSEB holding 40% and GFM holding 60% in Shapadu Energy, if SCSEB exercise its option shares
Upon completion of condition precedent of the SSA but before the exercise of the call option by SCSEB to acquire 15% of Option Shares from GFM  Scope of work Companies subjected to due diligence and valuation exercise (a) Shapadu Energy (b) SCRA Note 1- Shapadu Energy and CR3 having completed the execution of a trust deed under terms acceptable to GFM, confirming that CR3 is holding the 40,000 ordinary shares in SCRA in trust for Shapadu Energy. <u>Dividend policy pursuant to shareholders' agreement</u> Shapadu Energy's Board will propose a dividend to shareholders, amounting to at least 30% of the SE Group's annual profit after tax, or any other amount determined by the Board.	Upon completion of condition precedent of the SSA and after the exercise of the call option by SCSEB to acquire 15% of Option Shares from GFM  Scope of work Companies subjected to due diligence and valuation exercise (a) Shapadu Energy (b) SCRA CR3 (Malaysia) Sdn Bhd GFM Services Berhad Shapadu Corporation Sdn Bhd Shapadu Energy Sdn Bhd Shapadu Energy Services Sdn Bhd Shapadu CR Asia Sdn Bhd CR3 GFM SCSEB or SPC Shapadu Energy SES SB SCRA

Source: 6. GFM-17 June 2025 = SSA Big Picture-Draft Ann-16 June 2025

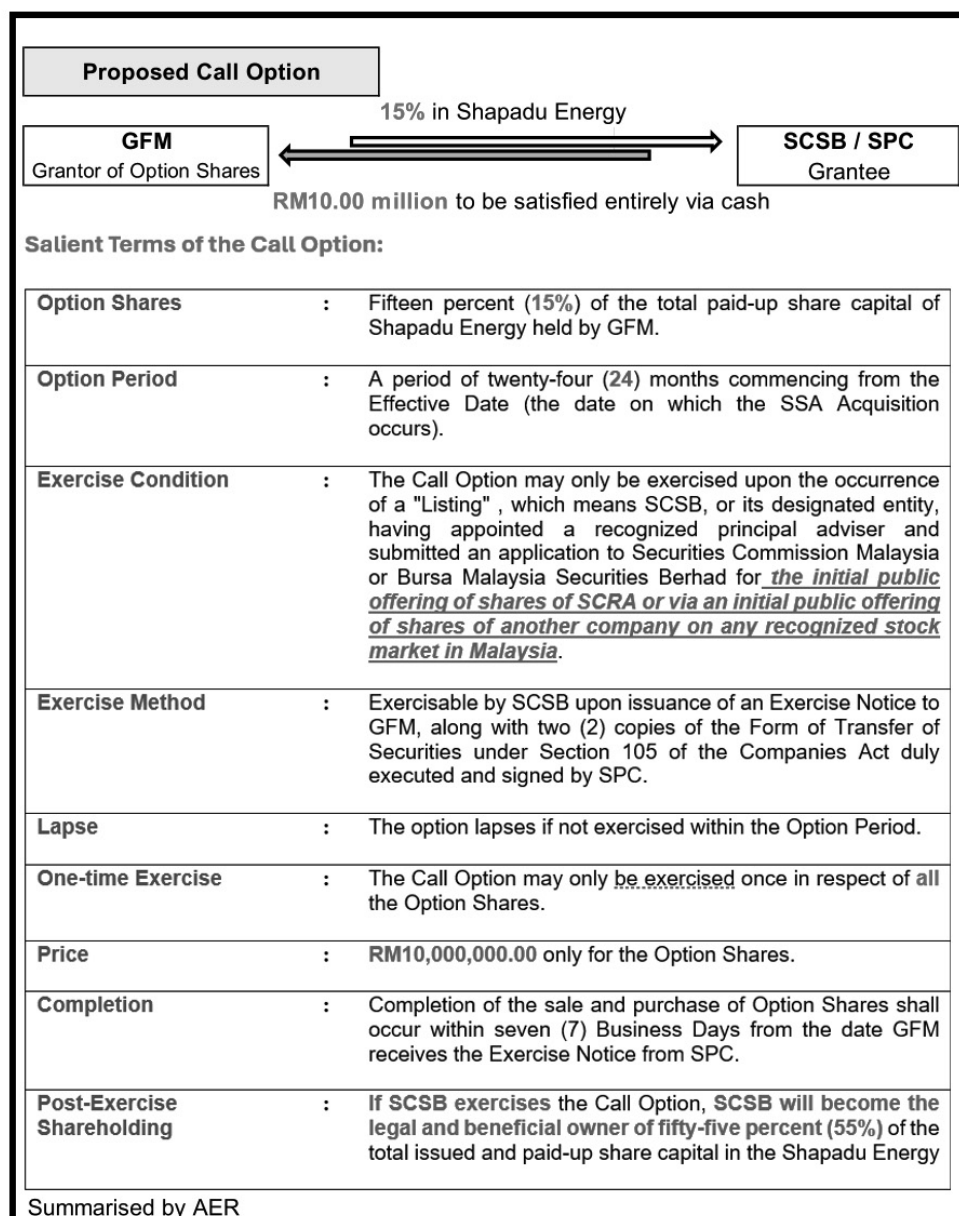
APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 3 – Diagram illustrating the parties in the Proposed Acquisition and its salient terms



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APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)



APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 4A – Cost of equity of Shapadu Energy / SCRA at **8.16%** appraised on Valuation Date

Discount rate on Valuation Date

	Valuation metrics	CAPM formula	Malaysia
1	Annual expected market return	r_m	10.029%
2	Annual risk-free rate	r_f	3.590%
3	Equity risk premium	$r_m - r_f$	6.439%
4	Levered beta for Shapadu / SCRA	beta (β)	0.632
5	Equity risk premium x beta	beta x ($r_m - r_f$)	4.07%
6	Required rate of return	$r_f + \text{beta} \times (r_m - r_f)$	7.66%
7	Specific risk	ε	0.50%
8	Equity discount rate	$r_f + \text{beta} \times (r_m - r_f) + \varepsilon$	8.16%
9	Equity discount rate used in the Valuation Certificate by AER		8.16%

Appraised by AER

Period MR	19-Jun-2025	Currency MYR	GFM Services Bhd (GFM MK)
Country/Region	Malaysia		
Country/Region Data		Equity Data	
1) Expected Market Return	10.029 %		
2) Risk Free Rate	3.590 %	Beta	1.324
3) Country/Region Risk Premium	6.439 %	Equity Risk Premium	8.527 %

Source: Bloomberg, 7a. Bloomberg comp - 19 June 2025 B. WACC- 19 June 2025 automate template-pasted

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 4B – WACC of Shapadu Energy / SCRA at 8.16%

WACC for Shapadu Energy / SCRA									
WACC	=	$\frac{MV(Equity)}{MV(Debt) + MV(Equity)}$	X	Cost of equity	+	$\frac{MV(Debt)}{MV(Debt) + MV(Equity)}$	X	Cost of debt	X (1 - Tax)
	=	$\frac{6.45}{- + 6.45}$	X	8.16%	+	$\frac{-}{- + 6.45}$	X	NA	X 0.76
	=	$\frac{6.45}{6.45}$	X	8.16%	+	$\frac{-}{6.45}$	X	NA	X 0.76
	=	8.16%							
Appraised by AER		Note: Corporate tax rate in Malaysia is assumed at 24%							

Source: 7a. Bloomberg comp - 19 June 2025 B. WACC- 19 June 2025 automate template-pasted

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APPENDIX 5 – Median unlevered beta of the industry of 0.6319

Hamada Equation																																		
$\text{Beta } (\beta)_{\text{unlevered}} = \frac{V_E}{V_E + V_D (1 - \text{tax})} \times \text{Beta } (\beta)_{\text{levered}}$																																		
RM million																																		
Comparable Companies	Enter ticker quote	R ² (Correlation ²)	Adjusted beta ^{Note 1}	V _E	V _D	V _D (1 - Effective tax rate)	$\frac{V_E}{[V_E + V_D (1 - \text{Effective tax rate})]}$	β _{unlevered}																										
Domestic Comparables																																		
GFM SERVICES BHD	GFM MK Equity	0.0735	1.1871	148.11	312.15	179.38	0.45	0.5369	GFM Services Berhad provides facility management and advisory services. The Company offers facility planning and development, operation, maintenance, asset life cycle replacement, and strategic management services. GFM Services conducts its business in Malaysia.																									
AWC BERHAD	AWCF MK Equity	0.1259	1.6936	187.77	106.94	80.51	0.70	1.1853	AWC Berhad provides engineering services. The Company offers electrical distribution, lighting, air-conditioning and security, building controls, engineering components, and systems, as well as waste collection services. AWC serves customers worldwide.																									
WIDAD GROUP BHD	WGB MK Equity	0.0462	1.8308	78.03	423.33	321.73	0.20	0.3573	Widad Group Berhad operates as an investment holding company. The Company focuses on construction activities and integrated facilities management services. Widad Group operates in Malaysia.																									
UEM EDGENTA BHD	UEME MK Equity	0.0818	1.0199	602.93	461.80	243.02	0.71	0.7269	UEM Edgenta Berhad is an investment holding company which provides management services. Through its subsidiaries, the Company provides hospital support services, hotel management services, develops hotels, and operates as a hotel proprietor. UEM also develops and manages properties.																									
Average				1,016.84	1,304.22			0.7016																										
Median				44%	56%			0.6319																										
Industry capital structure																																		
Note 1 – Beta as extracted from Bloomberg Wednesday, June 21, 2023 to Friday, June 20, 2025 based on weekly measurement from																																		
<table><tr><th colspan="5">RM million</th></tr><tr><td>Median β unlevered of the industry</td><td>V_E^{Note 2}</td><td>V_D^{Note 2}</td><td>V_D (1 - tax%)</td><td>1 + $\frac{V_D (1 - \text{tax})}{V_E}$</td></tr><tr><td>0.6319</td><td>6.45</td><td>0.00</td><td>0.00</td><td>1.00</td></tr><tr><td colspan="5">Capital structure of target co.</td></tr><tr><td></td><td>100%</td><td>0%</td><td></td><td></td></tr></table>										RM million					Median β unlevered of the industry	V _E ^{Note 2}	V _D ^{Note 2}	V _D (1 - tax%)	1 + $\frac{V_D (1 - \text{tax})}{V_E}$	0.6319	6.45	0.00	0.00	1.00	Capital structure of target co.						100%	0%		
RM million																																		
Median β unlevered of the industry	V _E ^{Note 2}	V _D ^{Note 2}	V _D (1 - tax%)	1 + $\frac{V_D (1 - \text{tax})}{V_E}$																														
0.6319	6.45	0.00	0.00	1.00																														
Capital structure of target co.																																		
	100%	0%																																
<table><tr><th colspan="2">Shapadu Energy (SCRA)</th><th></th></tr><tr><td>β levered</td><td></td><td>=</td></tr><tr><td>0.632</td><td></td><td></td></tr></table>										Shapadu Energy (SCRA)			β levered		=	0.632																		
Shapadu Energy (SCRA)																																		
β levered		=																																
0.632																																		
Appraised by AER																																		

Source: 7a. Bloomberg comp - 19 June 2025 8. WACC- 19 June 2025 automate template-pasted

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 6A – Comparable Companies – Financial and Valuation Metrics – Trailing P/E

Selected Comparable Companies	Closing price as at Valuation Date (19 June 2025), RM	Number of outstanding shares in issue	Latest reported PAT / (LAT) (RM)	Trailing P/E ratio in times	Remarks
GFM Services Berhad	0.1950	759,600,000	23,706,600	6.25	
AWC Berhad	0.5600	335,300,000	19,481,000	9.64	
Widad Group Berhad	0.0250	3,121,200,000	(24,339,900)	NM	Deemed outlier as anomaly results
UEM Edgenta Berhad	0.7250	831,600,000	51,909,000	11.62	
Average excluding outlier				9.17	
Median excluding outlier				9.64	
Minimum excluding outlier				6.25	
Maximum excluding outlier				11.62	

By AER

Source: 7a. Bloomberg comp - 19 June 2025 AComp template -GFM 19 June 2025-pasted

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APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 6B – Comparable Companies – Financial and Valuation Metrics - Trailing EV/EBITDA

Selected Comparable Companies	Market capitalisation on Valuation Date (RM)	Net debt (cash) (RM)	EBITDA (RM)	Trailing EV/EBITDA in times	Remarks
GFM Services Berhad	148,122,000	156,331,715	63,507,800	4.79	
AWC Berhad	187,768,000	(12,302,148)	38,831,300	4.52	
Widad Group Berhad	78,030,000	291,602,222	(18,375,800)	(20.12)	Deemed outlier as anomaly results
UEM Edgenta Berhad	602,910,000	(186,210,000)	206,651,000	2.02	
Average excluding outlier				3.78	
Median excluding outlier				4.50	
Minimum excluding outlier				2.02	
Maximum excluding outlier				4.79	

By AER

Source: 7a. Bloomberg comp - 19 June 2025 A.Comp template -GFM 19 June 2025-pasted

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APPENDIX 6C – Comparable Companies – Financial and Valuation Metrics

Item number	Currency in Malaysian Ringgit		Ticker	Share price on 19 June 2025	Market capitalisation as on 19 June 2025/2025, million	Financial year end	Latest audited accounts available					Altman Z-Score	Current shares outstanding, million
	Comparable Companies						Revenue, million	PAT/(LAT), million	Net assets, million	Short and long term debts, million	Cash and cash equivalent, million		
1	GFM SERVICES BHD		GFM MK Equity	0.1950	148.11	31/12/2024	190.4	23.7	213.5	312.2	155.8	1.61	759.6
2	AWC BERHAD		AWCF MK Equity	0.5600	187.77	30/06/2024	399.0	19.5	211.6	106.9	119.2	2.99	335.3
3	WIDAD GROUP BHD		WGB MK Equity	0.0250	78.03	31/12/2024	135.5	(24.3)	432.0	423.3	131.7	0.79	3,121.2
4	UEM EDGENTA BHD		UEME MK Equity	0.7250	602.93	31/12/2024	3,049.8	51.9	1,622.0	461.8	648.0	2.88	831.6
	Total				1,916.84		3,774.7	70.8	2,479.2				
	Average										326.1	2.1	
	Median										367.7	2.2	
	By AER. Source: Bloomberg and annual reports as at Valuation Date												

Source: 7a. Bloomberg comp - 19 June 2025 7a. A.Comp template -GFM 19 June 2025-pasted

Notes:-

(i) Trailing P/E multiple

The trailing P/E multiple is calculated by dividing the market capitalization on the Valuation Date (19 June 2025) by the latest FYE reported PAT. Market capitalization equals the number of outstanding shares times the closing market price. If no trading occurred on that date, the closest preceding closing price is used instead. If the latest FYE reported PAT is a loss, the trailing P/E shall be denoted as "not meaningful".

Formula: P/E multiple = Number of shares x closing price at Valuation Date / latest FYE reported PAT.

(ii) Trailing EV/EBITDA multiple

The trailing EV/EBITDA multiple is calculated by dividing the enterprise value determined on the Valuation Date (19 June 2025) by the latest FYE computed EBITDA. Enterprise value is the aggregate market capitalisation, which is equal to the number of outstanding shares multiplied by the closing market price, added to the reported audited FYE net debt, comprised of short- and long-term borrowings less cash and cash equivalents. If no trading occurred on that date, use the closest preceding closing price shall be used at the market capitalisation instead.

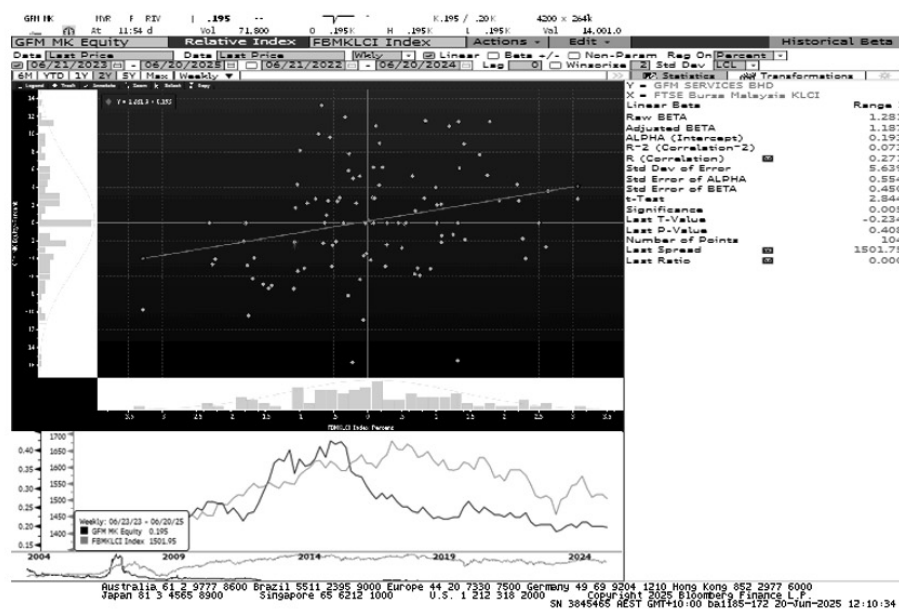
Formula: EV/EBITDA multiple = Enterprise value divided by latest FYE computed EBITDA.

BLOOMBERG SNAPSHOTS

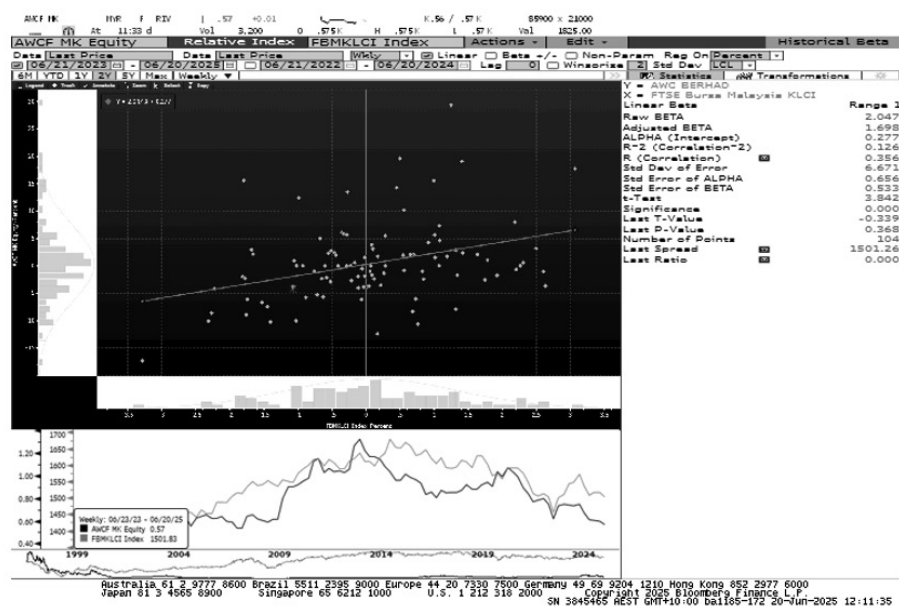
APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 7 – Bloomberg Snapshots

1. GFM Services Berhad (Registration No.: 201301003302 / 1033141-H)

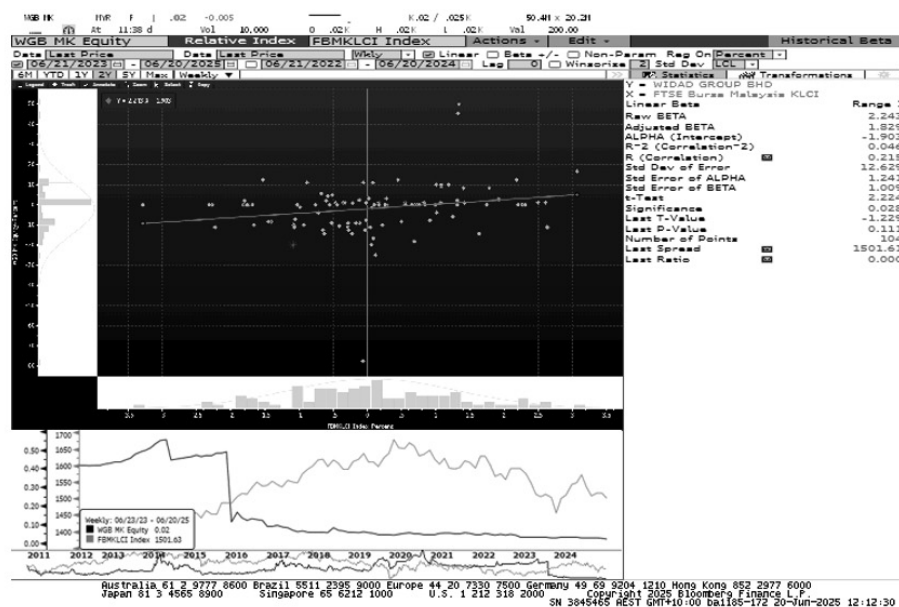


2. AWC Berhad (Registration No.: 200101014341 / 550098-A)

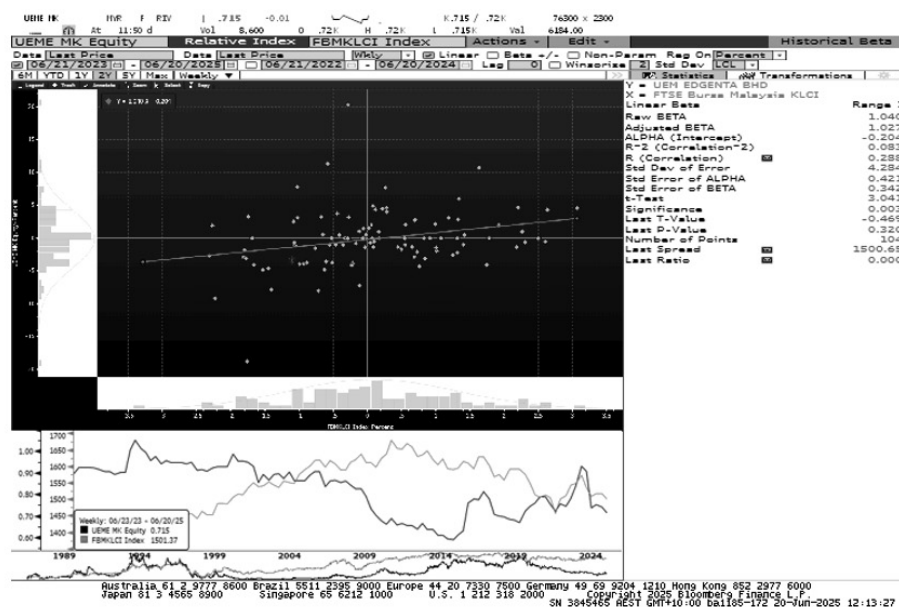


APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

3. Widad Group Berhad (Registration No.: 200901014295 / 857363-U)



4. UEM Edgenta Berhad (Registration No.: 196301000166 / 5067-M)



APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

1. GFM Services Berhad (Registration No.: 201301003302 / 1033141-H)

GFM MK Equity									
Financial Analysis									
GFM Services Bhd IFRS 16 9 Periods 8 Annuals 7 Cur FRC (MYR) 1									
Key Stats 2 7/5 3 6/5 4 0/2 5 Ratios 6 Segments 7 3 Add 8 ESG 9 Custom 10 Shared									
Create Custom 11 Complete Template 12 NAB credit template 13 WACC Evidence									
Enter Field 14 Fields 15 Send 16 100 Shares									
24 Millions of MYR except Per Share									
	2021 Y	2022 Y	2023 Y	2024 Y	Current/LTM				
12 Months Ending	12/31/2021	12/31/2022	12/31/2023	12/31/2024	03/31/2025				
12 Current Market Cap	107.32	148.48	193.33	182.29	148.11				
12 Last Price	0.20	0.22	0.28	0.24	0.20				
12 Revenue	124.32	140.80	148.91	190.35	184.97				
12 Net Income/Net Profit (Losses)	10.01	18.29	27.30	23.71	23.51				
12 Net Assets	124.98	142.84	193.53	212.52	216.04				
12 Short and Long Term Debt	309.76	288.79	271.43	312.15	348.59				
12 Cash and Cash Equivalents	79.29	101.19	98.68	159.82	198.41				
12 Altman's Z-Score	1.15	1.41	1.61	1.63	1.87				
12 Shares Outstanding	550.38	575.39	690.46	757.23	759.53				
12 Effective Tax Rate	45.70	38.19	33.22	42.53	29.41				
12 Total Equity	124.98	142.84	193.53	212.52	216.04				
12 Profit Margin	8.06	12.99	18.71	12.48	12.71				
12 Return on Common Equity	8.26	12.71	15.76	11.94	11.25				
12 EBITDA	41.20	51.59	59.49	63.51	63.38				
12 Price Earnings Ratio (P/E)	10.43	0.07	7.09	7.67	6.19				
12 Price to Book Ratio	0.84	0.76	1.05	0.85	0.69				
12 Enterprise Value/EBITDA	8.18	6.51	6.15	5.33	4.71				
12 WACC Cost of Equity	15.22	14.60	12.11	10.23	12.12				
12 Basic Earnings per Share	0.02	2.17	0.04	0.03	0.03				
12 Diluted EPS	0.02	2.17	0.04	0.02	0.03				

Earnings: 08/29/25 EVTS = Download Models | Model =
 Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6090
 Japan 81 3 4565 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2025 Bloomberg Finance L.P.
 SN 3845465 REST GMT+10:00 Bal105-172 20-Jun-2025 12:02:31

2. AWC Berhad (Registration No.: 200101014341 / 550098-A)

AWCF MK Equity		Actions		Export		Settings		Financial Analysis	
AWCF AWCF IFRS 16 9 Periods		8 Annuals		Cur FRC (MYR)					
Key Stats		7/5 3/5		0/2		Ratios		6 Segments 3 Add 2 ESG 1 Custom 10 Shared	
10 Create Custom		11 Complete Template		12 NAB credit template		13 WACC Evidence			
Enter Field		Fields		Send		100 Shares			
24 Millions of MYR except Per Share									
	2023 Y	2024 Y	Current/LTM	2025 Y Est	2026 Y Est				
12 Months Ending	06/30/2023	06/30/2024	03/31/2025	06/30/2025	06/30/2026				
12 Current Market Cap	149.45	342.44	191.13						
12 Last Price	0.47	1.04	0.56						
12 Revenue	381.30	399.01	411.89	412.00	456.00				
12 Net Income/Net Profit (Losses)	2.18	19.48	24.95	28.15	34.80				
12 Net Assets	296.64	211.64	223.36						
12 Short and Long Term Debt	25.00	106.94	99.47						
12 Cash and Cash Equivalents	119.47	119.24	122.75						
12 Altman's Z-Score	2.63	2.99	3.01						
12 Shares Outstanding	318.08	330.23	328.29						
12 Effective Tax Rate	21.97	24.71	25.68						
12 Total Equity	296.64	211.64	223.36						
12 Profit Margin	0.57	4.88	6.06	6.09	7.92				
12 Return on Common Equity	0.97	8.98	11.64	10.50	13.85				
12 EBITDA	17.52	38.83	42.74	35.50	50.70				
12 Price Earnings Ratio (P/E)	65.12	17.25	7.53	7.51	5.43				
12 Price to Book Ratio	0.67	1.62	0.84	81.43	71.25				
12 Enterprise Value/EBITDA	6.85	8.35	2.67	4.41	3.09				
12 WACC Cost of Equity	9.79	9.85	16.17						
12 Basic Earnings per Share	0.01	0.06	0.08	0.07	0.10				
12 Diluted EPS	0.01	0.06	0.08	0.07	0.10				

AWCF Earnings: 08/27/25 EVTS = Download Models | Model =

Australia 61 2 9777 8600 Brazil 5511 2395 9000 Europe 44 20 7330 7500 Germany 49 69 9204 1210 Hong Kong 852 2977 6090
Japan 81 3 4565 8900 Singapore 65 6212 1000 U.S. 1 212 318 2000 Copyright 2025 Bloomberg Finance L.P.
SN 3845465 REST GMT+10:00 Bal105-172 20-Jun-2025 12:04:04

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

3. Widad Group Berhad (Registration No.: 200901014295 / 857363-U)

Mkt IB	HIF F .02 -0.005	F .02 / .02%	\$0.41 ~ \$0.31
ST	11:39 d	Vol 10,000	O .02% H .02% Vol 300,000
NVGS MK Equity Actions > Settings > Financial Analysis			
APR3 Vided Group Shd ZPRS 26 9 Existed Annuals Cur PRG (HVR) Custom MS Shares			
Create Custom Columns Template MS trades template MS WOC Evidence			
(Enter field)	(Field)	Source	Unit Share
In Billions of MYR except Per Share	2021 Y	2022 Y	2023 Y
12 Months Ending	12/31/2021	12/31/2022	12/31/2023
Current Market Cap	1,004.66	1,207.90	1,801.78
Last Price	0.37	0.43	0.49
Revenue	87.78	160.44	230.61
Net Income/Net Profit (Losses)	70.79	-6.13	-16.63
Net Assets	387.92	372.09	456.36
Short and Long Term Debt	365.08	397.88	463.95
Cash and Cash Equivalents	134.02	193.86	185.96
Altman's Z-Score	1.92	2.10	0.79
Shares Outstanding	2,782.80	2,809.08	3,096.48
Effective Tax Rate	-	-	3,096.48
Total Equity	387.92	372.09	456.36
Profit Margin	80.64	-3.82	-7.21
Return on Common Equity	26.29	-1.68	-4.01
EBITDA	76.26	1.19	-12.78
Price Earnings Ratio (P/E)	13.77	-	-
Price to Book Ratio	2.81	3.28	3.29
Enterprise Value/EBITDA	16.20	1,181.64	1,414.63
WACC Cost of Equity	12.35	8.30	8.56
Basic Earnings per Share	0.03	0.00	-0.01
Diluted EPS	0.02	0.00	-0.01

4. UEM Edgenta Berhad (Registration No.: 196301000166 / 5067-M)

Unit IN	HR I FYI	I .715	-0.01	B.715 / .721	Vol 74300 x700
	St 11:50:21	Vol 5.600	O .721	H .721	I .715/ Vol 4854.00
UEHE MK Equity Actions Export Settings Financial Analysis					
[A] UEM Edgema Ehd IPFS 26 9	Dierde	Annua	Cur FRC (MYR)		
[C] Create Custom	[D] Compare Template	[E] Add Columns	[F] MACRO Functions	G Custom	H Shared
(Enter field)	[L] Field	M Source	S Seed	R Row Share	
In Billions of MYR except Per Share			2021 Y	2022 Y	
12 Months Ending	12/31/2021	12/31/2022	12/31/2023	12/31/2024	06/19/2028
Current Market Cap	1,347.43	948.05	825.31	675.62	594.61
Less Price	3.62	1.14	0.99	0.93	0.73
Revenue	2,292.42	2,523.63	2,881.04	3,049.52	
Net Income/Net Profit (Losses)	42.00	45.88	51.11	51.91	
Net Assets	1,539.36	1,584.03	1,624.27	1,622.00	1,578.54
Short and Long Term Debt	477.14	499.70	522.89	461.80	451.43
Cash and Cash Equivalents	660.39	609.49	615.22	648.01	525.78
Akoma's 2-Share	2.67	2.85	2.84	2.88	1.34
Shares Outstanding	831.62	831.62	831.62	831.62	831.62
Effective Tax Rate	44.81	51.32	52.72	47.37	
Total Equity	1,529.36	1,584.03	1,624.27	1,622.00	1,578.54
Profit Margin	1.83	1.82	1.08	1.70	
Return on Common Equity	2.77	2.94	1.94	1.22	
EBITDA	187.55	180.09	158.01	206.65	
Price Earnings Ratio (P/E)	31.76	20.73	26.76	13.06	
Price to Book Ratio	0.88	0.60	0.51	0.41	0.38
Enterprise Value/EBITDA	7.61	4.13	4.49	2.36	
WACC Cost of Equity	9.62	9.06	9.46	8.33	10.31
Basic Earnings per Share	0.05	0.06	0.04	0.06	
Diluted EPS	0.05	0.06	0.04	0.06	

APPENDIX VI – VALUATION CERTIFICATE FROM AER (CONT'D)

APPENDIX 8 – Sources of information

This Valuation Report has been prepared by AER based on information (but are not limited to the list as stated below), as provided to us by GFM and SCRA, are as listed below: -

1. Audited FYE 31 December 2019
2. Audited FYE 31 December 2020
3. Audited FYE 31 December 2021
4. Audited FYE 31 December 2022
5. Audited FYE 31 December 2023
6. Unaudited FYE 31 December 2024
7. Projection from FYE 31 December 2025 to FYE 31 December 2029 supplied by SCRA
8. Latest tax computation for year of assessment 2023 for SCRA
9. Agreements and others
10. Petronas Activity Outlook 2025-2027 (Updated as of 29 April 2025)

Sources:

1.  2a. Past 3 Years Audited Account-SCRA
2.  6a. GFM Client info - 19 June 2025
3.  3a. TAAMS Agreement
4.  6. GFM-17 June 2025 = SSA
5.  3aa. Petronas Outlook

END OF REPORT

APPENDIX VII – FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

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

AER, being the Independent Valuer in relation to the valuation of Shapadu Energy, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name, Valuation Certificate, and all references thereto in the form and context in which they appear in this Circular.

3. DECLARATION OF CONFLICT OF INTEREST

UOBKH has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Principal Adviser for the Proposals.

AER has given its written confirmation that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Independent Valuer in relation to the valuation of SCRA.

4. MATERIAL COMMITMENTS

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

5. CONTINGENT LIABILITIES

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

APPENDIX VII – FURTHER INFORMATION (CONT'D)

6. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company, Acclime Corporate Services Sdn Bhd at Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia during the normal business hours from Monday to Friday (except public holidays) from the date hereof up to the time stipulated for the holding of the EGM:-

- i. the constitutions of GFM and Shapadu Energy^{*1};
- ii. the audited consolidated financial statements of GFM Group for the past 2 financial years up to the FYE 2024 and the latest unaudited quarterly results for the 3-month FPE 31 March 2025;
- iii. the audited financial statements of Shapadu Energy and SCRA for the past 2 financial years up to the FYE 2024;
- iv. the Valuation Certificate for Shapadu Energy prepared by AER;
- v. the letter of consent and declaration of conflict of interest referred to in **Section 2** and **Section 3** hereinabove, respectively;
- vi. the SSA as referred to in **Appendix II** of this Circular;
- vii. the Call Option Agreement as referred to in **Appendix III** of this Circular;
- viii. the SHA as referred to in **Appendix IV** of this Circular; and
- ix. the Deed of Assignment as referred to in **Appendix V** of this Circular.

Note:-

^{*1} As at the LPD, SCRA does not have a constitution and therefore, the Act shall apply to SCRA and its directors/ shareholders pursuant to Section 31(3) of the Act.

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GFM SERVICES BERHAD

Registration No.: 201301003302 (1033141-H)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary General Meeting ("**EGM**") of GFM Services Berhad ("**GFM**" or the "**Company**") will be held at The Majestic Hotel, 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 3 September 2025 at 10.00 a.m. or any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification the resolution as set out in this notice.

ORDINARY RESOLUTION 1

PROPOSED ACQUISITION OF 60,000 ORDINARY SHARES IN SHAPADU ENERGY SDN BHD ("SHAPADU ENERGY") ("SHAPADU ENERGY SHARES"), REPRESENTING 60% EQUITY INTEREST IN SHAPADU ENERGY, FROM SHAPADU CORPORATION SDN BHD ("SPC" OR THE "VENDOR") FOR A PURCHASE CONSIDERATION OF RM30.00 MILLION TO BE SATISFIED ENTIRELY VIA CASH ("PROPOSED ACQUISITION"), TOGETHER WITH A CALL OPTION GRANTED BY GFM FOR SPC TO ACQUIRE SUCH NUMBER OF SHAPADU ENERGY SHARES, REPRESENTING 15% EQUITY INTEREST IN SHAPADU ENERGY, FROM GFM FOR A PURCHASE CONSIDERATION OF RM10.00 MILLION ("PROPOSED CALL OPTION") (COLLECTIVELY, THE "PROPOSALS")

"THAT subject to the approvals of all relevant authorities and/ or parties being obtained, approval be and is hereby given to the Company to acquire 60,000 Shapadu Energy Shares, representing 60% equity interest in Shapadu Energy, from SPC for a purchase consideration of RM30.00 million to be satisfied entirely via cash, with a call option granted by the Company for SPC to acquire such number of Shapadu Energy Shares from GFM, to be held by the Vendor after the completion of the Proposed Acquisition, representing 15% equity interest in Shapadu Energy, for a purchase consideration of RM10.00 million, in accordance with the terms and conditions of the conditional share sale agreement and conditional call option agreement dated 2 July 2025 entered into between the Company and the Vendor pursuant to the Proposals;

AND THAT the Board be and is 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 Proposals 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 in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposals."

BY ORDER OF THE BOARD

LIM LI HEONG (MAICSA 7054716) (SSM Practising Certificate No.: 202008001981)
WONG MEE KIAT (MAICSA 7058813) (SSM Practising Certificate No.: 202008001958)
Company Secretaries

Kuala Lumpur, Malaysia
19 August 2025

Notes:-

- (i) *A member entitled to attend and vote at the EGM is entitled to appoint a proxy/ proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
- (ii) *A member may appoint up to two (2) proxies to attend and vote at the EGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*
- (iii) *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.*
- (iv) *The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
- (v) *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power or authority shall be deposited at the Share Registrar Office of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.*
- (vi) *In respect of deposited securities, only members whose names appear on the Record of Depositors on 26 August 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/ or vote on his behalf.*

FORM OF PROXY**GFM SERVICES BERHAD**

Registration No.: 201301003302 (1033141-H)
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I/ We _____ NRIC/ Passport/ Company No. _____
[FULL NAME IN BLOCK LETTERS]

of _____
[FULL ADDRESS]

Telephone No. _____ Email Address _____ being a

member/ members of **GFM SERVICES BERHAD** (the "**Company**") hereby appoint:-

FIRST PROXY

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Telephone No	Email		
Full Address			

If you wish to appoint a second proxy, this section must also be completed.

SECOND PROXY

Full Name (in Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Telephone No	Email		
Full Address			

or failing whom, the Chairperson of the Meeting, as my/ our proxy/ proxies to vote for me/ us and on my/ our behalf at the Extraordinary General Meeting of the Company to be conducted at The Majestic Hotel, 5, Jalan Sultan Hishamuddin, Tasik Perdana, 50000 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Wednesday, 3 September 2025 at 10.00 a.m., or at any adjournment thereof.

My/ Our proxy(ies) is(are) to vote as indicated below:-

Description of Resolution	Resolution	For	Against
Proposals	Ordinary Resolution		

Please indicate with an (X) in the spaces how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion.

Dated this _____ day of _____ 2025

Signature of Member / Common Seal

Notes:-

1. A member entitled to attend and vote at the EGM is entitled to appoint a proxy/ proxies to attend and vote for him but his attendance shall automatically revoke the proxy's authority. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. A member may appoint up to two (2) proxies to attend and vote at the EGM. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each 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. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

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AFFIX
STAMP

THE SHARE REGISTRAR OF GFM SERVICES BERHAD
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Registration No.: 197101000970 (11324-H)

Unit 32-01, Level 32,
Tower A, Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur, Malaysia

Please fold here

5. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Share Registrar Office of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than twenty-four (24) hours before the time appointed for holding the meeting or adjourned meeting, otherwise the instrument of proxy should not be treated as valid.
6. In respect of deposited securities, only members whose names appear on the Record of Depositors on 26 August 2025 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/ or vote on his behalf.