

# INFORMATION MEMORANDUM

FOR RESTRICTED CIRCULATION ONLY



**LPC GROUP BERHAD**

(Registration No.: 202501015400 (1616815-W))  
(Incorporated in Malaysia under the Companies Act 2016)

**PROPOSED LISTING BY WAY OF INTRODUCTION OF THE ENTIRE ISSUED SHARE CAPITAL OF  
LPC GROUP BERHAD ON THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD**

## **CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”)**

THE LEAP MARKET OF BURSA SECURITIES HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET AND MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS (AS DEFINED HEREIN) ONLY. ONLY EXISTING SECURITIES HOLDERS OF LPC GROUP BERHAD (“LPC” OR “COMPANY”) AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY LPC. EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN OUR COMPANY AND SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF AN INVESTMENT IN OUR COMPANY AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATIONS.

IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISOR. THERE ARE CERTAIN RISK FACTORS WHICH SOPHISTICATED INVESTORS SHOULD CONSIDER. PLEASE REFER TO “RISK FACTORS” AS SET OUT IN SECTION 6 OF THIS INFORMATION MEMORANDUM.

**LPC GROUP BERHAD**

(Registration No. 202501015400 (1616815-W))

No. 2, 2-1 & 2-2, Jalan Melaka Raya 33, Taman Melaka Raya 1, 75000 Melaka  
Tel: +606-335 4987

Approved Adviser and Continuing Adviser



**ECO ASIA CAPITAL ADVISORY SDN BHD**

(Registration No. 201801022562 (1284581-H))

This Information Memorandum is dated 25 September 2025

**IMPORTANT NOTICE**

*All defined terms used in this Information Memorandum are defined under "Definitions" section, unless otherwise stated.*

**RESPONSIBILITY STATEMENTS**

Our Board and Promoters, having made all reasonable enquiries, accept responsibility for, and confirm that this Information Memorandum contains all relevant information with regard to our Group which is material in the context of our Proposed Listing as at the date hereof, that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading as at the date hereof and that there are no other facts, which, if omitted, would make any statements in this Information Memorandum false or misleading.

Eco Asia, being the Approved Adviser and Continuing Adviser to our Proposed Listing, acknowledges that, based on all available information, and to the best of their knowledge, this Information Memorandum constitutes a full and true disclosure of all material facts concerning the Proposed Listing.

**STATEMENTS OF DISCLAIMER**

This Information Memorandum has been drawn up in accordance with the Listing Requirements for the Proposed Listing. This Information Memorandum can be viewed or downloaded from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com). A copy of this Information Memorandum has been deposited with the SC. This Information Memorandum is not a prospectus and has not been registered nor will it be registered as a prospectus under the CMSA.

The SC and Bursa Securities take no responsibility for the contents of this Information Memorandum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Information Memorandum. The SC and Bursa Securities also do not make any assessment on the suitability, viability or prospects of our Group. Approval from Bursa Securities for the listing and quotation of our Shares on the LEAP Market is not an indication of the merits of our Proposed Listing, our Company or our Shares. Sophisticated Investors are expected to make their own assessment on our Group or seek appropriate advice before making their investment decisions. Eco Asia as our Approved Adviser, has assessed the suitability of our Company for admission to the LEAP Market as per the Listing Requirements.

Certain statements in this Information Memorandum are forward-looking in nature and are subject to uncertainty and contingencies. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will materialise. The inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by our Group or any of our advisers that the plans and objectives of our Group will be achieved.

This Information Memorandum, if furnished to you, is strictly for your own use. You shall not copy, reproduce, distribute, summarise, excerpt from or pass on any part of this Information Memorandum to any person at any time without the prior written consent of our Company and Eco Asia.

**THIS INFORMATION MEMORANDUM IS PUBLISHED IN CONNECTION WITH THE LISTING BY WAY OF INTRODUCTION OF OUR COMPANY ON THE LEAP MARKET AND TO PROVIDE INFORMATION ON OUR GROUP. IT DOES NOT CONSTITUTE AN OFFER OF, NOR IS IT PUBLISHED TO INVITE OFFERS FOR, ORDINARY SHARES OR OTHER SECURITIES OF OUR COMPANY. NO NEW ORDINARY SHARES IN OUR COMPANY WILL BE ALLOTTED TO AND ISSUED IN CONNECTION WITH, OR PURSUANT TO THIS INFORMATION MEMORANDUM.**

**WE DO NOT ASSUME ANY FIDUCIARY RESPONSIBILITY OR LIABILITY FOR ANY CONSEQUENCES, FINANCIAL OR OTHERWISE, ARISING FROM THE INVESTMENT IN OUR SHARES.**

**PRIOR TO OUR PROPOSED LISTING, THERE WAS NO PUBLIC MARKET FOR OUR SHARES WITHIN OR OUTSIDE MALAYSIA. YOU SHOULD NOTE THAT THE MARKET PRICE OF OUR SHARES SUBSEQUENT TO OUR PROPOSED LISTING IS SUBJECT TO THE VAGARIES OF MARKET FORCES AND OTHER UNCERTAINTIES THAT MAY AFFECT THE PRICE OF OUR SHARES BEING TRADED. YOU ARE REMINDED TO CAREFULLY CONSIDER THE RISK FACTORS AT SECTION 6 OF THIS INFORMATION MEMORANDUM AND FORM YOUR OWN VIEWS ON THE VALUATION OF OUR SHARES.**

#### **MODE OF COMMUNICATION**

In accordance with our constitution, we may send notices and documents to our securities holders (" **Holders** ") by electronic means to their respective electronic mail address last maintained with either our Share Registrar or Bursa Depository, as the case may be and may also publish notices and documents on our website as a form of electronic communication with our Holders. If we publish notices and documents on our website as a form of electronic means used to communicate with our Holders, we will separately and immediately notify the Holders of this in writing.

Our Holders have a right to request for a hard copy of such notices and documents should they wish to do so. In such event, we will forward a hard copy of the notices and documents to our Holders, as soon as reasonably practicable after the receipt of the request, free of charge by ordinary mail to our Holders' registered Malaysian address last maintained with either our Share Registrar or Bursa Depository, as the case may be, at their own risk.

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**INDICATIVE TIMETABLE**

The indicative timing of events leading to the listing and quotation of our entire issued share capital on the LEAP Market is set out below:

<b>Events</b>	<b>Tentative Dates</b>
Date of Information Memorandum	25 September 2025
Listing of our Shares on the LEAP Market	<sup>(1)</sup> 27 October 2025

*Note:*

<sup>(1)</sup> *Subject to receipt of approval-in-principle from Bursa Securities for our Proposed Listing. An announcement for the actual listing date will be made after obtaining Bursa Securities' approval for our Proposed Listing.*

The timetable is indicative and is subject to changes which may be necessary to facilitate the implementation procedures. An announcement for the key relevant dates will be made after obtaining Bursa Securities' approval-in-principle for our Proposed Listing.

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**DEFINITIONS**

Except where the context otherwise requires or where otherwise defined, the following terms in this Information Memorandum shall have the meanings as set out below:

Acquisition	:	Acquisition by LPC of the entire issued share capital of Lai Pau for a purchase consideration of RM30,803,562, wholly satisfied via the issuance of 342,261,800 new Shares to the Vendors at an issue price of RM0.09 per Share, which was completed on 25 August 2025
Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Registration No. 198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (Registration No. 200301033577 (635998-W))
Board	:	Board of Directors of LPC
Chen Huat Group	:	Collectively, Chen Huat Construction Sdn Bhd (Registration No. 200501011678 (688726-P)) and Zintec Engineering PLT (Registration No. 201904001776 (LLP0020588-LGN))
CIDB	:	Construction Industry Development Board of Malaysia
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
Director(s)	:	Director(s) of our Company within the meaning of Section 2 of the Act
Durable Group	:	Collectively, Durable Mix Sdn Bhd (Registration No. 200801012199 (813487-W)) and Durable Industries Sdn Bhd (Registration No. 201501010375 (1135710-K))
Eco Asia	:	Eco Asia Capital Advisory Sdn Bhd (Registration No. 201801022562 (1284581-H)), our Approved Adviser and Continuing Adviser
Ecovis	:	Ecovis Malaysia PLT (Registration No. 201404001750 (LLP0003185-LCA) & AF 001825), our Auditors
EPS	:	Earnings per Share
FYE	:	Financial year(s) ended/ending 30 April, as the case may be
FYE Under Review	:	Collectively, FYEs 2024 and 2025
GP	:	Gross profit
Holdings	:	Securities holders/ shareholders
IMR or Redmarch	:	Redmarch Capital Insights Sdn Bhd (Registration No. 202401042597 (1588442-A)), our Independent Market Researcher

**DEFINITIONS (CONT'D)**

IMR Report	: Independent market research report dated 19 September 2025 titled "Independent Market Research Report on the Construction Industry in Malaysia" prepared by Redmarch
Information Memorandum	: This information memorandum dated 25 September 2025
Jaymuda Group	: Collectively, Polytech Properties Sdn Bhd (Registration No. 199401022312 (307991-P)), Skyline Resources (M) Sdn Bhd (Registration No. 199601032705 (405057-V)) and Mitsupac Sdn Bhd (Registration No. 199601035498 (407851-M))
Lai Pau	: Lai Pau Construction Sdn Bhd (Registration No. 198701001001 (159667-T)), a wholly-owned subsidiary of LPC
LEAP Market	: LEAP Market of Bursa Securities
Listing Reference Price	: The reference price of RM0.10 per Share upon our listing on the LEAP Market
Listing Requirements	: LEAP Market Listing Requirements of Bursa Securities
LPC or Company	: LPC Group Berhad (Registration No. 202501015400 (1616815-W))
LPC Group or Group	: LPC and its subsidiaries, collectively
LPC Property	: LPC Property Sdn Bhd (formerly known as LPK Development Sdn Bhd) (Registration No. 202101015299 (1415599-P)), a 51%-owned subsidiary of Lai Pau
LPD	: 31 August 2025, being the latest practicable date prior to the date of this Information Memorandum
NA	: Net assets
Official List	: The list specifying all securities listed on Bursa Securities
Parkland Group	: Collectively, Parkland Avenue Sdn Bhd (Registration No. 201901035574 (1344904-D)), Merlimau Land Sdn Bhd (Registration No. 201401015597 (1091684-M)), Megaform Builders Sdn Bhd (Registration No. 201501037796 (1163117-W)) and TYT Builders Sdn Bhd (Registration No. 200801008774 (810061-V))
PAT	: Profit after taxation
PBT	: Profit before taxation
PB Multiple	: Price-to-book multiple
PE Multiple	: Price-to-earnings multiple
Pre-Listing Investor(s)	: Investor(s) who have subscribed for the Subscription Shares pursuant to the subscription agreement dated 28 August 2025, who are Yew Kah Hong, Gan Jinn Sheng, Gan Jinn Bao and Loh Wei Dhin
Promoter(s)	: Ching Tai Kuen and Liem Seng Leong

**DEFINITIONS (CONT'D)**

Proposed Listing	: Proposed admission to the Official List and the listing and quotation of our entire issued share capital comprising 380,291,000 Shares on the LEAP Market by way of introduction
RM	: Ringgit Malaysia and sen, respectively
SC	: Securities Commission Malaysia
Shang Height Group	: Collectively, Anjuran City Sdn Bhd (Registration No. 202201024425 (1470122-H)), Shang Height Realty Sdn Bhd (Registration No. 201301010686 (1040528-X)), Shang Height Development Sdn Bhd (Registration No. 201801006122 (1268136-M)) and Shang Height Property Sdn Bhd (Registration No. 201301016427 (1046260-P))
Share(s)	: Ordinary share(s) in our Company
Share Registrar	: Aldpro Corporate Services Sdn Bhd (Registration No. 202101043817 (1444117-M))
Sophisticated Investor(s)	: Person(s) who is specified as a sophisticated investor in the SC's Guidelines on Categories of Sophisticated Investors
Subscription	: The subscription for 38,029,100 Shares at the Subscription Price by the Pre-Listing Investors, which was completed on 18 September 2025
Subscription Price	: RM0.10 per Share
Subscription Share(s)	: 38,029,100 Shares at the Subscription Price, issued by the Company to the Pre-Listing Investors
Teladan Group	: Collectively, Teladan Setia Sdn Bhd (Registration No. 199301006710 (261447-A)), Riverwell Resources Sdn Bhd (Registration No. 200001009453 (512059-D)) and Midas Dimensi Sdn Bhd (Registration No. 201101004289 (932430-T))
Teobros Group	: Collectively, Suara Kiaramas Sdn Bhd (Registration No. 201101014225 (942365-V)), Kiara Harapan Sdn Bhd (Registration No. 201101007560 (935698-X)) and Armada Warak Sdn Bhd (Registration No. 201901015676 (1325004-X))
Vendor(s)	: Ching Tai Kuen and Liem Seng Leong

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**TECHNICAL GLOSSARY**

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This technical glossary contains an explanation of certain terms used throughout this Information Memorandum in connection with our Group's business. The terminologies and their meanings may not correspond to the standard industry usage of these terms:

CCC/CF	: Certificate of Completion and Compliance / Certificate of Fitness for Occupation or its equivalent, issued by the local authorities or principal submitting person (whichever is applicable)
CPC	: Certificate of Practical Completion, issued by the project's architect on behalf of the customer to the contractor, when the contractor has completed its contractual obligations and handed over the works to the customer
CMGD	: Certificate of Making Good Defects, issued by the project's architect on behalf of the customer to the contractor, upon expiry of the DLP and once all identified defects have been rectified
DLP	: Defect liability period, the timeframe after a development project's completion during which the developer is obliged to rectify any defects that may arise
EOT	: Extension of time, being additional period granted to a contractor beyond the originally agreed-upon project completion date
LAD	: Liquidated ascertained damages, compensation payable to the customer, calculated at the rate specified in the contract, when a contractor fails to complete the works within the agreed timeframe
Retention sum	: A portion of the progress billing payments withheld until the conditions specified in the contract are fulfilled or until any defects have been rectified
VO	: Variation order refers to the modification or adjustment to a project's original scope of work. Variation orders can cover various aspects, including changes in design specifications, materials, quantities, timelines, or any other contractual terms

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## PROJECTS

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The following is a brief description of some of the projects undertaken by our Group, as disclosed in this Information Memorandum:

- Mukim Jasin Project : Construction of drainage works for Lot 19290 and Lot 20103 - P1B Residential/ P3A Residential/ P3B Residential/ P4A Residential/ P4B Residential, in Mukim Jasin, Daerah Jasin, Melaka
- Mukim Tanjung Minyak Project (Infrastructure) : Construction of drainage works for Lot 53 & Lot 22091 - Phase 1A, 1B, 2A, 2B, and Lot 135,139,140,144 and 155, in Mukim Tanjung Minyak, Daerah Melaka Tengah, Melaka
- Mukim Merlimau Project : Construction of retaining wall and main drainage works for GM435 Lot 214, GM 436 Lot 215 and GRN 53124 Lot 7494, in Mukim Merlimau, Daerah Jasin, Melaka
- Mukim Tanjung Minyak Project (Building) : Construction of industrial building lots for GRN 6103 Lot 1000, GRN 8129 Lot 1268 and GM 199, Lot 1269, - 48 units of 2-storey terrace industrial lot (Block 8, 9, 10, 11,12&13), and 2 units of semi-detached industrial lot and 1 unit of electric substation, in Mukim Tanjung Minyak, Daerah Melaka Tengah, Melaka
- Mukim Ayer Panas Project : Construction of residential building lots for GM 1123 Lot 1304, GRN 14338 Lot 2405, GRN 14526 Lot 2407, GRN 22611 Lot 2408, GRN 21064 Lot 3157 and GRN 310 Lot 3158 - 189 units of 2-storey terrace house (Phase 1A-1, 2 and 3; Block 1-14), in Mukim Ayer Panas, Daerah Jasin, Hang Tuah Jaya, Melaka
- Melaka Tengah Project : Construction of business building lots - 1 unit of 4-storey office building, 9 units of double-storey shop lots, 1 unit of compact sub and 1 unit of garbage room, in Kawasan Bandar XLIV, Daerah Melaka Tengah, Melaka

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**1. CORPORATE DIRECTORY**

<b>BOARD OF DIRECTORS</b>	: Ching Tai Kuen Liem Seng Leong
<b>BUSINESS ADDRESS</b>	: No. 2, 2-1, 2-2, Jalan Melaka Raya 33 Taman Melaka Raya 1 75000 Melaka  Telephone number: 06-335 4987 Email address: <a href="mailto:general@lpcgroup.my">general@lpcgroup.my</a> Website: <a href="http://www.lpcgroup.my">www.lpcgroup.my</a>
<b>REGISTERED OFFICE ADDRESS</b>	: Lot 1902, 19th Floor, Tower 1, Faber Towers Jalan Desa Bahagia, Taman Desa 58100 Kuala Lumpur
<b>COMPANY SECRETARIES</b>	: Ng Shu Fern (MAICSA 7062881) (SSM Practicing Certificate No. 201908001840) Tan Yan Ni (MAICSA 7071933) (SSM Practicing Certificate No. 202308000465)  Prominence Corporate Services Sdn Bhd (Registration No. 202301032353 (1526276-V)) Lot 1902, 19th Floor, Tower 1, Faber Towers Jalan Desa Bahagia, Taman Desa 58100 Kuala Lumpur
<b>APPROVED ADVISER AND CONTINUING ADVISER</b>	: Eco Asia Capital Advisory Sdn Bhd (Registration No. 201801022562 (1284581-H)) Lot 1904, 19th Floor, Tower 1, Faber Towers Jalan Desa Bahagia, Taman Desa 58100 Kuala Lumpur
<b>AUDITORS</b>	: Ecovis Malaysia PLT (Registration No. 201404001750 (LLP0003185-LCA) & AF 001825) D-10-03, Level 10, EXSIM Tower Millerz Square @ Old Klang Road Megan Legasi, No. 357, Jalan Kelang Lama 58000 Kuala Lumpur
<b>SOLICITORS</b>	: Teh & Lee A-3-3 & A-3-4, Northpoint Offices, Mid Valley City No. 1, Medan Syed Putra Utara 59200 Kuala Lumpur
<b>INDEPENDENT MARKET RESEARCHER</b>	: Redmarch Capital Insights Sdn Bhd (Registration No. 202401042597 (1588442-A)) Horizon Penthouse, 1 Powerhouse No. 1, Persiaran Bandar Utama, Bandar Utama 47800 Petaling Jaya, Selangor
<b>INTERNAL CONTROLS REVIEWER</b>	: SocialGreen Governance Sdn Bhd (Registration No. 202101032390 (1432690-V)) A-5-5, Northpoint Offices, Mid Valley City No. 1, Medan Syed Putra Utara 59200 Kuala Lumpur
<b>SHARE REGISTRAR</b>	: Aldpro Corporate Services Sdn Bhd (Registration No. 202101043817 (1444117-M)) B-21-1, Level 21, Tower B, Northpoint Mid Valley City No. 1, Medan Syed Putra Utara 59200 Kuala Lumpur
<b>LISTING SOUGHT</b>	: LEAP Market

## 2. DETAILS OF OUR PROPOSED LISTING

### 2.1 PROPOSED LISTING

Our Proposed Listing by way of introduction will not entail any fund-raising upon admission to the LEAP Market of Bursa Securities.

The Proposed Listing is subject to the approval from Bursa Securities. Accordingly, we have concurrently with the issuance of this Information Memorandum, made an application to Bursa Securities for the admission of our Company to the Official List and the listing and quotation of our entire issued Shares on the LEAP Market, and we are awaiting Bursa Securities' decision on the same.

### 2.2 OBJECTIVES OF OUR PROPOSED LISTING

- (i) To enhance our Group's profile and visibility and allow the investing community to better ascertain the merits, risk profile and prospects of our Group.
- (ii) To enable us to gain access to the capital market for future fund-raising in order to pursue future expansion and growth opportunities.
- (iii) To act as an initial step to prepare our Group for the eventual transfer of listing to the other markets of Bursa Securities.

### 2.3 LISTING REFERENCE PRICE

The Listing Reference Price of RM0.10 was fixed after taking into consideration the following factors:

- (i) our Group's historical PE Multiple of 11.69 times, based on our EPS of 0.9 sen computed based on our audited PAT of RM3.3 million for the FYE 2025 and our entire issued share capital of 380,291,000 Shares upon Proposed Listing;
- (ii) our Group's NA per Share of 8.1 sen, computed based on our audited NA of RM30.8 million as at 30 April 2025 and our entire issued share capital of 380,291,000 Shares upon Proposed Listing, translating into a PB Multiple of 1.2 times based on the Listing Reference Price;
- (iii) the Subscription Price of RM0.10 per Share, being the last transacted price for our Shares;
- (iv) our competitive strengths as set out in Section 4.7 of this Information Memorandum; and
- (v) our future plans and strategies to grow our business as set out in Section 4.8 of this Information Memorandum.

### 2.4 SHARE CAPITAL AND SHAREHOLDING STRUCTURE UPON PROPOSED LISTING

#### 2.4.1 Share Capital

<b>Share Capital upon Proposed Listing</b>	<b>No. of Shares '000</b>	<b>Share Capital RM'000</b>
Issued share capital	380,291	34,606
Market capitalisation based on the Listing Reference Price		38,029

## 2. DETAILS OF OUR PROPOSED LISTING

There will be no allotment or issuance of new Shares in conjunction with our Proposed Listing. As at the LPD, we have only 1 class of shares, namely ordinary shares, all of which rank equally in all respects including voting rights and rights to all dividends and other distributions that may be declared.

### 2.4.2 Shareholding Structure

	No. of Shares '000	Shareholding %
<u>Promoters, substantial shareholders and Directors</u>		
Ching Tai Kuen	171,131	45.0
Liem Seng Leong	171,131	45.0
	342,262	90.0
Pre-Listing Investors <sup>(1)</sup> / public shareholders	38,029	10.0
	380,291	100.0

*Note:*

- <sup>(1)</sup> *Comprises of 4 individuals. None of the Pre-Listing Investors are persons connected to the Promoters, substantial shareholders and Directors of our Group. Further, none of them individually hold 5.0% or more of our Shares.*

As the LEAP Market is a qualified market which is meant mainly for Sophisticated Investors, we are required, under Rule 2.24(2) of the Listing Requirements, to ensure that all our securities to be offered and issued post-listing fall within Schedule 6 or 7 of the CMSA and are to our existing Holders or Sophisticated Investors only.

### 2.4.3 Moratorium and undertakings

Pursuant to Rule 3.07 of the Listing Requirements, the Shares held by our Promoters will be placed under moratorium. Our Promoters have fully accepted the moratorium and provided written undertakings that they will not be permitted to sell, transfer or assign any part of their interest in the Shares during the moratorium period as follows:

- (i) The moratorium applies to the entire shareholdings of our Promoters for a period of 12 months from the date of our listing on the LEAP Market ("**First 12-Month Moratorium**");
- (ii) Upon expiry of the first 12 months period, our Promoters shall maintain an aggregate shareholding amounting to 171,130,950 Shares, representing 45.0% of our entire issued share capital upon the Proposed Listing for another period of 36 months ("**Second 36-Month Moratorium**"); and
- (iii) Thereafter, our Promoters may sell, transfer or assign their shares held under moratorium, provided that LPC has generated 1 full financial year of operating revenue based on the latest audited financial statements of LPC.

Details of our Promoters and their Shares which will be subject to the abovementioned moratorium, are set out below:

Promoters	Moratorium shares during the First 12-Month Moratorium		Moratorium shares during the Second 36-Month Moratorium	
	No. of Shares	%	No. of Shares	%
Ching Tai Kuen	171,130,950	45.0	85,565,475	22.5
Liem Seng Leong	171,130,950	45.0	85,565,475	22.5
	<b>342,261,900</b>	<b>90.0</b>	<b>171,130,950</b>	<b>45.0</b>

## 2. DETAILS OF OUR PROPOSED LISTING

### 2.5 PRE-LISTING RESTRUCTURING SCHEME

In conjunction with our Proposed Listing, we have undertaken pre-listing restructuring which entails the Acquisition and Subscription. Save as disclosed below, there are no other material agreements including shareholders agreement entered into between our Company and shareholders:

#### 2.5.1 Acquisition of Lai Pau

On 25 August 2025, our Company entered into a share sale agreement with the Vendors to acquire the entire equity interest in Lai Pau for a purchase consideration of RM30,803,562, which was satisfied via the issuance of 342,261,800 new Shares. The Acquisition was completed on 25 August 2025 and Lai Pau together with its' subsidiary, LPC Property became our subsidiaries. Details of the Vendors and the number of new Shares issued are as follows:

<b>Vendors</b>	<b>Shareholdings in Lai Pau prior to the Acquisition</b>		<b>Purchase consideration (RM)</b>	<b>No. of new Shares issued</b>
	<b>No. of shares</b>	<b>%</b>		
Ching Tai Kuen	600,000	50.0	15,401,781	171,130,900
Liem Seng Leong	600,000	50.0	15,401,781	171,130,900
<b>Total</b>	<b>1,200,000</b>	<b>100.0</b>	<b>30,803,562</b>	<b>342,261,800</b>

#### 2.5.2 Subscription of Shares

On 28 August 2025, our Company entered into a subscription agreement with the Pre-Listing Investors for the subscription of 38,029,100 new Shares in our Company at the Subscription Price of RM0.10 per Share. The Subscription was completed on 18 September 2025.

Upon completion of the Subscription, total proceeds of RM3.8 million thereof are intended to be utilised in the following manner:

<b>Details of Utilisation</b>	<b>RM'000</b>	<b>%</b>	<b>Estimated timeframe for utilisation upon completion of the Subscription</b>
(i) Working Capital	2,503	65.8	Within 12 months
(ii) Estimated listing expenses	1,300	34.2	Within 1 month
<b>Total</b>	<b>3,803</b>	<b>100.0</b>	

##### (i) Working capital

As at the LPD, we have 12 on-going construction projects and a total outstanding order book of RM42.6 million. In addition, we have tendered and/or submitted proposals for various building and infrastructure construction projects which, if successful, will further increase our order book and consequently increase our project working capital requirements.

For the FYE Under Review, purchase of construction materials and payment for subcontractor services accounted for more than 80.0% of our total cost of sales. Therefore, we have earmarked RM2.5 million or 65.8% of the total proceeds to finance our project working capital requirements. Should the actual project working capital expenses be lower than the allocated amount, the balance will be utilised for our Group's general working capital purposes.

**2. DETAILS OF OUR PROPOSED LISTING**

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**(ii) Estimated listing expenses**

We have allocated RM1.3 million or 34.2% of the total proceeds to defray the estimated listing expenses as follows:

	<b>RM'000</b>
Professional fees	1,040
Fees payable to authorities	19
Printing, advertising fees and contingencies	241
	<b>1,300</b>

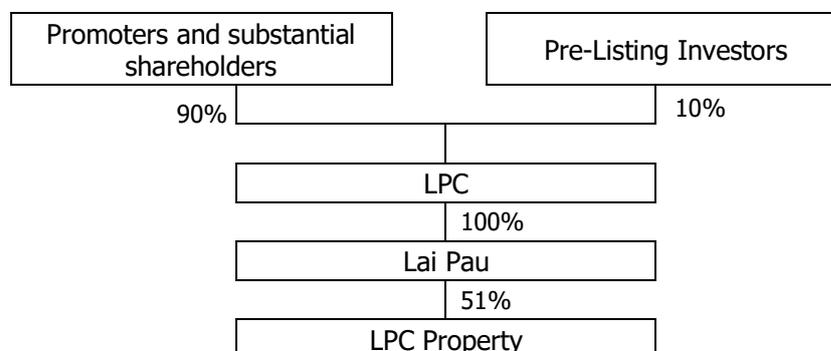
If our actual listing expenses are higher than the amount allocated, the deficit will be funded out of our internally generated funds. In the event our actual listing expenses are lower than the amount allocated, the excess will be utilised for our general working capital purposes.

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### 3. DETAILS OF OUR GROUP, PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

#### 3.1 DETAILS OF OUR GROUP

As at the LPD, our group structure is as follows:



LPC was incorporated on 11 April 2025 under the Act as a private limited company under the name of LPC Group Sdn Bhd. On 22 September 2025, the Company was converted into a public limited company and assumed its present name of LPC Group Berhad. As at the LPD, the details of LPC's subsidiaries are summarised as follows:

<b>Name</b>	<b>Date of Incorporation / Date of Commencement of Business</b>	<b>Issued Share Capital RM'000</b>	<b>LPC's Effective Interest (%)</b>	<b>Principal Activities</b>
Lai Pau	21 February 1987/ 21 February 1987	1,200	100.0	Provision of construction services
LPC Property	22 April 2021/ Not applicable	250	51.0	Dormant

#### 3.2 PROFILES OF OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS AND DIRECTORS

##### Ching Tai Kuen

Ching Tai Kuen, a Malaysian male aged 44, is our Promoter, substantial shareholder and Director. He is the brother of Ching Poh Poh. He was appointed to our Board on 11 April 2025. He oversees our Group's overall strategic directions and business development jointly with Liem Seng Leong. He obtained his Bachelor of Engineering from Deakin University, Australia in 2005.

In 2005, he joined Lai Pau as a Project Executive where he assisted the project manager with preparatory works in the project department. He was appointed as director of Lai Pau later in the same year and continued to work closely with various senior executives in project management. Since then, he has together with Liem Seng Leong, undertaken various active roles in our Group's operations and was instrumental in the success of the Group with the completion of notable projects such as Jusco Peringgit Jaya, World Youth Foundation Complex, Wisma Persekutuan MITC Melaka, Limbongan-Klebang Coastal Highway and Bandar Botani Parkland.

##### Liem Seng Leong

Liem Seng Leong, a Malaysian male aged 41, is our Promoter, substantial shareholder and Director. He was appointed to our Board on 11 April 2025. He oversees our Group's overall strategic directions and business development jointly with Ching Tai Kuen. He obtained his Foundation Studies in Business from Stamford College, Melaka in 2004.

### 3. DETAILS OF OUR GROUP, PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

He began his career as a Site Supervisor at Lai Pau in 2004 where he was responsible for overseeing construction sites and managing material procurement for various projects. In 2005, he was appointed as director of Lai Pau where he was responsible for fostering strong relationships with customers, driving business growth, and enhancing the company's industry presence. Since then, he has together with Ching Tai Kuen, undertaken various active roles in our Group's operations and was instrumental in the success of the Group with the completion of notable projects such as Jusco Peringgit Jaya, World Youth Foundation Complex, Wisma Persekutuan MITC Melaka, Limbongan-Klebang Coastal Highway and Bandar Botani Parkland.

#### 3.3 PROFILES OF OUR KEY MANAGEMENT PERSONNEL

Profiles of Ching Tai Kuen and Liem Seng Leong are disclosed in Section 3.2 above. The remaining key management personnel are as follows:

##### **Ching Poh Poh**

Ching Poh Poh, a Malaysian female aged 35, is our Chief Operating Officer. She is the sister of Ching Tai Kuen. She is responsible for handling our Group's project department for building works and contract department.

She obtained her Bachelor of Commerce (International Business) from Swinburne University of Technology, Melbourne, Australia in 2013. She completed a hospitality training program conducted by Hospitality Training Australia Pty Ltd in 2014. In 2015, she obtained a certificate in patisserie from the Australian National Institute of Business and Technology. In 2016, she obtained her Diploma of Hospitality from the Royal Gurkhas Institute of Technology, Australia.

Whilst still an undergraduate, she established Pakpoh Pty Ltd in 2013 to undertake her own restaurant business in Melbourne, Australia. She has been involved in the management of the restaurant until her return to Malaysia in 2021. In October 2021, she joined Lai Pau as a Project Assistant where she was responsible for supporting the project team as well as in charge of Lai Pau's contracts and procurement. In January 2025, she was appointed as the Chief Operating Officer of our Group.

##### **Tye Khai Choong**

Tye Khai Choong, a Malaysian male aged 36, is our Chief Financial Officer. He is responsible for overseeing our Group's overall finance function including monitoring of financial performance, budgeting and financial reporting.

He graduated with a Bachelors of Accounting (Honours) from Multimedia University in 2013. He is a member of Malaysian Institute of Accountants since November 2016. He was admitted as an associate of Chartered Institute of Management Accountants and certified as a Chartered Global Management Accountant in 2019.

He began his career in Pricewaterhousecoopers Taxation Services Sdn Bhd as an Associate Consultant in 2013. In 2015, he joined SunPower Malaysia Manufacturing Sdn Bhd as a Financial Analyst, specialising in tax related matters. In 2016, he joined Malaysia Airports Holdings Berhad as a Senior Executive in Business Partner Finance, responsible for conducting analytical reviews and budgeting for the retail business. In 2019, he joined Hatten Land Limited as a Corporate Finance Manager, responsible for overseeing corporate finance matters.

In 2020, he joined BAT Aspac Service Centre Sdn Bhd as a Corporate Finance Assistant Manager, responsible for analytical reviews and budgeting. In 2021, he joined Farm Fresh Berhad as a Corporate Finance Manager and was involved in its initial public offerings as well as mergers and acquisitions exercises. In 2024, he joined Inari Amertron Berhad as a Senior Manager of Corporate Finance before taking on his current role as Chief Financial Officer of our Group in January 2025.

### 3. DETAILS OF OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

#### 3.4 INVOLVEMENT OF OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL IN BUSINESS / CORPORATIONS OUTSIDE OUR GROUP

Save as disclosed below, none of our Promoters, substantial shareholders, Directors and key management personnel has any other interests and/or directorship in any other businesses or corporations outside our Group for the past 3 years and up to the LPD:

##### 3.4.1 Ching Tai Kuen

Name of company	Principal activities	Position held	Date of appointment as director	Date of resignation as director	Equity interest as at the LPD (%)	
					Direct	Indirect
<b>Present involvements:</b>						
Winland Realty Sdn Bhd	Property development	Director / Shareholder	2 October 2024	13 January 2025	7.7	-
Kadar Bistari Sdn Bhd	Property development	Director / Shareholder	3 August 2021	25 March 2025	25.0	-
HOH Agriculture Sdn Bhd (formerly known as HH Fruits Marketing Sdn Bhd)	Plantation	Director / Shareholder	20 January 2025	13 February 2025	15.0	-
Suria Eco Development Sdn Bhd	Property development	Director / Shareholder	15 December 2021	20 February 2025	10.0	-
Targe Marketing Sdn Bhd	Trading of construction materials	Director / Shareholder	28 August 2023	27 March 2025	30.0	-
Lai Pau Resources Sdn Bhd	Investment holding	Shareholder	-	-	10.0	-
AL Ching Resources Sdn Bhd	Investment holding	Shareholder	-	-	10.0	-
Tampin Hectares Sdn Bhd	Plantation	Shareholder	-	-	15.0	-

### 3. DETAILS OF OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

Name of company	Principal activities	Position held	Date of appointment as director	Date of resignation as director	Equity interest as at the LPD (%)	
					Direct	Indirect
<b>Past involvements:</b>						
Island Capital Sdn Bhd	Construction	Director / Shareholder	15 May 2018	2 March 2023	-	-
LPHK Builder Sdn Bhd	Construction	Director / Shareholder	3 August 2021	7 March 2025	-	-
Power Structure Sdn Bhd	Construction	Director	17 July 2012	13 February 2025	-	-
Power Structure Resources Sdn Bhd	Investment holding	Director / Shareholder	5 November 2019	14 April 2025	-	-

#### 3.4.2 Liem Seng Leong

Name of company	Principal activities	Position held	Date of appointment as director	Date of resignation as director	Equity interest as at the LPD (%)	
					Direct	Indirect
<b>Present involvements:</b>						
Titanium F&B Sdn Bhd	Food and beverage	Director / Shareholder	22 March 2024	10 March 2025	30.0	-
Kadar Bistari Sdn Bhd	Property development	Director / Shareholder	3 August 2021	25 March 2025	25.0	-
Magnificent City Resources Sdn Bhd	Home stay	Director / Shareholder	26 August 2024	20 March 2025	35.0	-

**3. DETAILS OF OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL**

Name of company	Principal activities	Position held	Date of appointment as director	Date of resignation as director	Equity interest as at the LPD (%)	
					Direct	Indirect
Ultimate F&B Sdn Bhd	Food and beverage	Director / Shareholder	3 September 2024	10 March 2025	30.0	-
Suria Eco Development Sdn Bhd	Property development	Director / Shareholder	15 December 2021	20 February 2025	10.0	-
Power Structure Resources Sdn Bhd	Investment holding	Director / Shareholder	5 November 2019	14 April 2025	100.0	-
Polytech Properties Sdn Bhd	Property development	Director / Shareholder	30 June 2023	6 May 2025	20.0	-
AL Ching Resources Sdn Bhd	Investment holding	Shareholder	-	-	10.0	-
Tampin Hectares Sdn Bhd	Plantation	Shareholder	-	-	15.0	-
Manisan Kita Sdn Bhd	Food and beverage	Shareholder	-	-	30.0	-
Magnificent F&B Sdn Bhd	Food and beverage	Shareholder	-	-	40.0	-
Success F&B Sdn Bhd	Food and beverage	Shareholder	-	-	25.0	-
Mec Valley Berhad	E-commerce	Shareholder	-	-	0.5	-

### 3. DETAILS OF OUR PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY MANAGEMENT PERSONNEL

Name of company	Principal activities	Position held	Date of appointment as director	Date of resignation as director	Equity interest as at the LPD (%)	
					Direct	Indirect
<b>Past involvements:</b>						
Pau Resources Sdn Bhd	Investment holding	Director / Shareholder	5 July 2006	4 March 2024	-	-
Island Capital Sdn Bhd	Construction	Director / Shareholder	15 May 2018	2 March 2023	-	-
LPHK Builder Sdn Bhd	Construction	Director / Shareholder	3 August 2021	7 March 2025	-	-

#### 3.4.3 Ching Poh Poh

Name of company	Principal activities	Position held	Date of appointment as director	Date of resignation as director	Equity interest as at the LPD (%)	
					Direct	Indirect
<b>Present involvement:</b>						
HOH Agriculture Sdn Bhd (formerly known as HH Fruits Marketing Sdn Bhd)	Plantation	Shareholder	-	-	5.0	-
<b>Past involvements:</b>						
CQP Food	Food and beverage	Partner	12 October 2021	2 September 2024	-	-
C. C. Siah Holdings Sdn Bhd	Investment holding	Director / Shareholder	15 March 2022	7 October 2024	-	-
PakPoh Pty Ltd	Food and beverage	Director / Shareholder	10 October 2013	30 November 2022	-	-

## 4. HISTORY AND BUSINESS OVERVIEW

### 4.1 HISTORY AND KEY MILESTONES OF OUR GROUP

Lai Pau was incorporated in 1987 by Ching Ah Lai (father of our Director, Ching Tai Kuen) and Datuk Liem Ah Pau (father of our Director, Liem Seng Leong) to carry out construction services. The company's name "Lai Pau" was derived from both their names. Lai Pau primarily operates in Melaka, with occasional construction projects undertaken in other states.

During its early years from 1987 to 1990, Lai Pau focused on infrastructure works such as drainage works and small-scale building works such as construction, renovation, extension and remedial works for schools and various commercial, industrial and residential buildings.

In 1990, Lai Pau began undertaking larger building construction projects in Melaka, starting with 27 units of medium-cost terrace houses at Taman Krubong, followed by 14 units of shophouses at Taman Bukit Beruang. In 1997, Lai Pau secured its largest project at that time for the extension and retrofitting of the Jaya Jusco shopping centre in Melaka. The successful completion of this project, coupled with improvements in its expertise, capabilities and experience, provided a solid foundation and reference point for securing higher value and/or more complex contracts, such as the Taman Ozana housing project and MITC Ancasa Hotel.

Between 2004 and 2005, both our Directors, Ching Tai Kuen and Liem Seng Leong, sons of the original founders, joined Lai Pau as Project Executive and Site Supervisor respectively. Since then, they have taken on various active roles in Lai Pau's operations. Under their administration, Lai Pau successfully completed several notable projects such as Jusco Peringgiti Jaya, World Youth Foundation Complex, Wisma Persekutuan MITC Melaka, Limbongan-Klebang Coastal Highway and Bandar Botani Parkland.

In 2021, Lai Pau incorporated LPC Property as an associate company with 45% equity interest and had in August 2025 further acquired 6% equity interest, resulting in LPC Property becoming its subsidiary as at the LPD.

Through the Acquisition, LPC acquired the entire equity interest in Lai Pau. Subsequent to the Acquisition and prior to the Subscription, LPC was wholly owned by our Promoters and Directors, Ching Tai Kuen and Liem Seng Leong.

The table below sets out the key milestones of our Group for the past 10 years:

<b>Year</b>	<b>Key Milestones</b>
<b>2018</b>	<ul style="list-style-type: none"> <li>• First 2 projects in Negeri Sembilan for infrastructure works.</li> </ul>
<b>2021</b>	<ul style="list-style-type: none"> <li>• First major township infrastructure works project for drainage works and construction of detention ponds for 650-acre development of Bandar Botani Parkland in Jasin, Melaka.</li> <li>• First project in Johor for infrastructure works.</li> </ul>
<b>2023</b>	<ul style="list-style-type: none"> <li>• First project exceeding RM40.0 million in contract value for the construction of 189 units of terrace houses in Bukit Katil, Melaka.</li> </ul>
<b>2024</b>	<ul style="list-style-type: none"> <li>• First large-scale industrial building works project for the construction of 50 units of double-storey semi-detached factories in Tanjung Minyak, Melaka.</li> </ul>

## 4. HISTORY AND BUSINESS OVERVIEW

### 4.2 PRINCIPAL ACTIVITIES AND BUSINESS MODEL OF OUR GROUP

We are a registered CIDB G7 contractor, capable of undertaking construction projects of unlimited contract values in Malaysia. We are principally engaged in the following construction activities:

- (i) **Infrastructure Works:** Focusing on drainage, retaining walls, detention ponds and roads.
- (ii) **Building Works:** Focusing on residential, commercial and industrial buildings.

We operate as the main contractor, where we focus on the project management aspects for all the construction projects and strategically outsource the bulk of the construction labour works to subcontractors. As the project manager, we play a central role in planning, managing and overseeing the overall execution of construction projects including coordinating with suppliers and subcontractors to ensure timely completion of project within the contractual period.

Our responsibilities as a main contractor are critical to ensuring that construction projects are completed on schedule while meeting the required standards of quality, safety, environmental compliance and overall project excellence. These responsibilities include:

- ensuring compliance with all Malaysian regulatory requirements, including obtaining necessary permits, licenses, and approvals;
- managing coordination and communication with all project stakeholders, including customers, consultants, suppliers, subcontractors and authorities;
- planning, managing, supervising and monitoring the entire construction process, which may also include value-added services such as proposing alternative solutions to optimise design and improve construction efficiency for infrastructure projects;
- preparing a master work programme outlining the project's work activities, sequencing and milestones in line with contract requirements;
- deploying construction machinery and equipment as well as procuring materials according to project schedules and specifications;
- engaging, managing and supervising subcontractors in the execution of their respective scopes of work; and
- conducting monthly and final inspections as well as testing and commissioning jointly with the customer's representatives.

In addition, we may provide rental services for our construction machinery and commercial vehicles, specifically excavators, backhoes and lorries to our customers and/or subcontractors, subject to availability. These assets are rented at prevailing market rates on an hourly or daily basis when not in use at our project sites.

As at the LPD, we have a total of 26 employees, 2 of which are foreign employees with valid working permits. For the FYE Under Review and up to the LPD, there have been no incidents of work stoppage or labour disputes that have materially affected our operations.

### 4.3 PRINCIPAL MARKETS

Almost all our completed and ongoing projects, comprising both infrastructure and building works, are in Melaka. Currently, all our projects are in the private sector as we do not generally engage in government projects.

#### 4. HISTORY AND BUSINESS OVERVIEW

##### 4.4 PRINCIPAL PLACE OF BUSINESS

We operate from our office premise at No. 2, 2-1 & 2-2, Jalan Melaka Raya 33, Taman Melaka Raya 1, 75000 Melaka, which is owned by Lai Pau. Further details are set out in the table below:

<b>Property description / Title / Built-up area</b>	<b>Tenure / Category of land use / Express conditions / Restriction-in-interest</b>	<b>Date of CCC/CF</b>	<b>Encumbrance</b>
<b>Property description:</b> A 3-storey shop office  <b>Title:</b> PN 14987, Lot 830, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka  <b>Built-up area:</b> 389.9 square metres	<b>Tenure:</b> Leasehold (expiring on 24 February 2094)  <b>Category of land use:</b> Building  <b>Express conditions:</b> For business building only  <b>Restriction-in-interest:</b> None	Melaka Historic City Council does not have a record of CF for this property but has issued a non-objection letter dated 15 August 2025 for Lai Pau to occupy the property	Charged to Public Bank Berhad

In addition, our Group owns 19 other properties, most of which are investment properties and are rented out. As at the LPD, we do not operate at or from any of these properties.

##### 4.5 LICENCES AND PERMITS

The licences and permits held by our Group are set out in the table below:

<b>Licences / Permits</b>	<b>Licence holder</b>	<b>Issuing authority</b>	<b>Date of issuance / expiry</b>
Grade: G7 Construction	Lai Pau	CIDB	27 April 2017 / 28 April 2027
Business licence: No. 613, Taman Seri Indah, Kampung Lapan, Tengker, 75200 Melaka	Lai Pau	Melaka Historic City Council	16 July 2025 / 7 August 2026
Operator's licence serial no.: PK 313365, PK 313366, PK 313367 and PK 313368	Lai Pau	Land Public Transport Agency	29 May 2023 / 8 August 2028
Operator's licence serial no.: PK 332054	Lai Pau	Land Public Transport Agency	5 September 2023 / 8 August 2028
Business licence: No. 2, 2-1 & 2-2, Jalan Melaka Raya 33, Taman Melaka Raya 1, 75000 Melaka	LPC	Melaka Historic City Council	21 August 2025 / 17 August 2026

## 4. HISTORY AND BUSINESS OVERVIEW

### 4.6 COMPLETED AND ON-GOING CONTRACTS

Since the commencement of our Group's business in 1987 and up to the LPD, we have completed 401 contracts for both infrastructure and building works. The total value of these completed contracts amounts to RM908.4 million.

As at the LPD, we have 12 on-going projects with a total contract value of RM135.5 million and an unbilled order book of RM42.6 million. Summary of our on-going projects with total contract value above RM4.0 million is as follows:

<b>Project</b>	<b>Type of Project</b>	<b>Customer</b>	<b>Expected Completion (include EOT)</b>	<b>Contract Value (include VO) RM'000</b>
Mukim Jasin Project	Infrastructure works	Parkland Group	December 2025	28,756
Mukim Tanjung Minyak Project (Infrastructure)	Infrastructure works	Teladan Group	March 2026	13,352
Mukim Merlimau Project	Infrastructure works	Teobros Group	December 2026	8,394
Mukim Tanjung Minyak Project (Building)	Building works	Teobros Group	September 2026	27,055
Mukim Ayer Panas Project	Building works	Teobros Group	End September 2025	48,706

Save for the unbilled order book of RM0.3 million from Parkland Group, which accounted for 0.7% of our total unbilled order book, none of our unbilled order book as at the LPD is awarded by related parties.

### 4.7 COMPETITIVE STRENGTHS

#### 4.7.1 Established track record in infrastructure and building construction works

We have an established and proven track record of over 38 years in the construction industry. As at the LPD, our Group has successfully completed 401 contracts with a total value of RM908.4 million, covering residential, commercial, industrial and infrastructure projects.

Over the years, we have built a strong reputation and trust within the construction industry, supported by long-standing customer relationships. Our ability to consistently deliver quality work on time has enabled us to secure repeated business from existing customers and attract new customers through referrals. The table below sets out the top 5 customers of our Group for the FYE 2025 based on our Group's total revenue of RM41.6 million:

<b>No.</b>	<b>Customer</b>	<b>Length of relationship as at the LPD</b>	<b>Revenue contribution for FYE 2025</b>	
		<b>Years</b>	<b>RM'000</b>	<b>%</b>
1	Teobros Group	12	28,497	68.5
2	Parkland Group	6	4,835	11.6
3	Jaymuda Group	23	3,234	7.8
4	Teladan Group	24	2,457	5.9
5	Shang Height Group	8	1,652	4.0
<b>Total</b>			<b>40,675</b>	<b>97.8</b>

## 4. HISTORY AND BUSINESS OVERVIEW

### 4.7.2 Qualified and experienced management team

Our Group is led by our Directors, Ching Tai Kuen and Liem Seng Leong, each with at least 20 years' working experience in the Group. Under their leadership, the Group has expanded its operations and strengthened its presence in the construction industry. Their in-depth industry knowledge, technical expertise and extensive network of business contacts have been instrumental in driving the Group's growth and in securing new projects over the years.

They are supported by a dedicated and experienced senior management team that plays a pivotal role in the strategic and operational management of the Group. This includes Tye Khai Choong, our Chief Financial Officer with 12 years of accounting and finance experience and Ching Poh Poh, our Chief Operating Officer with 12 years of business management experience. Please refer to Sections 3.2 and 3.3 of this Information Memorandum for further details of our Directors and key management personnel.

### 4.7.3 Established relationships with suppliers and subcontractors

We have developed long-standing and trusted relationships with a wide network of suppliers and subcontractors. The familiarity and mutual understanding developed over the years have enabled effective coordination and collaboration at project sites, supporting the successful and timely completion of projects. Some of our suppliers and subcontractors have been with us for more than 15 years, providing consistent access to quality materials in the required quantities, as well as reliable and experienced services. The top 5 suppliers or subcontractors of our Group for the FYE 2025 based on our Group's total cost of sales of RM37.4 million are set out below:

No.	Supplier/ Subcontractor	Products / Services	Length of relationship as at the LPD	Total purchases for FYE 2025	
			Years	RM'000	%
1	Durable Group	Concrete	10	4,543	12.1
2	Chen Huat Group	System formwork works, roofing works	11	3,460	9.2
3	POSIM Marketing Sdn Bhd	Rebars, tiles, roof tiles, plywood, etc.	19	1,850	4.9
4	Sudut Swasta Sdn Bhd	Rebars, cement, wire, etc.	17	1,825	4.9
5	Tekun Concrete (M) Sdn Bhd	U-Drain, box culvert, etc.	19	1,619	4.3
<b>Total</b>				<b>13,297</b>	<b>35.4</b>

### 4.7.4 Commitment to maintaining good quality standards and on-time delivery of our projects

Our Group is committed to delivering quality construction works in line with our ISO 9001:2015 certification for the provision of construction management in building and infrastructure works. We implement quality management system to ensure consistent standards across all stages of project execution. As at the LPD, we have delivered all our projects on time and have not incurred any LAD for delays and all our retention sum have been released to us accordingly.

## **4. HISTORY AND BUSINESS OVERVIEW**

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### **4.8 FUTURE PLANS AND STRATEGIES**

#### **4.8.1 Expansion of our infrastructure and building activities in Melaka**

Since our inception, we have built a strong presence in Melaka. Over the past 38 years, we have established a reputation as a reliable building and infrastructure contractor, having successfully completed 401 contracts with a total contract value of RM908.4 million. We intend to leverage on our proven track record and strong project experience to pursue additional building and infrastructure projects in the state.

#### **4.8.2 Expansion into new geographical markets**

We have established a strong record in the construction industry since 1987. Although most of our projects are in Melaka, we have also undertaken projects in other states such as Selangor, Johor, Negeri Sembilan and Kelantan. Moving forward, we intend to adopt a more proactive approach to participate in tenders for projects located outside Melaka, specifically focusing on strengthening our presence in Johor and the Klang Valley. By applying the same standards of quality, efficiency and reliability that have defined our work in Melaka, we intend to replicate our success in these target states and build a more geographically diversified project portfolio.

#### **4.8.3 Expansion through strategic collaborations or acquisitions**

We are also open to exploring strategic collaborations, joint ventures and/or acquisitions of construction or construction-related companies. As at the LPD, we are in discussions with several companies within the construction industry for potential collaborations or acquisitions. These may expedite our market entry into different states, gain access to local talent and operational resources as well as expand our customer base more efficiently.

#### **4.8.4 Adoption of modern construction methods**

As part of our long-term growth strategy, our Group aims to adopt modern construction methods to improve productivity, enhance quality and support sustainable project delivery. At present, our building works employ a combination of modern formwork systems alongside traditional construction approaches, whereas our infrastructure works continue to rely primarily on conventional construction methods.

We intend to invest in aluminum and steel formwork systems, which offer several advantages, including improved build quality, faster construction cycles, reduced construction waste and lower dependence on manual labour. These systems are particularly suitable for projects involving repetitive structural components, such as high-rise buildings and large-scale infrastructure developments, where efficiency and consistency are critical.

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## **4. HISTORY AND BUSINESS OVERVIEW**

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### **4.9 PROSPECTS OF THE GROUP**

The outlook of the construction sector in Malaysia remains positive. In 2024, construction was the fastest growing sector of the Malaysian economy, recording a year-on-year growth of 17.5% which significantly outpaced the overall gross domestic product growth of 5.1%. Growth of the construction sector is expected to remain healthy, supported by continued government investment in infrastructure, expansion in residential construction, and increased private and foreign investment, amongst others. Furthermore, a growing population, increasing urbanisation, stable political environment, tourism and growing industrial activities for the digital economy will create a consistent demand for construction. Key regions attracting the largest volume of planned property supply and approved investments include the state of Johor and the Klang Valley which straddles across the state of Selangor, the Federal Territory of Kuala Lumpur and Putrajaya. The construction sector is projected to grow by 6.1% in 2025.

In Melaka, the construction sector recorded strong expansion, with a year-on-year increase of 52.7% and the value of works reaching RM4.7 billion in 2024. Residential projects are the largest contributor to Melaka's construction market and are expected to continue as a key driver of growth. Melaka's growing pipeline of residential, industrial and serviced apartment projects is expected to sustain construction demand over the medium term.

(Source: IMR Report)

As a contractor based in Melaka, we stand to benefit from both state and national development initiatives as well as favourable market dynamics and sustained demand for construction services. In addition, our plans to expand into Johor and the Klang Valley is strategically aligned with regions attracting the largest volume of planned property supply and approved investments.

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## 5. FINANCIAL INFORMATION

### 5.1 HISTORICAL FINANCIAL INFORMATION

LPC was incorporated on 11 April 2025 as an investment holding company to facilitate the Proposed Listing. Prior to the completion of the Acquisition, LPC was dormant. As such, the historical financial information of our Group for the FYE Under Review are presented based on the audited financial statements of Lai Pau only.

The financial statements for FYE 2025 have been audited by Ecovis. The audited financial statements for FYE 2025, detailing both the financial information for FYEs 2024 and 2025, have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act. The audited financial statements for FYE 2025 are set out in Appendix I of this Information Memorandum.

#### 5.1.1 Statements of profit or loss and other comprehensive income

The following table sets out the audited statements of profit or loss and other comprehensive income for the FYE Under Review:

	<b>Audited</b>	
	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	32,957	41,591
Cost of sales	(27,651)	(37,434)
<b>GP</b>	<b>5,306</b>	<b>4,157</b>
Other income	1,039	3,137
Administrative expenses	(2,495)	(1,878)
Net impairment in financial assets	-	(1,256)
Other operating expenses	(1)-	(1)-
<b>Profit from operations</b>	<b>3,850</b>	<b>4,160</b>
Finance costs	(11)	(2)
Share of profit/ (loss) of associates	15	(58)
<b>PBT</b>	<b>3,854</b>	<b>4,100</b>
Tax expense	(886)	(847)
<b>PAT/ Total comprehensive income</b>	<b>2,968</b>	<b>3,253</b>
PAT/ Total comprehensive income attributable to:		
- Owners of our Company	2,973	3,261
- Non-controlling interests	(5)	(8)
	<b>2,968</b>	<b>3,253</b>
GP margin (%) <sup>(2)</sup>	16.1	10.0
PBT margin (%) <sup>(3)</sup>	11.7	9.9
PAT margin (%) <sup>(4)</sup>	9.0	7.8
Effective tax rate (%) <sup>(5)</sup>	23.0	20.7
Number of Shares (units) ('000)	1,200	1,200
Basic/ diluted EPS (RM) <sup>(6)</sup>	2.48	2.72

*Notes:*

(1) Represents less than RM1,000.

(2) Computed based on GP over revenue.

(3) Computed based on PBT over revenue.

(4) Computed based on PAT over revenue.

(5) Computed based on income tax expenses over PBT.

(6) Computed based on PAT attributable to owners of our Company over the number of Shares of each respective financial year. There was no dilution of EPS.

## 5. FINANCIAL INFORMATION

### 5.1.2 Selected financial information from the statements of financial position

The following table sets out a summary of the audited statements of financial position as at 30 April 2024 and 30 April 2025:

	<b>Audited</b>	
	<b>As at 30 April</b>	
	<b>2024</b>	<b>2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Total non-current assets	15,076	10,599
Total current assets	35,556	40,207
<b>Total assets</b>	<b>50,632</b>	<b>50,806</b>
Total non-current liabilities	92	-
Total current liabilities	22,394	20,002
<b>Total liabilities</b>	<b>22,486</b>	<b>20,002</b>
Net assets	28,146	30,804
Net current assets	13,162	20,205
Share capital	1,200	1,200
Retained earnings	26,343	29,604
Equity attributable to the Owners of the Company	27,543	30,804
Non-controlling interests	603	-
<b>Total equity</b>	<b>28,146</b>	<b>30,804</b>

### 5.1.3 Selected financial information from the statements of cash flows

The following table sets out a summary of the audited statements of cash flows for the FYE Under Review:

	<b>Audited</b>	
	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash generated from operating activities	3,150	614
Net cash generated from/ (used in) investing activities	116	(389)
Net cash used in financing activities	(125)	(194)
Net increase in cash and cash equivalents	3,141	31
Cash and cash equivalents at the beginning of the financial year	4,736	7,877
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7,877</b>	<b>7,908</b>

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## 5. FINANCIAL INFORMATION

### 5.2 MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis of our Group's financial condition and results of operations for the FYE Under Review should be read together with the audited financial statements for FYE 2025 as set out in Appendix I of this Information Memorandum.

This discussion and analysis contain data derived from our audited financial statements as well as forward-looking statements that involve risks and uncertainties. Our Group's actual results may differ significantly from those anticipated in the forward-looking statements due to various factors, including those discussed below and elsewhere in this Information Memorandum, particularly the risk factors as set out in Section 6 of this Information Memorandum.

#### 5.2.1 Revenue

The breakdown of our Group's revenue by business activities are as follows:

	<b>Audited</b>			
	<b>FYE 2024</b>		<b>FYE 2025</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>Construction services</b>				
- Building works	15,847	48.1	31,368	75.4
- Infrastructure works	16,670	50.6	9,984	24.0
	<b>32,517</b>	<b>98.7</b>	<b>41,352</b>	<b>99.4</b>
<b>Hiring of machinery</b>	440	1.3	239	0.6
<b>Total</b>	<b>32,957</b>	<b>100.0</b>	<b>41,591</b>	<b>100.0</b>

Our Group's total revenue increased by RM8.6 million or 26.1% from RM33.0 million in FYE 2024 to RM41.6 million in FYE 2025, primarily driven by higher revenue from our construction services.

#### Construction services

Revenue from construction services increased from RM32.5 million in FYE 2024 to RM41.4 million in FYE 2025 mainly driven by a RM15.5 million increase in revenue from our building works, mainly due to higher level of construction activities from Mukim Ayer Panas Project. Our revenue for this project increased by RM19.8 million, from RM7.2 million in FYE 2024 to RM27.0 million in FYE 2025 and accounted for 65.2% of our construction services' total revenue and 64.9% of our Group's overall revenue for FYE 2025.

However, this increase was partially offset by a RM6.7 million decrease in revenue from our infrastructure works, mainly due to lower level of construction activities from Mukim Jasin Project and Mukim Tanjung Minyak Project (Infrastructure). Revenue from these 2 projects collectively decreased by RM8.4 million in FYE 2025, as the majority of our work scopes had already been completed, while the remaining works were on hold pending the completion of related construction works by other contractors.

#### Hiring of machinery

Revenue from hiring of machinery, derived from renting out excavators, backhoes and lorries to our customers or subcontractors when not required for our own operations, decreased from RM0.4 million in FYE 2024 to RM0.2 million in FYE 2025. The decrease was mainly due to fewer machinery and commercial vehicles being available for hiring purpose as more machinery and commercial vehicles were mobilised for our own projects use.

## 5. FINANCIAL INFORMATION

### 5.2.2 Cost of sales

The breakdown of our Group's cost of sales by cost components are as follows:

	Audited			
	FYE 2024		FYE 2025	
	RM'000	%	RM'000	%
Construction materials costs	12,970	46.9	17,360	46.4
Subcontractor costs	11,169	40.4	16,392	43.8
Project related expenses <sup>(1)</sup>	1,238	4.5	1,405	3.7
Rental of machinery <sup>(2)</sup>	615	2.2	809	2.2
Staff costs	844	3.1	849	2.3
Upkeep expenses	815	2.9	619	1.6
<b>Total</b>	<b>27,651</b>	<b>100.0</b>	<b>37,434</b>	<b>100.0</b>

Notes:

<sup>(1)</sup> Mainly consists of petrol, depreciation of property, plant and equipment, insurance, utilities charges, tender fee, and other miscellaneous project costs.

<sup>(2)</sup> Consists of rental of machinery such as lifting cranes, backhoes and excavators from third parties.

Construction materials and subcontractor costs are the main components, collectively accounted for more than 80.0% of our Group's total cost of sales for the FYE Under Review.

Our Group's total cost of sales increased by RM9.7 million or 35.0% from RM27.7 million in FYE 2024 to RM37.4 million in FYE 2025. The increase was mainly due to higher subcontractor costs of RM5.2 million and higher construction materials costs of RM4.4 million in FYE 2025, primarily arising from the Mukim Ayer Panas Project.

### 5.2.3 GP and GP margin

The breakdown of our Group's GP and GP margin by business activities are as follows:

	Audited			
	FYE 2024		FYE 2025	
	GP RM'000	GP margin %	GP RM'000	GP margin %
<b>Construction services</b>				
- Building works	1,801	11.4	3,149	10.0
- Infrastructure works	3,213	19.3	893	8.9
	5,014	15.4	4,042	9.8
<b>Hiring of machinery</b>	292	66.4	115	48.1
<b>Total</b>	<b>5,306</b>	<b>16.1</b>	<b>4,157</b>	<b>10.0</b>

Our Group's total GP decreased by RM1.1 million or 20.8% from RM5.3 million in FYE 2024 to RM4.2 million in FYE 2025 while overall GP margin decreased by 6.1% from 16.1% in FYE 2024 to 10.0% in FYE 2025, due to lower profitability derived from both our construction services and hiring of machinery.

## 5. FINANCIAL INFORMATION

### Construction services

Our GP and GP margin from construction services fluctuate depending on the project mix in each financial year. Our project pricing is based on cost estimates that consider factors such as duration, scale, complexity, material costs, subcontractor costs and staff costs, and are therefore affected by the accuracy of these estimates. GP and GP margin may also fluctuate during the project period due to variation orders or revised cost estimates, with more significant changes typically occurring towards project completion when costs can be estimated more accurately.

Our GP and GP margin from construction services decreased from RM5.0 million and 15.4% in FYE 2024 to RM4.0 million and 9.8% in FYE 2025, respectively, mainly due to lower GP and GP margin contributions from our infrastructure works, which decreased by RM2.3 million and 10.4%, respectively in FYE 2025. The decrease in GP was in line with lower revenue from infrastructure works in FYE 2025 while the decrease in GP margin was mainly driven by upward revision in the budgeted costs for the Mukim Tanjung Minyak Project (Infrastructure) as the actual construction materials and subcontractor costs exceeded the initial budgeted amounts.

Nevertheless, the overall decrease in our GP from infrastructure works was partially offset by a RM1.3 million increase in GP from our building works, in line with the increase in revenue from our building works in FYE 2025. Despite the increase in GP, the GP margin for building works decreased by 1.4%, from 11.4% in FYE 2024 to 10.0% in FYE 2025, mainly due to additional subcontractor costs incurred for the Mukim Ayer Panas Project to rectify poor workmanship on system formworks performed by the original subcontractor.

### Hiring of machinery

Our GP from hiring of machinery decreased from RM0.3 million in FYE 2024 to RM0.1 million in FYE 2025, in line with the decrease in our hiring revenue. Our GP margin also decreased from 66.4% in FYE 2024 to 48.1% in FYE 2025, primarily due to lower hiring revenue while fixed cost such as depreciation of the machinery remained relatively constant.

#### 5.2.4 Other income

Our Group's other income mainly consists of one-off gains from the disposal of properties and investments, as well as recurring rental income from investment properties. These incomes collectively accounted for 84.4% and 93.4% of our Group's other income in FYE 2024 and FYE 2025, respectively.

Our Group's other income increased by RM2.1 million or 210.0% from RM1.0 million in FYE 2024 to RM3.1 million in FYE 2025, mainly due to:

- (i) increase in gain on disposal of property, plant and equipment by RM1.7 million, mainly arising from the disposal of a freehold land located in Melaka; and
- (ii) increase in gain on disposal of investment in subsidiary by RM0.7 million, arising from the disposal of the entire 60.0% equity interest in Power Structure Resources Sdn Bhd.

However, the overall increase in our Group's other income was partially offset by the non-recurrence of a RM0.4 million gain on disposal of investment property recognised in FYE 2024.

## 5. FINANCIAL INFORMATION

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### 5.2.5 Administrative expenses

Our Group's administrative expenses mainly consist of staff costs, directors' remuneration, depreciation of property, plant and equipment and investment properties as well as professional fees, which collectively accounted for 89.4% and 82.2% of our Group's administrative expenses in FYE 2024 and FYE 2025, respectively.

Our Group's administrative expenses decreased by RM0.6 million or 24.0% from RM2.5 million in FYE 2024 to RM1.9 million in FYE 2025. The decrease was mainly due to the reduction in directors' remuneration by RM0.9 million, as no directors' fee was proposed in FYE 2025, coupled with lower salary and bonus payments following the resignation of Chua Siew Chin and Ching Tai Poh as the directors of Lai Pau, effective February 2025.

However, the overall decrease in our Group's administrative expenses was partially offset by the increase in professional fee by RM0.2 million as we prepare for our Proposed Listing. Other expenses such as depreciation and staff costs recorded a marginal increase of RM0.1 million collectively during FYE 2025.

### 5.2.6 Net impairment in financial assets

Our Group's net impairment in financial assets of RM1.3 million in FYE 2025 consist of:

- (i) bad debts written off of RM1.1 million, comprising RM0.8 million from non-recoverable balances mainly from 5 construction services customers and RM0.3 million of long-outstanding GST receivables since 2018; and
- (ii) impairment loss on trade receivables of RM0.2 million, comprising RM0.1 million for lifetime expected credit loss allowance on all trade receivables and RM0.1 million of specific allowance for 4 construction services customers.

### 5.2.7 Finance costs

During the FYE Under Review, our Group's finance costs consist of interest on bank overdraft facilities and lease liabilities.

Our Group's finance costs decreased by approximately RM9,000 or 81.8% from approximately RM11,000 in FYE 2024 to approximately RM2,000 in FYE 2025, mainly due to the full settlement of lease liabilities for 2 motor vehicles in FYE 2025.

### 5.2.8 Tax expense

Our Group recorded an effective tax rate of 23.0% in FYE 2024 and 20.7% in FYE 2025.

Our Group's effective tax rates are generally lower than the statutory tax rate of 24.0%, mainly due to our eligibility for the preferential tax rate structure. As Lai Pau's share capital is below RM2.5 million and gross business income does not exceed RM50.0 million, the first RM150,000 of chargeable income is taxed at 15.0%, the next RM150,001 to RM600,000 at 17.0%, and any amount above RM600,000 at 24.0%.

Apart from the preferential tax rate structure, the lower effective tax rate of 20.7% in FYE 2025 was also due to higher non-taxable income arising from the gain on disposal of property, plant and equipment and gain on disposal of a subsidiary in FYE 2025.

## 5. FINANCIAL INFORMATION

### 5.2.9 PAT and PAT Margin

Our Group's PAT increased by RM0.3 million or 10.0% from RM3.0 million in FYE 2024 to RM3.3 million in FYE 2025. The increase in our Group's PAT was mainly due to higher other income generated in FYE 2025, primarily attributable to the gain on disposal of property, plant and equipment as well as gain on disposal of a subsidiary in FYE 2025.

However, our Group's PAT margin decreased by 1.2% from 9.0% in FYE 2024 to 7.8% in FYE 2025, mainly attributable to the decrease in our GP margin by 6.1%.

### 5.3 KEY FINANCIAL RATIOS

Our Group's key financial ratios for the FYE Under Review are as follows:

	<b>Audited</b>	
	<b>FYE 2024</b>	<b>FYE 2025</b>
Trade receivables turnover period (days) <sup>(1)</sup>	147	124
Trade payables turnover period (days) <sup>(2)</sup>	114	102
Current ratio (times) <sup>(3)</sup>	1.6	2.0

*Notes:*

<sup>(1)</sup> Computed based on average of opening and closing trade receivables (excluding retention sum) over total revenue for the financial year and multiplied by 366 days for the FYE 2024 and 365 days for the FYE 2025.

<sup>(2)</sup> Computed based on average of opening and closing trade payables (excluding retention sum) over total cost of sales for the financial year and multiplied by 366 days for the FYE 2024 and 365 days for the FYE 2025.

<sup>(3)</sup> Computed based on current assets over current liabilities as at each financial year end.

#### 5.3.1 Trade receivables turnover period

Our Group's trade receivables turnover period for the FYE Under Review are computed as follows:

	<b>FYE 2024</b>	<b>FYE 2025</b>
	<b>RM'000</b>	<b>RM'000</b>
Opening trade receivables <sup>(1)</sup>	14,232	12,165
Closing trade receivables <sup>(1)</sup>	12,165	16,014
Average trade receivables	13,199	14,090
Revenue	32,957	41,591
Trade receivables turnover period (days)	147	124

*Note:*

<sup>(1)</sup> Excludes retention sum of up to 5.0% of the total contract value, withheld throughout the contract period until the issuance of CPC. Upon issuance of the CPC, 2.5% will be released to us, while the remaining 2.5% will be retained until the end of the DLP and release to us upon issuance of the CMGD.

## 5. FINANCIAL INFORMATION

The normal credit terms extended to our customers ranges from 30 to 60 days from the date of our invoice or progress billing. For the FYE Under Review, our Group's trade receivables turnover period exceeded these terms, mainly due to slow collections from our construction services customers. Collections in the construction industry are generally lengthy and time-consuming, as payments require verification of architects' certifications by various departments before payment is released.

Our trade receivables turnover period improved from 147 days in FYE 2024 to 124 days in FYE 2025, mainly due to improvement in collections from our customers following our efforts to accelerate incoming collections, including but not limited to closely following up with customers via phone calls and sending debtor statements.

The ageing analysis of our net trade receivables (excluding retention sum) as at 30 April 2025 is as follows:

	Within credit period RM'000	Exceeding credit period				Total RM'000
		1 – 30 days RM'000	31 – 60 days RM'000	61 – 90 days RM'000	> 90 days RM'000	
Net trade receivables	7,899	2,963	1,904	1,058	2,190	16,014
% of total net trade receivables	49.3	18.5	11.9	6.6	13.7	100.0
Subsequent collection up to the LPD	4,987	2,454	1,891	757	2,138	12,227
<b>Outstanding net trade receivables as at the LPD</b>	<b>2,912</b>	<b>509</b>	<b>13</b>	<b>301</b>	<b>52</b>	<b>3,787</b>

Our Group's total trade receivables past due as at 30 April 2025 amounted to RM8.1 million, representing 50.7% of total trade receivables. Subsequent to 30 April 2025 and up to the LPD, we have collected RM12.2 million or approximately 76.4% of our total net trade receivables which were outstanding as at 30 April 2025.

For the FYE Under Review and up to the LPD, our Group has not encountered any major disputes with our customers regarding trade receivables. In respect of the remaining outstanding net trade receivables as at the LPD, we are of the opinion that they are recoverable, and no provision for impairment is necessary after taking into consideration our established relationships with the respective customers and their historical payment trend.

Generally, we will assess the adequacy of impairment loss allowance on the overall trade receivables balance at every reporting period and the need for bad debts written off based on our historical collection experience.

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## 5. FINANCIAL INFORMATION

### 5.3.2 Trade payables turnover period

Our Group's trade payables turnover period for the FYE Under Review are computed as follows:

	Audited	
	FYE 2024	FYE 2025
	RM'000	RM'000
Opening trade payables <sup>(1)</sup>	9,230	7,975
Closing trade payables <sup>(1)</sup>	7,975	12,995
Average trade payables	8,603	10,485
Cost of sales	27,651	37,434
Trade payables turnover period (days)	114	102

*Note:*

<sup>(1)</sup> Excludes retention sum of up to 10.0% of the total contract value, withheld throughout the contract period until the issuance of CPC. Upon issuance of the CPC, up to 5.0% will be released to the subcontractors, while the remaining balance will be retained until the end of DLP and release to subcontractors upon issuance of the CMGD.

The normal credit terms granted to us by our suppliers and subcontractors ranges from 30 to 60 days from the date of their invoice or progress billing. For the FYE Under Review, our Group's trade payables turnover period exceeded these terms, primarily due to our working capital management strategy, which considers, among other factors, the timing of collections from our customers.

Our trade payables turnover period improved from 114 days in FYE 2024 to 102 days in FYE 2025, mainly due to faster payment made to our suppliers and subcontractors following the overall improvement in our collections from customers.

The ageing analysis of our net trade payables (excluding retention sum) as at 30 April 2025 is as follows:

	Within credit period	Exceeding credit period				Total
		1 – 30 days	31 – 60 days	61 – 90 days	> 90 days	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net trade payables	5,286	1,936	1,363	1,589	2,821	12,995
% of total net trade payables	40.7	14.9	10.5	12.2	21.7	100.0
Subsequent payment up to the LPD	4,643	1,192	1,078	1,446	1,822	10,181
<b>Outstanding net trade payables as at the LPD</b>	<b>643</b>	<b>744</b>	<b>285</b>	<b>143</b>	<b>999</b>	<b>2,814</b>

Our Group's total trade payables past due as at 30 April 2025 amounted to RM7.7 million, representing 59.3% of total trade payables. Subsequent to 30 April 2025 and up to the LPD, we have paid RM10.2 million or 78.3% of our total net trade payables which were outstanding as at 30 April 2025.

For the FYE Under Review and up to the LPD, our Group has not encountered any major disputes with suppliers or subcontractors regarding trade payables, nor has any legal action been initiated to demand for payment.

## **5. FINANCIAL INFORMATION**

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### **5.3.3 Current ratio**

Our Group's current ratio increased from 1.6 times as at 30 April 2024 to 2.0 times as at 30 April 2025. This was mainly attributable to the increase in our current assets by RM4.7 million or 13.1%, without a corresponding increase in our current liabilities. The increase in current assets was mainly due to the increase in trade receivables by RM5.1 million or 29.4% from RM17.3 million as at 30 April 2024 to RM22.4 million as at 30 April 2025.

This indicates that our Group is capable of meeting our current obligations as our current assets which can be readily converted into cash, together with our cash in bank are sufficient to meet the immediate current liabilities.

### **5.4 DIVIDEND POLICY**

Our Company currently does not have a formal dividend policy. Nevertheless, we aim to distribute dividends as a means of rewarding our shareholders for supporting the growth of our Group, provided that we are able to maintain an optimal capital structure and retain sufficient funds to support our Group's future development.

The payment of dividends by our Company will depend on our Group's operational results, financial conditions, capital expenditure plans, business expansion plans and other factors deemed relevant by our Board.

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## **6. RISK FACTORS**

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**YOU SHOULD CAREFULLY CONSIDER, IN ADDITION TO THE OTHER INFORMATION CONTAINED ELSEWHERE IN THIS INFORMATION MEMORANDUM, THE FOLLOWING RISK FACTORS (WHICH MAY NOT BE EXHAUSTIVE) THAT MAY HAVE A SIGNIFICANT IMPACT ON THE FUTURE PERFORMANCE OF OUR GROUP.**

### **6.1 CONTINUITY OF OUR ORDER BOOK IS NOT ASSURED**

In the construction industry, contracts are typically awarded on a project-by-project basis. As such, our revenue may fluctuate year-on-year depending on the number, value, and progress of ongoing projects. Our customers are not contractually obliged to award us future work, and there is no assurance that we will consistently secure new contracts or that such contracts will be profitable.

Our financial performance is closely tied to our ability to replenish our order book. A significant decline in new project wins may adversely impact our results. As at the LPD, our unbilled order book stood at RM42.6 million, which is expected to be recognised as revenue over FYE 2026 and FYE 2027. However, there is no certainty that we will maintain or grow this order book in the future.

### **6.2 WE ARE DEPENDENT ON THE SERVICES OF SUBCONTRACTORS**

Our Group undertakes overall project management while outsourcing a significant portion of construction labour works to subcontractors. Subcontractors are selected based on their tender submissions, track record, ability to deliver services in accordance with our requirements and within stipulated timeline, as well as their financial standing. We do not enter into long-term agreements with subcontractors, as they are typically appointed on a project-by-project basis.

As subcontractors do not have direct contractual relationships with our customers, we are exposed to risks of non-performance, delays, or substandard work. Such risks may arise from factors including financial constraints, labour shortages, poor management, or use of non-compliant materials by subcontractors. For the FYE 2024 and FYE 2025, our subcontractor costs accounted for 40.4% and 43.8% of our total cost of sales, respectively.

We have 117 approved subcontractors as at the LPD. Thus, our Group is not dependent on any single subcontractor, as we are able to source equivalent products or services from other subcontractors.

As at the LPD, we have not experienced any material impact on our business operations and financial performance arising from subcontractors' delays, poor performance or failure to perform their work which required us to compensate our customers.

### **6.3 ANY UNANTICIPATED INCREASE IN COSTS ASSOCIATED WITH OUR CONSTRUCTION PROJECTS MAY IMPAIR OUR FINANCIAL PERFORMANCE**

The construction contracts that we bid or tender for are typically on a fixed-price basis, where the contract sum remains unchanged regardless of the actual costs incurred throughout the project. We price our bids and tenders based on contract costs estimate after taking into consideration the project's duration, complexity and scale, quantity and cost of construction materials required, subcontractor and supplier quotations, as well as labour costs. For the FYE 2024 and FYE 2025, our construction materials and subcontractor costs accounted for 87.3% and 90.2% of our total cost of sales, respectively.

Our cash flow and profitability depend on our ability to accurately estimate the costs associated with our construction projects. These costs are subject to various factors, including delays in project delivery, unforeseen site conditions, unanticipated increases in prices of materials such as concrete, rebar and steel, increases in subcontractor costs, and political or social disruptions, among others.

## **6. RISK FACTORS**

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Such cost variations may cause the actual gross profit of a project to deviate from initial estimates. Consequently, certain contracts may yield lower margins than anticipated or even result in losses if actual project costs exceed original estimates. This, in turn, could have a material adverse impact on our Group's financial performance.

### **6.4 WE ARE DEPENDENT ON OUR DIRECTORS AND KEY MANAGEMENT PERSONNEL**

Our Group's ongoing success relies heavily on the skills, expertise and sustained efforts of our Directors and key management personnel. Our Directors have been instrumental to our business development as they have established long term relationship and build a network of customers and suppliers in the industry. Leveraging on their business acumen and experience in the construction industry, our Directors play a vital role in formulating the business strategy of our Group. Our Directors are also supported by a team of qualified and experience key management personnel who have in-dept understanding of our business.

The departure of any Directors and/or key management personnel without prompt and suitable replacements could negatively impact our Group's operations and financial performance. There is no assurance that any change in the members of our Directors and/or key management personnel will not have an adverse effect on our business operations and future growth.

### **6.5 WE ARE SUBJECT TO CREDIT RISKS IN RELATION TO OUR TRADE RECEIVABLES**

We are exposed to credit risk when there is a delay or default in payment by our customers, which may adversely affect our operating cash flows and working capital. Further, such circumstances could result in the impairment or write-off of trade receivables as bad debts, thereby adversely affect our financial performance.

Notwithstanding that we have in place measures to closely monitor and follow-up on trade receivables to expedite collection and reduce the risk of default, there is no assurance that these measures will always be effective or that we will not incur material impairment losses in the future. There was no impairment loss or bad debts recorded on our trade receivables for the FYE 2024. However, in FYE 2025, we recorded bad debts written off on trade receivables of RM0.8 million and impairment loss on trade receivables of RM0.2 million.

### **6.6 FAILURE TO COMPLETE OUR PROJECTS WITHIN THE STIPULATED CONTRACT PERIOD COULD RESULT IN OUR CUSTOMERS IMPOSING LAD ON US**

The timely completion of our projects is dependent on various external factors inherent to the construction industry such as the availability of construction materials, equipment and labour; access to financing; performance of appointed subcontractors; and force majeure events. Any adverse developments in these areas may cause project interruptions or delays, which could result in the imposition of LAD by our customers and potentially lead to material adverse impact on our financial performance. However, as at the LPD, we have not encountered any instances where our customers have imposed LAD on us.

### **6.7 WE ARE SUBJECT TO DEFECTS LIABILITY CLAIMS**

Our Group's construction projects are subject to defects liability claims. We typically provide DLP of 6 to 24 months from the issuance of CPC for our construction projects. During the DLP, our Group is responsible for repair, reconstruction or rectification works. These defects liability is borne by our Group and may result in substantial cost incurred. If we fail to rectify the defects satisfactorily, our customers may use the retention sums of the project to rectify those defects. In such cases, we may not recover the whole retention sum from our customers. As such, any material defects liability claims on our work could have a material adverse impact on the financial performance of our Group.

For the FYE Under Review and up to the LPD, our Group has not experienced any defects liability claims that had a material impact on our financial performance.

## **6. RISK FACTORS**

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### **6.8 WE ARE DEPENDENT ON THE PROPERTY DEVELOPMENT INDUSTRY**

A significant portion of our customers are property developers, making our business sensitive to developments in the property sector. The sector is influenced by Government policies. Any adverse changes in housing, land, development, or economic stimulus policies could reduce demand for property and construction services. Additionally, any restrictive policy changes by Bank Negara Malaysia such as increases in the Overnight Policy Rate, which increases interest rates for housing loans, or stricter lending conditions may dampen demand for property and in turn negatively affect the construction industry. There is no assurance that future policy or monetary changes will not adversely affect our Group's business and financial performance.

### **6.9 CONSTRUCTION INDUSTRY IS DEPENDENT ON THE SUPPLY OF FOREIGN WORKERS**

The construction industry relies heavily on a steady supply of foreign workers. We operate as the main contractor, where we focus on the project management aspects for all the construction projects and strategically outsource the bulk of the construction labour works to subcontractors. However, most of our subcontractors rely on foreign workers to carry out construction works with the number varying based on the specific needs of each project.

Accordingly, any disruption or shortage in the availability of foreign labour to our subcontractors may adversely affect our operational efficiency and our ability to complete projects within the stipulated timelines. Furthermore, changes in government policies relating to the employment of foreign workers, such as restrictions on intake, rising minimum wages, or higher levies, could constrain both our Group and our subcontractors in maintaining sufficient manpower. This may lead to project delays, increased operating costs, and thereby could materially affect our Group's business operations and financial performance.

### **6.10 WE FACE COMPETITION RISKS**

The Malaysian construction industry is highly fragmented and competitive. As at the LPD, there were 10,416 G7 contractors registered with CIDB, of which 215 are from Melaka. We face competition from a wide range of players, including large public-listed companies and smaller independent contractors.

Some competitors may have longer operating histories, specialised expertise or greater access to capital, machinery and labour. To remain competitive, we focus on submitting competitive bids and maintaining cost efficiency, service quality and reliability. Nonetheless, there is no assurance that we will continue to compete effectively against existing or new market entrants.

### **6.11 WE FACE POLITICAL, ECONOMIC AND REGULATORY RISKS IN MALAYSIA**

Our Group operates solely in Malaysia, with all revenue generated domestically. As such, our business operations, financial performance and growth prospects may be affected by any adverse development, changes and/or uncertainties in the political, economic or regulatory landscape in Malaysia. These include, but are not limited to, changes in political leadership or government system, changes in economic conditions and interest rates, occurrence of war, civil unrest as well as changes in government policies and regulations pertaining to the construction industry.

The abovementioned events are beyond our control and the occurrence of one or more of the events may cause a decline in demand for our services and/or disruptions in the delivery of input materials or completion schedules of our projects, which consequently result in an adverse impact on our business operations and financial performance. As such, there is no assurance that any adverse political, economic, and/or regulatory developments would not materially affect our business operations, financial performance and growth prospects.

## 7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

### 7.1 RELATED PARTY TRANSACTIONS

Save for the Acquisition and as disclosed below, our Board confirms that there are no existing or presently proposed related party transactions, entered or to be entered into by our Group (all transactions disclosed below were entered into by Lai Pau, our only active subsidiary), which involve the interests, direct or indirect, of our Promoters, substantial shareholders, Directors, key management personnel and/or persons connected with them in FYE 2025 and the subsequent period up to the LPD:

No.	Related parties	Nature of relationship	Nature of transaction	Transaction value	
				FYE 2025 RM'000	Subsequent period up to the LPD RM'000
1	TYT Builders Sdn Bhd, a company within the Parkland Group	Ching Ah Lai, father of Ching Tai Kuen, is a shareholder and director of Parkland Group	(a) Procurement for and delivery of construction materials	425	95
		Datuk Liem Ah Pau, father of Liem Seng Leong, is a shareholder of Parkland Group	(b) Machinery hiring charges received	149	5
			(c) Rental received	36	13
			(d) Reimbursement of utilities <sup>(1)</sup>	4	1
			(e) Subcontractor charges incurred	259	189
			(f) Purchase of construction materials	45	1
			(g) Rental of machinery paid	3	(2)
2	Parkland Avenue Sdn Bhd, a company within the Parkland Group	Ching Ah Lai, father of Ching Tai Kuen, is a shareholder and director of Parkland Group	(a) Progress billing for provision of construction services	7,359	958
		Datuk Liem Ah Pau, father of Liem Seng Leong, is a shareholder of Parkland Group	(b) Procurement for and delivery of construction materials	92	-
			(c) Machinery hiring charges received	90	50

**7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

No.	Related parties	Nature of relationship	Nature of transaction	Transaction value	
				FYE 2025 RM'000	Subsequent period up to the LPD RM'000
3	Megaform Builders Sdn Bhd, a company within the Parkland Group	Ching Ah Lai, father of Ching Tai Kuen, is a shareholder and director of Parkland Group	Machinery hiring charges received	(2)-	-
4	Merlimau Land Sdn Bhd, a company within the Parkland Group	Datuk Liem Ah Pau, father of Liem Seng Leong, is a shareholder of Parkland Group Ching Ah Lai, father of Ching Tai Kuen, is a shareholder and director of Parkland Group	Progress billing for provision of construction services	116	-
5	Durable Industries Sdn Bhd, a company within the Durable Group	Datuk Liem Ah Pau, father of Liem Seng Leong, is a shareholder of Parkland Group Ching Tai Poh, brother of Ching Tai Kuen, is a director and shareholder of Durable Industries Sdn Bhd	Purchase of construction materials	194	28
6	Power Structure Sdn Bhd	Ching Ah Lai, father of Ching Tai Kuen, is a director and shareholder of Power Structure Sdn Bhd Datuk Liem Ah Pau, father of Liem Seng Leong, is a director and shareholder of Power Structure Sdn Bhd Ching Tai Poh, brother of Ching Tai Kuen, is a director of Power Structure Sdn Bhd	Subcontractor charges incurred	103	164

**7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

No.	Related parties	Nature of relationship	Nature of transaction	Transaction value	
				FYE 2025 RM'000	Subsequent period up to the LPD RM'000
7	Polytech Properties Sdn Bhd, a company within the Jaymuda Group	Ching Tai Poh, brother of Ching Tai Kuen, is a director of Polytech Properties Sdn Bhd	Progress billing for provision of construction services	224	-
		Liem Seng Hong, brother of Liem Seng Leong, is a director of Polytech Properties Sdn Bhd			
8	Mitsupac Sdn Bhd, a company within the Jaymuda Group	Ching Ah Lai, father of Ching Tai Kuen, is a shareholder of Mitsupac Sdn Bhd	Provision of minor renovation works	(2)-	-
		Datuk Liem Ah Pau, father of Liem Seng Leong, is a shareholder of Mitsupac Sdn Bhd			
9	LPHK Builder Sdn Bhd	Chua Siew Chin, mother of Liem Seng Leong, is a director and shareholder of LPHK Builder Sdn Bhd	(a) Reimbursement of utilities <sup>(3)</sup>	3	-
		Ching Poh Yee, sister of Ching Tai Kuen, is a director and shareholder of LPHK Builder Sdn Bhd	(b) Subcontractor charges incurred	1,080	200
10	Lai Poh Engineering Works	Ching Ah Lai, father of Ching Tai Kuen, is a partner of Lai Poh Engineering Works	(a) Receipt of administrative expenses paid on behalf <sup>(1)</sup>	2	-
		Datuk Liem Ah Pau, father of Liem Seng Leong, is a partner of Lai Poh Engineering Works	(b) Rental of machinery paid	345	56
			(c) Receipt of maintenance charges paid on behalf <sup>(1)</sup>	2	-

**7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

No.	Related parties	Nature of relationship	Nature of transaction	Transaction value	
				FYE 2025 RM'000	Subsequent period up to the LPD RM'000
11	Tampin Hectares Sdn Bhd	Ching Ah Lai, father of Ching Tai Kuen, is a director and shareholder of Tampin Hectares Sdn Bhd	Machinery hiring charges received	(2)-	-
		Datuk Liem Ah Pau, father of Liem Seng Leong, is a director and shareholder of Tampin Hectares Sdn Bhd			
		Ching Tai Kuen, Director of our Group, is a shareholder of Tampin Hectares Sdn Bhd			
		Liem Seng Leong, Director of our Group, is a shareholder of Tampin Hectares Sdn Bhd			
12	Liem Seng Leong	Liem Seng Leong, Director of our Group	Disposal of Lai Pau's entire equity interest of 60.0% in Power Structure Resources Sdn Bhd to Liem Seng Leong	1,629	-
13	Ching Tai Kuen and Liem Seng Leong	Ching Tai Kuen and Liem Seng Leong, Directors of our Group	Disposal of Lai Pau's entire equity interest of 30.0% in Tampin Hectares Sdn Bhd to Ching Tai Kuen and Liem Seng Leong	1,425	-
14	Ching Tai Kuen and Liem Seng Leong	Ching Tai Kuen and Liem Seng Leong, Directors of our Group	Disposal of Lai Pau's entire equity interest of 20.0% in Suria Eco Development Sdn Bhd to Ching Tai Kuen and Liem Seng Leong	400	-

## 7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

No.	Related parties	Nature of relationship	Nature of transaction	Transaction value	
				FYE 2025 RM'000	Subsequent period up to the LPD RM'000
15	Ching Tai Kuen and Liem Seng Leong	Ching Tai Kuen and Liem Seng Leong, Directors of our Group	Disposal of Lai Pau's entire equity interest of 20.0% in AL Ching Resources Sdn Bhd to Ching Tai Kuen and Liem Seng Leong	102	-
16	Ching Tai Kuen	Ching Tai Kuen, Director of our Group	Disposal of Lai Pau's 1 freehold land located in Melaka to Ching Tai Kuen	2,560	-
17	Ching Tai Kuen and Liem Seng Leong	Ching Tai Kuen and Liem Seng Leong, Directors of our Group	Settlement of amount owing to Ching Tai Kuen, Liem Seng Leong and former directors	2,119	-

**Notes:**

- (1) Transacted on cost recovery basis.
- (2) Represents less than RM1,000.
- (3) During FYE 2025, LPHK Builder Sdn Bhd temporarily occupied a portion of our former office premise at Tengker, Melaka on a rent-free basis, with only utilities expenses charged on a cost recovery basis. As at the LPD, LPHK Builder Sdn Bhd no longer occupies the said premise.

Moving forward, we will be required to seek our shareholders' approval for us to enter into any related party transaction in accordance with the Listing Requirements.

## 7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

### 7.2 FINANCIAL ASSISTANCE MADE TO OR FOR THE BENEFIT OF RELATED PARTIES / FROM RELATED PARTIES TO OUR GROUP

Our Board has confirmed that there is no financial assistance given by any related parties to our Group during FYE 2025 and the subsequent period up to the LPD. Save as disclosed below, our Board has confirmed that there is no financial assistance made by us to or for the benefit of any related parties during FYE 2025 and the subsequent period up to the LPD:

No.	Related parties	Nature of relationship	Nature of transaction	Transaction Value		Outstanding amount as at the LPD RM'000
				FYE 2025 RM'000	Subsequent period up to the LPD RM'000	
1	AL Ching Resources Sdn Bhd	Ching Tai Kuen, Director of our Group, is a shareholder of AL Ching Resources Sdn Bhd	Advances to AL Ching Resources Sdn Bhd	4	-	-
2	Power Structure Resources Sdn Bhd	Liem Seng Leong, Director of our Group, is a shareholder of AL Ching Resources Sdn Bhd	Advances to Power Structure Resources Sdn Bhd	17	-	-
3	Suria Eco Development Sdn Bhd	Ching Tai Kuen, Director of our Group, is a shareholder of Suria Eco Development Sdn Bhd	Advances to Suria Eco Development Sdn Bhd	400	-	-
4	LPHK Builder Sdn Bhd	Chua Siew Chin, mother of Liem Seng Leong, is a director and shareholder of LPHK Builder Sdn Bhd	Advances to LPHK Builder Sdn Bhd	4	-	724

As at the date of this Information Memorandum, all the advances made by us to our related parties have been fully settled. Moving forward, we will not provide any such financial assistance to our related parties.

## 7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

### 7.3 INTERESTS IN SIMILAR BUSINESSES AND OTHER CONFLICT OF INTEREST SITUATIONS

As at the LPD, save as disclosed below, none of our Promoters, Directors, substantial shareholders and key management personnel have any interest, direct or indirect, in other businesses or corporations carrying on a trade similar or related to that of our Group:

No.	Entity / Nature of relationship	Principal Activity of Entity / Nature of transaction (if any)	Nature of interest in the entity	Mitigation
1.	Parkland Group / Customer	Parkland Group is involved in property development, construction of buildings and activities of holding companies, and general contracting /  Provision of construction services, subcontracting services engaged, procurement for and delivery of construction materials, purchase of construction materials and machinery hiring	Ching Ah Lai and Datuk Liem Ah Pau are shareholders of Parkland Group. Ching Ah Lai is also a director of Parkland Group	(a) Parkland Group is primarily a property developer whilst we are principally involved in the provision of construction services;  (b) TYT Builders Sdn Bhd is the only subsidiary involved in construction activities solely for Parkland Group during the FYE Under Review;  (c) During the FYE Under Review, Megaform Builders Sdn Bhd was an associate of Parkland Group and only became a subsidiary of TYT Builders Sdn Bhd subsequent to the FYE 2025. Megaform Builders Sdn Bhd is only involved in the provision of formworks. During the FYE 2025 and up to the LPD, we have not transacted with Megaform Builders Sdn Bhd save for the hiring of machinery to them;  (d) Our financial performance is not dependant on Parkland Group. Revenue from Parkland Group accounted for 11.6% of our Group's total revenue for the FYE 2025;  (e) Our Directors have no involvement in Parkland Group. Similarly, Ching Ah Lai and Datuk Liem Ah Pau are not involved in our Group; and  (f) Neither Ching Ah Lai nor Datuk Liem Ah Pau have controlling interest in Parkland Group.

## 7. RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

No.	Entity / Nature of relationship	Principal Activity of Entity / Nature of transaction (if any)	Nature of interest in the entity	Mitigation
2.	Power Structure Sdn Bhd / Subcontractor	Power Structure Sdn Bhd is involved in general construction works and is registered as a Grade 1 contractor with CIDB /  Subcontracting services	Ching Ah Lai and Datuk Liem Ah Pau are shareholders and directors of Power Structure Sdn Bhd  Ching Tai Poh, brother of Ching Tai Kuen, is also a director of Power Structure Sdn Bhd	(a) We are not dependent on Power Structure Sdn Bhd as a subcontractor. Subcontractor cost charged by Power Structure Sdn Bhd accounted for 0.3% of our Group's total cost of sales for the FYE 2025; and  (b) Our Directors have no involvement in Power Structure Sdn Bhd. Similarly, Ching Ah Lai, Datuk Liem Ah Pau and Ching Tai Poh are not involved in our Group.
3.	LPHK Builder Sdn Bhd / Subcontractor	LPHK Builder Sdn Bhd is involved in general construction works and is registered as a Grade 5 contractor with CIDB /  Subcontracting services, reimbursement of utilities and advances made	Chua Siew Chin, mother of Liem Seng Leong, is a director and shareholder of LPHK Builder Sdn Bhd  Ching Poh Yee, sister of Ching Tai Kuen, is a director and shareholder of LPHK Builder Sdn Bhd	(a) We are not dependent on LPHK Builder Sdn Bhd as a subcontractor. Subcontractor cost charged by LPHK Builder Sdn Bhd accounted for 2.9% of our Group's total cost of sales for the FYE 2025;  (b) During FYE 2025, LPHK Builder Sdn Bhd temporarily occupied a portion of our former office premise at Tengkeru, Melaka on a rent-free basis, with only utilities expenses charged on a cost recovery basis. As at the LPD, LPHK Builder Sdn Bhd no longer occupies the said premise;  (c) Advances to LPHK Builder Sdn Bhd were given free of interest. As at the date of this Information Memorandum, all advances given have been fully settled; and  (d) Our Directors have no involvement in LPHK Builder Sdn Bhd. Similarly, Chua Siew Chin and Ching Poh Yee are not involved in our Group.

## 8. ADDITIONAL INFORMATION

### 8.1 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any other material contracts that are not in the ordinary course of business within the FYE Under Review and up to the LPD:

- (a) Sale and purchase agreement dated 12 September 2023 between Lai Pau, See Hui Chin and See Chee Keong for the disposal of 3-storey shop office located at DT 3679, Jalan Angkasa Nuri 21, Taman Angkasa Nuri, Durian Tunggal, 76100 Hang Tuah Jaya, Melaka for a consideration of RM680,000.00. As at the LPD, the disposal was completed;
- (b) Share transfer form dated 8 November 2023 between Lai Pau and Bina M&E (M) Sdn Bhd for the disposal of 5.0% equity interest, representing 25,000 ordinary shares in Suria Eco Development Sdn Bhd, for a consideration of RM50,000.00. As at the LPD, the disposal was completed;
- (c) Settlement agreement dated 22 April 2025 between Lai Pau with Ching Ah Lai, Datuk Liem Ah Pau, Ching Tai Kuen, Ching Tai Poh, Chua Siew Chin and Liem Seng Leong for the partial settlement of outstanding directors' fees amounting to RM8,235,013.47. The parties agreed that a sum of RM6,115,747.44 would be set-off against the outstanding directors' fees through the transfer of a combination of real properties and equity interests, details of which are as follows, and, as at the LPD, this settlement has been completed:
  - (i) A parcel of freehold industrial land located at PT 13634, Jalan Nobat 3, Taman Perindustrian Bukit Rambai, 75260 Melaka held under GRN 59079, Lot 22456, Mukim Tanjong Minyak, Daerah Melaka Tengah, Negeri Melaka; and
  - (ii) Lai Pau's entire equity interests in Power Structure Resources Sdn Bhd (60.0%), Suria Eco Development Sdn Bhd (20.0%), AL Ching Resources Sdn Bhd (20.0%) and Tampin Hectares Sdn Bhd (30.0%).

Ching Ah Lai, Datuk Liem Ah Pau, Ching Tai Kuen, Ching Tai Poh, Chua Siew Chin and Liem Seng Leong had also on 22 April 2025 accepted a settlement arrangement of the remaining outstanding directors' fees of RM2,119,266.03 through cash payment of RM91,266.03 and assignment of debts wherein Lai Pau shall assign in favour of them an aggregate sum of RM2,028,000.00 owing by Suria Eco Development Sdn Bhd, Tampin Hectares Sdn Bhd, Power Structure Resources Sdn Bhd and AL Ching Resources Sdn Bhd to Lai Pau ("**Lai Pau's Collectable Debts**"). As at the LPD, the assignment of Lai Pau's Collectable Debts in favour of Ching Ah Lai, Datuk Liem Ah Pau, Ching Tai Kuen, Ching Tai Poh, Chua Siew Chin and Liem Seng Leong were completed;

- (d) Sale and purchase agreement dated 5 June 2025 between Fei Shang Resources Sdn Bhd and Lai Pau for the purchase of 3-storey shop office located at No. 2, 2-1, 2-2, Jalan Melaka Raya 33, Taman Melaka Raya 1, 75000 Melaka for a consideration of RM688,000.00. As at the LPD, the acquisition was completed;
- (e) Share transfer form dated 1 August 2025 between Lai Pau and Tew Yoke Yee for the acquisition of 6.0% equity interest, representing 15,000 ordinary shares in LPC Property, for a consideration of RM15,000.00. As at the LPD, the acquisition was completed;
- (f) Settlement agreement dated 14 August 2025 between Lai Pau and Zintec Engineering PLT for a mutual settlement of RM915,377.33 claimed by Zintec for works done. It was agreed that Lai Pau shall pay the settlement sum of RM700,000.00 in 4 equal instalments, with the last instalment due in November 2025;
- (g) Share sale agreement dated 25 August 2025 in respect of the Acquisition. As at the LPD, the Acquisition was completed; and
- (h) Subscription agreement dated 28 August 2025 in respect of the Subscription. As at the date of this Information Memorandum, the Subscription was completed.

**8. ADDITIONAL INFORMATION**

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**8.2 MATERIAL LITIGATIONS**

As at the LPD, we are not engaged in any material litigation, claim, or arbitration proceedings, either as plaintiff or defendant. Our Directors are not aware of any other proceedings pending or threatened, or any fact likely to give rise to such proceedings, that might materially or adversely affect our financial position or that of our subsidiaries.

**8.3 MATERIAL CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, we do not have any material capital commitments. Our Directors also confirm that there are no contingent liabilities incurred by us or our subsidiaries which, upon becoming enforceable, may have a material effect on our financial position or that of our subsidiaries.

**8.4 DECLARATIONS OF CONFLICT OF INTEREST BY OUR ADVISERS**

Eco Asia, Teh & Lee, Ecovis, Redmarch, Alpro Corporate Services Sdn Bhd, SocialGreen Governance Sdn Bhd and the company secretaries, have given their written confirmation that, as at the date of this Information Memorandum, there is no existing or potential conflict of interest in their respective capacities in relation to our Proposed Listing.

**8.5 PRINTED COPIES OF THIS INFORMATION MEMORANDUM**

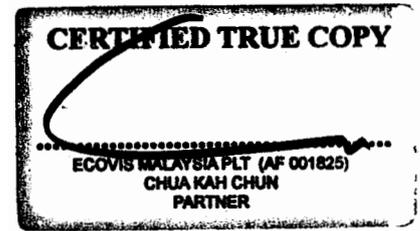
This Information Memorandum is available for inspection during normal business hours on any weekday (except public holidays), for at least 1 month after the listing of our Company on the LEAP Market, at the offices of:

- (a) Eco Asia at Lot 1904, 19th Floor, Tower 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur; and
- (b) LPC at No. 2, 2-1, 2-2, Jalan Melaka Raya 33, Taman Melaka Raya 1, 75000 Melaka.

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**APPENDIX I**

**AUDITED FINANCIAL STATEMENT OF LAI PAU FOR THE FYE 2025**



**Lai Pau Construction Sdn. Bhd.**  
(Incorporated in Malaysia)  
198701001001 (159667-T)

**REPORTS AND FINANCIAL STATEMENTS  
30 APRIL 2025**

ECOVIS MALAYSIA PLT  
201404001750 (LLP0003185-LCA) & AF 001825  
Chartered Accountants

# **Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## ***Reports and Financial Statements for the Financial Year Ended 30 April 2025***

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# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No 198701001001 (159667-T)

## Directors' Report

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The Directors have pleasure in submitting their report with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2025.

### Principal activities

The Company is principally engaged in the business of general construction works.

The principal activities of the subsidiary are set out in Note 7 to the financial statements.

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

### Results

	<b>Group RM</b>	<b>Company RM</b>
Profit for the financial year attributable to:		
Owners of the Company	3,260,948	3,604,942
Non-controlling interests	(7,846)	-
	<u>3,253,102</u>	<u>3,604,942</u>

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

### Reserves and provisions

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

### Dividends

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

### Directors

The Directors of the Company who served during the financial year up to the date of this report are:

Ching Tai Kuen  
Liem Seng Leong  
Ching Tai Poh  
Chua Siew Chin

(Resigned on 20 February 2025)  
(Resigned on 20 February 2025)

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## Directors' Report (Cont'd)

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### Directors' benefits

Since the end of the previous financial year, no Director 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, or the fixed salary of a full time employee of the Group and of the Company) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than certain Directors who have substantial financial interests in companies which traded with the Company in the ordinary course of business as disclosed in Note 28.2 to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, was the Company a party to any arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

### Directors' remuneration

Directors' remuneration paid to or receivable by Directors from the Company and subsidiary of the Company in respect of the financial year is as follows:

	RM
<b>Group and Company</b>	
Directors' salaries, allowances and bonus	404,910
Directors' defined contribution plans	72,744
Directors' social security contribution	3,368
Directors' employment insurance system	363
	<u>481,385</u>

### Directors' interest in shares

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), none of the Directors in office at the end of the financial year had any interest in shares of the Company and of its related corporations during the financial year, except as follows:

	<u>Number of ordinary shares</u>			
	<u>At</u> <u>01.05.2024</u>	<u>Bought</u>	<u>Sold</u>	
<b>Interest in the Company:</b>				
<u>Direct interest:</u>				
Ching Tai Kuen	510,000	90,000	-	600,000
Liem Seng Leong	480,000	60,000	-	540,000
				<u>                    </u>

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## Directors' Report (Cont'd)

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### Issue of shares and debentures

During the financial year, there were no new issue of shares or debentures by the Company.

### Options granted over unissued shares

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

### Other statutory information

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairment and satisfied themselves all known bad debts had been written off and that adequate impairment had been made; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values 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.

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

- (i) which would render the amount written off for bad debts and the amount of the impairment in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (iii) not otherwise dealt with in the report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- (iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (i) 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; or
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company as disclosed in Note 29.3 (ii)(e) to the financial statements.

# **Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## **Directors' Report (Cont'd)**

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### **Other statutory information (cont'd)**

In the opinion of the Directors:

- (i) no contingent liability 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 will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### **Significant events subsequent to the end of the financial year**

Details of significant events subsequent to the end of the financial year are disclosed in Note 32 to the financial statements.

### **Subsidiary**

The details of the Company's subsidiary are disclosed in Note 7 to the financial statements.

### **Indemnity and insurance for Directors, officers and auditors**

No indemnity has been given to or insurance effected for the Directors and officers of the Company pursuant to Section 289 of the Act.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors' as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year end.

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## Directors' Report (Cont'd)

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### Auditors

The auditors, ECOVIS MALAYSIA PLT, have expressed their willingness to continue in office.

The auditors' remuneration for the financial year is RM94,784 and RM85,000 for the Group and the Company respectively.

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



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**Ching Tai Kuen**  
Director  
29 August 2025



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**Liem Seng Leong**  
Director

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

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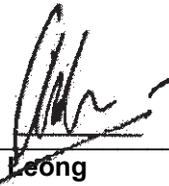
## Statement by Directors Pursuant to Section 251(2) of the Companies Act 2016

We, **Ching Tai Kuen** and **Liem Seng Leong**, being the Directors of **Lai Pau Construction Sdn. Bhd.**, state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2025 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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



**Ching Tai Kuen**  
Director  
29 August 2025



**Liem Seng Leong**  
Director

## Statutory Declaration Pursuant to Section 251(1) of the Companies Act 2016

I, **Tye Khai Choong**, being the officer primarily responsible for the financial management of **Lai Pau Construction Sdn. Bhd.**, do solemnly and sincerely declare that the accompanying financial statements are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the  
Abovenamed at Petaling Jaya in the state of  
Selangor Darul Ehsan on 29 August 2025



**Tye Khai Choong**  
MIA No. 41550

Before me,



Commissioner for Oaths

Unit G082 Ground Floor, Millenium Square  
98 Jalan 14/1,  
46100 Petaling Jaya, Selangor

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No 198701001001 (159667-T)

## Statements of Financial Position As at 30 April 2025

		30.04.2025	Group 30.04.2024	01.05.2023
	Note	RM	RM	RM
<b>Non-current assets</b>				
Property, plant and equipment	5	1,712,463	4,085,366	4,090,964
Investment properties	6	8,886,721	9,058,549	9,560,547
Investment in associates	8	-	1,932,118	1,567,612
		<u>10,599,184</u>	<u>15,076,033</u>	<u>15,219,123</u>
<b>Current assets</b>				
Trade receivables	9	22,406,980	17,344,774	18,955,585
Other receivables, deposits and prepayments	10	1,124,051	1,461,288	3,709,613
Amount owing by associates	12	1,788,563	3,350,563	2,314,563
Contract assets	13	6,979,351	5,522,888	3,457,190
Current tax assets		-	-	12,902
Fixed deposits with licensed banks	14	6,619,839	6,609,772	4,220,039
Cash and bank balances		<u>1,288,272</u>	<u>1,267,026</u>	<u>516,241</u>
		<u>40,207,056</u>	<u>35,556,311</u>	<u>33,186,133</u>
<b>Total assets</b>		<u>50,806,240</u>	<u>50,632,344</u>	<u>48,405,256</u>

**Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No 198701001001 (159667-T)

**Statements of Financial Position  
As at 30 April 2025 (Cont'd)**

		<b>30.04.2025</b>	<b>Group 30.04.2024</b>	<b>01.05.2023</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Equity</b>				
Share capital	15	1,200,000	1,200,000	1,200,000
Retained earnings	16	29,603,546	26,342,598	23,370,063
Equity attributable to owners of the Company		30,803,546	27,542,598	24,570,063
Non-controlling interests		-	603,256	607,796
<b>Total equity</b>		<b>30,803,546</b>	<b>28,145,854</b>	<b>25,177,859</b>
<b>Non-current liabilities</b>				
Lease liabilities	17	-	55,623	127,328
Deferred tax liabilities	18	-	36,050	23,150
		-	91,673	150,478
<b>Current liabilities</b>				
Trade payables	19	16,520,254	10,716,182	11,937,319
Other payables, deposits received and accruals	20	1,759,120	8,132,309	8,403,050
Contract liabilities	13	1,625,708	650,020	485,804
Amount owing to Directors	21	-	2,583,464	2,135,741
Lease liabilities	17	26,407	71,705	115,005
Current tax liabilities		71,205	241,137	-
		20,002,694	22,394,817	23,076,919
<b>Total liabilities</b>		<b>20,002,694</b>	<b>22,486,490</b>	<b>23,227,397</b>
<b>Total equity and liabilities</b>		<b>50,806,240</b>	<b>50,632,344</b>	<b>48,405,256</b>

## Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No 198701001001 (159667-T)

### Statements of Financial Position As at 30 April 2025 (Cont'd)

		30.04.2025	Company 30.04.2024	01.05.2023
	Note	RM	RM	RM
<b>Non-current assets</b>				
Property, plant and equipment	5	1,712,463	2,489,372	2,494,970
Investment properties	6	8,886,721	9,058,549	9,560,547
Investment in subsidiary	7	-	576,000	576,000
Investment in associates	8	112,500	2,039,412	1,689,412
		<u>10,711,684</u>	<u>14,163,333</u>	<u>14,320,929</u>
<b>Current assets</b>				
Trade receivables	9	22,406,980	17,344,774	18,955,585
Other receivables, deposits and prepayments	10	1,124,051	1,461,288	3,709,613
Amount owing by a subsidiary	11	-	75,000	65,000
Amount owing by associates	12	1,788,563	3,350,563	2,314,563
Contract assets	13	6,979,351	5,522,888	3,457,190
Current tax assets		-	-	12,902
Fixed deposits with licensed banks	14	6,619,839	6,609,772	4,220,039
Cash and bank balances		1,288,272	1,262,707	512,587
		<u>40,207,056</u>	<u>35,626,992</u>	<u>33,247,479</u>
<b>Total assets</b>		<u>50,918,740</u>	<u>49,790,325</u>	<u>47,568,408</u>

**Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No 198701001001 (159667-T)

**Statements of Financial Position  
As at 30 April 2025 (Cont'd)**

		<b>30.04.2025</b>	<b>Company 30.04.2024</b>	<b>01.05.2023</b>
	<b>Note</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Equity</b>				
Share capital	15	1,200,000	1,200,000	1,200,000
Retained earnings	16	29,716,046	26,111,104	23,146,265
<b>Total equity</b>		<b>30,916,046</b>	<b>27,311,104</b>	<b>24,346,265</b>
<b>Non-current liabilities</b>				
Lease liabilities	17	-	55,623	127,328
Deferred tax liabilities	18	-	36,050	23,150
		<b>-</b>	<b>91,673</b>	<b>150,478</b>
<b>Current liabilities</b>				
Trade payables	19	16,520,254	10,716,182	11,937,319
Other payables, deposits received and accruals	20	1,759,120	8,125,040	8,397,796
Contract liabilities	13	1,625,708	650,020	485,804
Amount owing to Directors	21	-	2,583,464	2,135,741
Lease liabilities	17	26,407	71,705	115,005
Current tax liabilities		71,205	241,137	-
		<b>20,002,694</b>	<b>22,387,548</b>	<b>23,071,665</b>
<b>Total liabilities</b>		<b>20,002,694</b>	<b>22,479,221</b>	<b>23,222,143</b>
<b>Total equity and liabilities</b>		<b>50,918,740</b>	<b>49,790,325</b>	<b>47,568,408</b>

The notes to the financial statements form an integral part of the financial statements

**Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

**Statements of Profit or Loss and Other Comprehensive Income  
For the Financial Year Ended 30 April 2025**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	22	41,590,902	32,957,414	41,590,902	32,957,414
Cost of sales		<u>(37,434,366)</u>	<u>(27,651,203)</u>	<u>(37,434,366)</u>	<u>(27,651,203)</u>
Gross profit		4,156,536	5,306,211	4,156,536	5,306,211
Other income	23	3,137,276	1,039,237	3,411,461	1,039,237
Administrative expenses		(1,877,660)	(2,495,489)	(1,858,046)	(2,484,139)
Net impairment in financial assets		(1,255,886)	-	(1,255,886)	-
Other operating expenses		<u>(428)</u>	<u>(3)</u>	<u>(428)</u>	<u>(3)</u>
Profit from operations		4,159,838	3,849,956	4,453,637	3,861,306
Finance costs	24	(2,168)	(10,639)	(2,168)	(10,639)
Share of (loss)/profit of associates		(58,041)	14,506	-	-
Profit before tax	25	4,099,629	3,853,823	4,451,469	3,850,667
Tax expense	26	<u>(846,527)</u>	<u>(885,828)</u>	<u>(846,527)</u>	<u>(885,828)</u>
Net profit/Total comprehensive income for the financial year		<u>3,253,102</u>	<u>2,967,995</u>	<u>3,604,942</u>	<u>2,964,839</u>
Net profit/Total comprehensive income for the financial year					
- Owners of the Company		3,260,948	2,972,535	3,604,942	2,964,839
- Non-controlling interests		<u>(7,846)</u>	<u>(4,540)</u>	<u>-</u>	<u>-</u>
		<u>3,253,102</u>	<u>2,967,995</u>	<u>3,604,942</u>	<u>2,964,839</u>

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

**Statements of Changes in Equity  
For the Financial Year Ended 30 April 2025**

	Note	<-----Attributable to owners of the Company-----> Equity					Total equity RM
		Share capital RM	Retained earnings RM	Attributable to owners of the Company RM	Non-controlling interests RM		
<b>Group</b>							
Balance at 1 May 2023		1,200,000	23,370,063	24,570,063	607,796	25,177,859	
Net profit/Total comprehensive income for the financial year		-	2,972,535	2,972,535	(4,540)	2,967,995	
Balance at 30 April 2024/ 1 May 2024		1,200,000	26,342,598	27,542,598	603,256	28,145,854	
Net profit/Total comprehensive income for the financial year		-	3,260,948	3,260,948	(7,846)	3,253,102	
Disposal of non-controlling interest	7	-	-	-	(595,410)	(595,410)	
Balance at 30 April 2025		1,200,000	29,603,546	30,803,546	-	30,803,546	

**Lai Pau Construction Sdn. Bhd.**

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Registration No. 198701001001 (159667-T)

**Statements of Changes in Equity  
For the Financial Year Ended 30 April 2025 (Cont'd)**

	<b>Share capital RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
<b>Company</b>			
Balance at 1 May 2023	1,200,000	23,146,265	24,346,265
Net profit/Total comprehensive income for the financial year	-	2,964,839	2,964,839
Balance at 30 April 2024/ 1 May 2024	1,200,000	26,111,104	27,311,104
Net profit/Total comprehensive income for the financial year	-	3,604,942	3,604,942
Balance at 30 April 2025	1,200,000	29,716,046	30,916,046

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

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## Statements of Cash Flows For the Financial Year Ended 30 April 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities</b>					
Profit before tax		4,099,629	3,853,823	4,451,469	3,850,667
Adjustments for:					
Bad debt written off	25	1,093,626	-	1,093,626	-
Depreciation of property, plant and equipment	5	324,038	252,213	324,038	252,213
Depreciation of investment properties	6	171,828	171,828	171,828	171,828
Gain on disposal of investment in subsidiary	23	(725,816)	-	(1,052,836)	-
Gain on disposal of investment in associates	23	(52,835)	(25,000)	-	(25,000)
Gain on disposal of property, plant and equipment	23	(1,719,062)	(7,999)	(1,719,062)	(7,999)
Gain on disposal of investment properties	23	-	(349,830)	-	(349,830)
Finance costs	24	2,168	10,639	2,168	10,639
Interest income	23	(149,776)	(129,328)	(149,776)	(129,328)
Impairment of trade receivables	25	162,260	-	162,260	-
Property, plant and equipment written off	25	428	3	428	3
Share of loss/(profit) in associates		58,041	(14,506)	-	-
<b>Operating profit before changes in working capital</b>		<b>3,264,529</b>	<b>3,761,843</b>	<b>3,284,143</b>	<b>3,773,193</b>
(Increase)/Decrease in trade and other receivables		(5,980,855)	3,859,136	(5,980,855)	3,859,136
Increase in amount owing by a subsidiary	(b)	-	-	(17,000)	(10,000)
Increase in amount owing by associates	(b)	(374,000)	(1,036,000)	(374,000)	(1,036,000)
Increase in contract assets		(1,456,463)	(2,065,698)	(1,456,463)	(2,065,698)
Increase in contract liabilities		975,688	164,216	975,688	164,216
Increase/(Decrease) in trade and other payables	(b)	5,664,758	(1,491,878)	5,572,527	(1,493,893)
Net movement in amount owing to Directors	(b)	(576,761)	447,723	(482,825)	447,723
<b>Cash generated from operations</b>		<b>1,516,896</b>	<b>3,639,342</b>	<b>1,521,215</b>	<b>3,638,677</b>

**Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

**Statements of Cash Flows  
For the Financial Year Ended 30 April 2025 (Cont'd)**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities (cont'd)</b>					
<b>Cash generated from operations (cont'd)</b>		1,516,896	3,639,342	1,521,215	3,638,677
Interest received		149,776	129,328	149,776	129,328
Income tax paid, net		(1,052,509)	(618,889)	(1,052,509)	(618,889)
<b>Net cash generated from operating activities</b>		<b>614,163</b>	<b>3,149,781</b>	<b>618,482</b>	<b>3,149,116</b>
<b>Cash flows from investing activities</b>					
Acquisition of investment in associates	(b)	-	(375,000)	-	(375,000)
Proceeds from disposal of investment in associates	(b)	-	50,000	-	50,000
Proceeds from disposal of investment in subsidiary	(b)	-	-	-	-
Proceeds from disposal of property, plant and equipment	(b), (c)	212,190	8,000	212,190	8,000
Proceeds from disposal of investment properties		-	680,000	-	680,000
Purchase of property, plant and equipment	5	(600,685)	(246,619)	(600,685)	(246,619)
<b>Net cash flow (used in)/generated from investing activities</b>		<b>(388,495)</b>	<b>116,381</b>	<b>(388,495)</b>	<b>116,381</b>
<b>Cash flows from financing activities</b>					
Repayment of lease liabilities	(a)	(103,089)	(124,055)	(103,089)	(124,055)
Net movement in amount owing to Directors	(b)	(91,266)	-	(91,266)	-
Bank interest paid		-	(1,589)	-	(1,589)
<b>Net cash flow used in financing activities</b>		<b>(194,355)</b>	<b>(125,644)</b>	<b>(194,355)</b>	<b>(125,644)</b>

# Lai Pau Construction Sdn. Bhd.

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Registration No. 198701001001 (159667-T)

## Statements of Cash Flows For the Financial Year Ended 30 April 2025 (Cont'd)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Net increase in cash and cash equivalents		31,313	3,140,518	35,632	3,139,853
Cash and cash equivalents at the beginning of the financial year		7,876,798	4,736,280	7,872,479	4,732,626
Cash and cash equivalents at the end of the financial year	27	7,908,111	7,876,798	7,908,111	7,872,479

### Notes:

#### (a) Changes in liabilities arising from financing activities:

	Note	At 1 May 2024 RM	Cash flows RM	Interest expenses RM	At 30 April 2025 RM
<b>Group and Company Audited For the FYE 30 April 2025</b>					
Lease liabilities	17	127,328	(103,089)	2,168	26,407

	Note	At 1 May 2023 RM	Cash flows RM	Interest expenses RM	At 30 April 2024 RM
<b>Group and Company Audited For the FYE 30 April 2024</b>					
Lease liabilities	17	242,333	(124,055)	9,050	127,328

**Statements of Cash Flows  
For the Financial Year Ended 30 April 2025 (Cont'd)**

Notes: (cont'd)

(b) Disclosure of non-cash changes

Group	Note	At 1 May 2024 RM	Non-cash changes				Net cash movement RM	At 30 April 2025 RM
			By way of settlement of debts RM	Recognised in income statement RM	Derecognised RM			
<b>Audited</b>								
<b>30 April 2025</b>								
Property, plant and equipment	5	4,085,366	(2,560,000)	1,394,596	(1,595,994)	388,495	1,712,463	
Investment in subsidiary	7	-	(1,626,900)	725,816	901,084	-	-	
Investment in associates	8	1,932,118	(1,926,912)	(5,206)	-	-	-	
Amount owing by associates	12	3,350,563	(1,936,000)	-	-	374,000	1,788,563	
Trade payables	19	(10,716,182)	-	-	-	(5,804,072)	(16,520,254)	
Other payables, deposits received and accruals	20	(8,132,309)	6,134,375	-	99,500	139,314	(1,759,120)	
Amount owing to Directors	21	(2,583,464)	1,915,437	-	-	668,027	-	

**Lai Pau Construction Sdn. Bhd.**

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**Statements of Cash Flows  
For the Financial Year Ended 30 April 2025 (Cont'd)**

Notes: (cont'd)

**(b) Disclosure of non-cash changes (cont'd)**

Group Audited	Note	At 1 May 2023 RM	Non-cash changes----->			Net cash movement RM	At 30 April 2024 RM
			By way of settlement of debts RM	Recognised in income statement RM	Derecognised RM		
Property, plant and equipment	5	4,090,964	-	(244,217)	238,619	4,085,366	
Investment in subsidiary	7	-	-	-	-	-	
Investment in associates	8	1,567,612	-	39,506	325,000	1,932,118	
Amount owing by associates	12	2,314,563	-	-	1,036,000	3,350,563	
Trade payables	19	(11,937,319)	-	-	1,221,137	(10,716,182)	
Other payables, deposits received and accruals	20	(8,403,050)	-	-	270,741	(8,132,309)	
Amount owing to Directors	21	(2,135,741)	-	-	(447,723)	(2,583,464)	

**Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

**Statements of Cash Flows  
For the Financial Year Ended 30 April 2025 (Cont'd)****Notes: (cont'd)****(b) Disclosure of non-cash changes (cont'd)**

		<-----Non-cash changes----->				
	Note	At 1 May 2024 RM	By way of settlement of debts RM	Recognised in income statement RM	Net cash movement RM	At 30 April 2025 RM
<b>Company Audited 30 April 2025</b>						
Property, plant and equipment	5	2,489,372	(2,560,000)	1,394,596	388,495	1,712,463
Investment in subsidiary	7	576,000	(1,628,836)	1,052,836	-	-
Investment in associates	8	2,039,412	(1,926,912)	-	-	112,500
Amount owing by a subsidiary	11	75,000	(92,000)	-	17,000	-
Amount owing by associates	12	3,350,563	(1,936,000)	-	374,000	1,788,563
Trade payables	19	(10,716,182)	-	-	(5,804,072)	(16,520,254)
Other payables, deposits received and accruals	20	(8,125,040)	6,134,375	-	231,545	(1,759,120)
Amount owing to Directors	21	(2,583,464)	2,009,373	-	574,091	-



## Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

### Statements of Cash Flows For the Financial Year Ended 30 April 2025 (Cont'd)

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Notes: (cont'd)

(c) Disposal of property, plant and equipment

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Proceeds from disposal of property, plant and equipment	2,772,190	8,000	2,772,190	8,000
Less: Non-cash changes				
- Settlement of debts with Directors	<u>(2,560,000)</u>	<u>-</u>	<u>(2,560,000)</u>	<u>-</u>
Net cash proceed received	<u>212,190</u>	<u>8,000</u>	<u>212,190</u>	<u>8,000</u>

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

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## Notes to the Financial Statements For the Financial Year Ended 30 April 2025

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### 1. Corporate information

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

The registered office of the Company is changed from No.10 (Mez Floor), Jalan Kota Laksamana 2/15, Taman Kota Laksamana, Seksyen 2, 75200 Melaka to Lot 1902, 19<sup>th</sup> Floor, Tower 1, Faber Towers, Jalan Desa Bahagia, Taman Desa, 58100 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business of the Company is changed from 613, Taman Sari Indah, Kampung Lapan, Tengker, 75200 Melaka, Melaka to No. 2, 2-1, 2-2, Jalan Melaka Raya 33, Taman Melaka Raya 1, 75000 Melaka, Melaka.

The Company is principally engaged in the business of general construction works.

The principal activities of the subsidiary are set out in Note 7 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 August 2025.

### 2. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. These are the Group's and the Company's first financial statements prepared in accordance with MFRS and MFRS 1, 'First-time adoption of Malaysian Financial Reporting Standards' has been applied.

In previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") in Malaysia. The transition from MPERS to MFRS has no significant impact to the financial statements of the Group and of the Company.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except otherwise stated in Note 3 the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Group and of the Company.

The preparation of financial statements in conformity with MFRS and IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and contingent liabilities. Actual results could differ from reported amounts. The areas involving significant judgement and estimation uncertainty to the financial statements are disclosed in Note 4 to the financial statements.

## **Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **2. Basis of preparation (cont'd)**

##### **2.1 MFRS, amendments to MFRS and IC Interpretations that have been issued and have been adopted in the current financial year**

The following are MFRS, amendments to MFRS and IC Interpretations that are effective and have been adopted by the Group and the Company:

- Amendments to MFRS 16, 'Leases' – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Non-current Liabilities with Covenants
- Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosure' – Supplier Finance Arrangements.

The adoption of the above MFRS, amendments to MFRS and IC Interpretations did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and to the Company's existing accounting policies.

##### **2.2 MFRS, amendments to MFRS and IC Interpretations that have been issued, but yet to be adopted**

The following are MFRS, amendments to MFRS and IC Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group and the Company:

###### **(i) Effective for annual periods beginning on or after 1 January 2025**

- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability

###### **(ii) Effective for annual periods beginning on or after 1 January 2026**

- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' - Contracts Referencing Nature-dependent Electricity
- Annual improvements to MFRS Accounting Standards – Volume 11

###### **(iii) Effective for annual periods beginning on or after 1 January 2027**

- MFRS 18, 'Presentation and Disclosure in Financial Statements'
- MFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

# Lai Pau Construction Sdn. Bhd.

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

## Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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### 2. Basis of preparation (cont'd)

#### 2.2 MFRS, amendments to MFRS and IC Interpretations that have been issued, but yet to be adopted (cont'd)

The following are MFRS, amendments to MFRS and IC Interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group and the Company: (cont'd)

##### (iv) Deferred to a date to be determined by the MASB

- Amendments to MFRS 10, 'Consolidated Financial Statements' and MFRS 128, 'Investments in Associates and Joint Ventures' – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the above mentioned MFRS, amendments to MFRS and IC Interpretations, where applicable to the Group and to the Company, from the beginning of the financial year where they become effective.

The initial application of above MFRS, amendments to MFRS and IC Interpretations are not expected to have any material financial impacts to the current and prior period financial statements of the Group and of the Company.

### 3. Material accounting policy information

#### 3.1 Subsidiaries and basis of consolidation

##### (i) Investment in subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases.

Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

## **Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.1 Subsidiaries and basis of consolidation (cont'd)**

###### **(i) Investment in subsidiaries (cont'd)**

The Group 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.

Investments in subsidiaries are measured in the Company's separate financial statements at cost less any impairment losses, unless the investment is held for sale (accounted for in accordance with MFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations') or distribution. The cost of investment includes transaction costs.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements. On disposal, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in profit or loss.

###### **(ii) Business combinations**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, 'Financial Instruments' ("MFRS 9") is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

## **Lai Pau Construction Sdn. Bhd.**

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Registration No. 198701001001 (159667-T)

### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.1 Subsidiaries and basis of consolidation (cont'd)**

###### **(iii) Acquisitions of non-controlling interests**

Changes in the Company's ownership interest in a combining entity that do not result in a loss of control are accounted for as equity transactions between the Company and its non-controlling interest holders. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributable to the equity holders of the Company.

###### **(iv) Loss of control**

Upon the loss of control of a combining entity, the Group derecognises the assets and liabilities of the former combining entity, any non-controlling interests and the other components of equity related to the former combining entity from the consolidated statements of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former combining entity, then such interest is measured at fair value at the date the control ceases. Subsequently it is accounted for as an equity-accounted investee or as an equity instrument at fair value through other comprehensive income ("FVTOCI") depending on the level of influence retained.

###### **(v) Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a combining entity not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statements of financial position and statements of changes in equity, separately from equity attributable to equity holders of the Company. Non-controlling interests in the results of the Company is presented in the consolidated statements of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the equity holders of the Company.

Losses applicable to non-controlling interests in a combining entity are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and carrying amount of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

###### **(vi) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements.

## **Lai Pau Construction Sdn. Bhd.**

(Incorporated in Malaysia)

Registration No. 198701001001 (159667-T)

### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.2 Investment in associates**

An associate is an entity over which the Group or the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's or the Company's investment in associates is accounted for using the equity method. An associate is equity accounted for from the date of the Group or the Company gains significant influence or joint control until the date of the Group or the Company ceases to have significant influence over the associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted for changes in the Group's or the Company's share of net assets of the associate since the acquisition date.

The statements of profit or loss and other comprehensive income reflects the Group's or the Company's share of the results of operation of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's or the Company's statements of comprehensive income. Where there has been a change recognised directly in the equity of the associate, the Group or the Company recognises its share of such changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from the transactions between Group or Company and the associate is eliminated to the extent of the investment in associate. The aggregate of the Group's or Company's share of profit or loss in an associate is shown on the face of the statements of comprehensive income outside operating profit.

The Group's and the Company's share of profit or loss in an associate represents profit or loss after tax and non-controlling interest in the associate.

When the Group's or the Company's share of losses in an associate equals or exceeds its investment in associate, including any long-term interests that, in substance, form part of the Group's or of the Company's net investment in an associate, the Group or the Company does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associate.

After application of the equity method, the Group or the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group or the Company determines at each reporting date whether there is any objective evidence that the investment in an associate is impaired. If there is such evidence, the Group or the Company calculates the amount of impairment as the difference between recoverable amount of the associate and its carrying amount, then recognises the amount in the 'share of result of associate' on the face of the statements of profit or loss and other comprehensive income.

Upon loss of significant influence over an associate, the Group or the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of an associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposals is recognised in the statements of profit or loss and other comprehensive income.

# Lai Pau Construction Sdn. Bhd.

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Registration No. 198701001001 (159667-T)

## Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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### 3. Material accounting policy information (cont'd)

#### 3.3 Property, plant and equipment

Property, plant and equipment are measured initially at cost.

Cost comprises purchase price, all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use and the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group and the Company is obligated to incur then the asset is acquired. For self-constructed assets, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profits.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the entity and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment. Lands and buildings are accounted for separately, even when they are acquired together.

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the financial statements.

Freehold land is not depreciated and assets under construction are not depreciated until the assets are ready for their intended use.

Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Property, plant and equipment are depreciated by allocating the depreciable amount of assets less their residual values over their estimated useful lives applying the straight-line method. The annual depreciation rates used are as follows:

Computer equipment	25%
Electrical installation	10%
Freehold buildings	2%
Furniture and fittings	10%
Leasehold land	97 years
Machineries	20%
Motor vehicles	20%
Office equipment	10% to 20%

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## Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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### 3. Material accounting policy information (cont'd)

#### 3.3 Property, plant and equipment (cont'd)

At the end of each reporting period, the residual values, useful lives and depreciation methods are reviewed for significant change in the pattern of consumption. Changes are accounted for as a change in accounting estimate and are adjusted prospectively over the assets' remaining useful life.

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 carrying amount of the asset is included in the profit or loss when the asset is derecognised.

Leased assets presented under property, plant and equipment are right-of-use assets within the scope of MFRS 16 "Lease". The policy for recognition and measurement of right-of-use assets are disclosed in Note 3.10 to the financial statements.

#### 3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including expenditure directly attributable to the acquisition of investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and the capitalised borrowing costs. Investment properties are measured using cost model. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment.

Freehold land is not depreciated and assets under construction are not depreciated until the assets are ready for their intended use.

Depreciation of investment properties is computed on the straight-line basis over the estimated useful lives of the assets at the following annual rates:

Freehold buildings	2%
Leasehold buildings	2%
Leasehold land	83 years to 97 years

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal or retirement of an investment property is recognised in profit or loss in the year of disposal or retirement.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 3.3 to the financial statements up to date of change in use.

# Lai Pau Construction Sdn. Bhd.

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## Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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### 3. Material accounting policy information (cont'd)

#### 3.5 Impairment of non-financial assets

The Group and the Company assesses at each reporting date whether there is an indication that an asset (except for inventories and tax recoverable) may be impaired. If any such indication exists, the Group and the Company makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful lives or that are not available for use, the recoverable amount is estimated each period at the same time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use CGU. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of the combination.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss except for assets that have been previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal credited to profit or loss in the financial year in which the reversal is recognised.

#### 3.6 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents consists of cash in hand, bank balances and deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value with original maturities of three months or less and are used by the Group and by the Company in the management of its short-term funding requirements.

## Lai Pau Construction Sdn. Bhd.

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Registration No. 198701001001 (159667-T)

### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

---

#### 3. Material accounting policy information (cont'd)

##### 3.7 Share capital

Ordinary shares are classified as equity instruments.

When ordinary shares are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares issued in exchange for non-monetary assets, they are measured by reference to the fair values of the assets received. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

##### 3.8 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

##### (a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

##### (i) Financial assets

For the purposes of subsequent measurement, financial assets are classified depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

- **Amortised cost**

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

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired and derecognised.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.8 Financial instruments (cont'd)

###### (a) Subsequent measurement (cont'd)

The Group and the Company categorise the financial instruments as follows: (cont'd)

###### (i) Financial assets (cont'd)

- **Amortised cost (cont'd)**

The Group's and the Company's financial assets at amortised cost include trade receivables, other receivables, deposits, amount owing by subsidiary, amount owing by associates, fixed deposits with licensed banks and cash and bank balances.

- **Fair value through other comprehensive income ("FVOCI")**

Financial assets that are debt instruments are measured at fair value through other comprehensive income ("FVTOCI") if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, these financial assets are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at fair value through profit or loss ("FVTPL").

- **Fair value through profit or loss ("FVTPL")**

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Company's right to receive payment is established.

The Group and the Company do not have any financial assets measured at FVTOCI or FVTPL.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.8 Financial instruments (cont'd)

###### (a) Subsequent measurement (cont'd)

The Group and the Company categorise the financial instruments as follows: (cont'd)

###### (ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost

###### Financial liabilities at fair value through profit or loss

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

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at FVTPL in the current financial year and previous financial year.

###### Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

The Group's and the Company's other financial liabilities consist of payables, amount owing to Directors and lease liabilities only.

Financial liabilities are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

###### (b) Derecognition

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

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(Incorporated in Malaysia)

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.8 Financial instruments (cont'd)**

###### **(b) Derecognition (cont'd)**

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred liabilities assumed, is recognised in profit or loss.

###### **(c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

##### **3.9 Impairment of financial assets**

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use historical experience and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

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

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive. The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance amount.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.9 Impairment of financial assets (cont'd)

The Group and the Company measure the impairment loss on financial assets other than trade receivables based on the two-step approach:

(i) 12-months expected credit loss ("ECL")

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial assets.

(ii) Lifetime ECL

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

For trade receivables and contract assets, the Group and the Company measure impairment loss based on lifetime ECL at each reporting date until the financial assets are derecognised.

##### 3.10 Leases

###### (a) As lessee

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

The right-of-use assets are initially recorded at cost, which comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group and by the Company; and
- an estimate of costs to be incurred by the Group and by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

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

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets, which is based on the earlier of the end of useful life and the end of the lease term of the lease liability.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 3. Material accounting policy information (cont'd)

##### 3.10 Leases (cont'd)

###### (a) As lessee (cont'd)

If the lease transfers ownership of the underlying asset to the Group and to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and the Company depreciates the right of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.5 to the consolidated financial statements.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

In determining the enforceable period of the lease, the Group and the Company considers the following:

- the broader economics of the contract, and not only contractual termination payments. If either party has an economic incentive not to terminate the lease such that it would incur a penalty on termination that is more than insignificant, the contract is deemed enforceable beyond the date on which the contract can be terminated; and
- whether each of the parties has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. A lease is no longer enforceable only when both parties have such a right. Consequently, if only one party has the right to terminate the lease without permission from the other party with no more than an insignificant penalty, the contract is deemed enforceable beyond the date on which the contract can be terminated by that party.

The Group and the Company reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and of the Company and affects whether the Group and the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

The right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, as follows:

Motor vehicles	20%
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###### (b) As lessor

Leases where the Group and the Company retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

## **Lai Pau Construction Sdn. Bhd.**

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.11 Revenue**

The Group and the Company recognises revenue from contracts with customers based on five-step model as set out in MFRS 15:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expects to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Group and the Company satisfies a performance obligation.

The Group and the Company satisfies a performance obligation and recognises revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and the Company and has an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company performs.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfies a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.11 Revenue (cont'd)**

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

##### **(i) Revenue from contracts with customers**

Revenue is recognised when the Group and the Company satisfied a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains the control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

##### **(a) Contract revenue**

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for works performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the total costs incurred on construction contract plus, recognised profits (less recognised losses) exceed progress billings, the balance is classified as contract assets. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as contract liabilities.

##### **(b) Rendering of services**

Revenue from services rendered is recognised over time, as the benefits of the rendering of services are simultaneously received and consumed by customers.

##### **(ii) Other income**

##### **(a) Interest income**

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

##### **(b) Rental income**

Revenue from rental of investment property is recognised over the lease term on accrual basis.

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.12 Income taxes**

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, that are payable by a subsidiary, associate, joint venture on distributions to the Group and the Company, and real property gains taxes payable on disposal of properties.

The tax expense in the statements of profit or loss and other comprehensive income represents the aggregate amount of current tax, deferred tax, value added tax and other taxes.

##### **(a) Current tax**

A current tax for current and prior periods, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior periods exceed the amount due for those periods, the excess is recognised as a current tax asset. A current tax liability or asset is measured at the amount the entity expects to pay or recover using tax rates and laws that have been enacted or substantially enacted by the reporting date, and real property gains taxes payable on disposal of properties.

##### **(b) Deferred tax**

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- 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 accounting profit nor taxable profit or tax loss.

The exceptions for initial recognition differences include items of property, plant and equipment that do not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss).

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Group and the Company treats these as part of initial recognition differences.

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.12 Income taxes (cont'd)**

###### **(b) Deferred tax (cont'd)**

Deferred taxes are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group and the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities. For an investment property, if the owner-entity in the Group and the Company does not have a business model to hold the property solely for rental income, the deferred tax liability on the carrying amount is measured based on the presumption that the property is recovered through sale at the end of the reporting period.

At the end of each reporting period, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the period, except to the extent that the tax arises from items recognised outside profit or loss. For an income or expense item recognised in other comprehensive income, the current or deferred tax expense or tax income is recognised in other comprehensive income. For items recognised directly in equity, the related tax effect is also recognised directly in equity. Deferred tax assets and liabilities arising from a business combination, including tax effects of any fair value adjustment, are recognised as part of the net assets acquired.

##### **3.13 Employee benefits**

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

###### **(a) Short-term employee benefits**

Wages, salaries and social security contributions are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Short-term accumulating compensated absences 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.

Profit sharing and bonus payments are recognised when, and only when, the Group and the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.13 Employee benefits (cont'd)**

###### **(b) Defined contribution plans**

Defined contributions plans are post-employment benefits plans under which the Group and the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund (EPF).

##### **3.14 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

##### **3.15 Fair value measurements**

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

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

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

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

Level 2: Inputs other than quoted prices included within 1 level that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Unobservable inputs for the assets or liabilities.

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

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.16 Contingent liability and contingent asset**

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group and the Company do not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company. The Group and the Company do not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group and the Company under business combinations not under common control, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

##### **3.17 Current versus non-current classification**

Assets and liabilities in statements of financial position are presented based on current or non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability within twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### **3.18 Contract assets and contract liabilities**

Contract assets is the right to consideration for goods or services transferred to the customers. Contract assets is the excess of cumulative revenue earned over the billings to date. When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract assets.

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **3. Material accounting policy information (cont'd)**

##### **3.18 Contract assets and contract liabilities (cont'd)**

Contract liabilities is the obligation to transfer goods or services to customer for which the Group and the Company has received the consideration or have billed the customer. Contract liabilities is the excess of the billings to date over the cumulative revenue earned. Contract liabilities include advance payment and downpayments received from customers and other amounts where the Group and the Company has billed before the goods are delivered or services are provided to the customers.

#### **4. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and Company's financial statements within the next financial year are disclosed as follows:

##### **(a) Measurement of income taxes**

The Group and the Company operate in various jurisdictions and are subject to income taxes in each jurisdiction. Significant judgement is required in determining the Group's and the Company's estimation for current and deferred taxes because the ultimate tax liability for the as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group and the Company will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

##### **(b) Depreciation and useful lives of property, plant and equipment and investment properties**

The cost of property, plant and equipment and investment properties are depreciated on the straight-line basis over the asset's useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 4. Significant accounting judgements and estimates (cont'd)

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and Company's financial statements within the next financial year are disclosed as follows: (cont'd)

##### (c) Impairment assessment of financial assets

Impairment is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of receivables. This is determined based on the aging profile, expected collection patterns of individual receivable balances, credit quality and credit losses incurred. Management carefully monitors the credit quality of receivable balances and makes estimates about the amount of credit losses that have been incurred at each financial statement reporting date. Any changes to the aging profile, collection patterns, credit quality and credit losses can have an impact on the impairment recorded.

##### (d) Measurement of right-of-use assets and lease liabilities

The right-of-use assets are depreciated on the straight-line basis over the assets' useful lives or lease term, whichever is earlier. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:

- (i) periods covered by an option to extend the leases; and
- (ii) periods covered by an option to terminate the lease.

In determining whether it is reasonably certain that an option to extend the lease or not to exercise an option to terminate the lease will be exercised, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such option when exercising its judgement in the assessment.

The lease terms and incremental borrowing rates have been determined using appropriate assumptions as necessary including management's estimation of the application internal costs.

##### (e) Leases – estimating the incremental borrowing rate

The Group and the Company uses its incremental borrowing rate ("IBR") to measure lease liabilities as the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimates the IBR using observable inputs, such as market interest rates when available and is required to make certain entity-specific estimates.

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **4. Significant accounting judgements and estimates (cont'd)**

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and Company's financial statements within the next financial year are disclosed as follows: (cont'd)

##### **(f) Measurement of revenue and expenses in construction contracts**

The Group and the Company applies the percentage of completion method to account for all of its construction contracts with customers. This method requires reliable estimation of future outcomes that invariably must rely on estimates of stage of completion, future revenues, future costs, and collectability of progress billings. Internal budgets and forecasts are used in these estimates. The actual outcome will only be known when a contract or development project is completed and all units sold to customers, and this actual outcome may not coincide with the estimates made.

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**Notes to the Financial Statements  
For the Financial Year Ended 30 April 2025 (Cont'd)****5. Property, plant and equipment**

<b>Group Cost</b>	<b>Computer equipment RM</b>	<b>Electrical installation RM</b>	<b>Freehold building RM</b>	<b>Freehold land RM</b>	<b>Furniture and fittings RM</b>
At 1 May 2023	79,172	5,055	321,501	2,632,051	42,390
Additions	13,219	-	-	-	-
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
At 30 April 2024/1 May 2024	92,391	5,055	321,501	2,632,051	42,390
Additions	29,058	-	-	-	13,010
Disposals	-	-	-	(922,057)	-
Disposal of subsidiary	-	-	-	(1,595,994)	-
Written off	(48,669)	(5,055)	-	-	(42,390)
At 30 April 2025	72,780	-	321,501	114,000	13,010
<b>Accumulated depreciation</b>					
At 1 May 2023	65,429	5,052	67,910	-	41,799
Charge for the year	10,017	-	6,430	-	283
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
At 30 April 2024/1 May 2024	75,446	5,052	74,340	-	42,082
Charge for the year	16,447	-	6,430	-	1,301
Disposals	-	-	-	-	-
Written off	(48,635)	(5,052)	-	-	(42,082)
At 30 April 2025	43,258	-	80,770	-	1,301
<b>Net carrying amounts</b>					
At 30 April 2025	29,522	-	240,731	114,000	11,709
At 30 April 2024	16,945	3	247,161	2,632,051	308
At 1 May 2023	13,743	3	253,591	2,632,051	591

**Lai Pau Construction Sdn. Bhd.**

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**Notes to the Financial Statements  
For the Financial Year Ended 30 April 2025 (Cont'd)****5. Property, plant and equipment (cont'd)**

<b>Group Cost</b>	<b>Leasehold land RM</b>	<b>Machineries RM</b>	<b>Motor vehicles RM</b>	<b>Office equipment RM</b>	<b>Total RM</b>
At 1 May 2023	595,273	300,254	3,136,110	121,013	7,232,819
Additions	-	18,400	215,000	-	246,619
Disposals	-	-	(30,000)	-	(30,000)
Written off	-	-	(268,586)	-	(268,586)
At 30 April 2024/1 May 2024	595,273	318,654	3,052,524	121,013	7,180,852
Additions	-	20,000	510,727	27,890	600,685
Disposals	-	-	(245,450)	-	(1,167,507)
Disposal of subsidiary	-	-	-	-	(1,595,994)
Written off	-	(298,654)	-	(113,484)	(508,252)
At 30 April 2025	595,273	40,000	3,317,801	35,419	4,509,784
<b>Accumulated depreciation</b>					
At 1 May 2023	49,095	298,927	2,494,722	118,921	3,141,855
Charge for the year	6,137	4,000	223,842	1,504	252,213
Disposals	-	-	(29,999)	-	(29,999)
Written off	-	-	(268,583)	-	(268,583)
At 30 April 2024/1 May 2024	55,232	302,927	2,419,982	120,425	3,095,486
Charge for the year	6,137	8,000	282,296	3,427	324,038
Disposals	-	-	(114,379)	-	(114,379)
Written off	-	(298,607)	-	(113,448)	(507,824)
At 30 April 2025	61,369	12,320	2,587,899	10,404	2,797,321
<b>Net carrying amounts</b>					
At 30 April 2025	533,904	27,680	729,902	25,015	1,712,463
At 30 April 2024	540,041	15,727	632,542	588	4,085,366
At 1 May 2023	546,178	1,327	641,388	2,092	4,090,964

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**Notes to the Financial Statements  
For the Financial Year Ended 30 April 2025 (Cont'd)****5. Property, plant and equipment (cont'd)**

<b>Company Cost</b>	<b>Computer equipment RM</b>	<b>Electrical installation RM</b>	<b>Freehold building RM</b>	<b>Freehold land RM</b>	<b>Furniture and fittings RM</b>
At 1 May 2023	79,172	5,055	321,501	1,036,057	42,390
Additions	13,219	-	-	-	-
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
At 30 April 2024/1 May 2024	92,391	5,055	321,501	1,036,057	42,390
Additions	29,058	-	-	-	13,010
Disposals	-	-	-	(922,057)	-
Written off	(48,669)	(5,055)	-	-	(42,390)
At 30 April 2025	72,780	-	321,501	114,000	13,010
<b>Accumulated depreciation</b>					
At 1 May 2023	65,429	5,052	67,910	-	41,799
Charge for the year	10,017	-	6,430	-	283
Disposals	-	-	-	-	-
Written off	-	-	-	-	-
At 30 April 2024/1 May 2024	75,446	5,052	74,340	-	42,082
Charge for the year	16,447	-	6,430	-	1,301
Disposals	-	-	-	-	-
Written off	(48,635)	(5,052)	-	-	(42,082)
At 30 April 2025	43,258	-	80,770	-	1,301
<b>Net carrying amounts</b>					
At 30 April 2025	29,522	-	240,731	114,000	11,709
At 30 April 2024	16,945	3	247,161	1,036,057	308
At 1 May 2023	13,743	3	253,591	1,036,057	591

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**Notes to the Financial Statements  
For the Financial Year Ended 30 April 2025 (Cont'd)****5. Property, plant and equipment (cont'd)**

<b>Company</b>	<b>Leasehold land RM</b>	<b>Machineries RM</b>	<b>Motor vehicles RM</b>	<b>Office equipment RM</b>	<b>Total RM</b>
<b>Cost</b>					
At 1 May 2023	595,273	300,254	3,136,110	121,013	5,636,825
Additions	-	18,400	215,000	-	246,619
Disposals	-	-	(30,000)	-	(30,000)
Written off	-	-	(268,586)	-	(268,586)
At 30 April 2024/1 May 2024	595,273	318,654	3,052,524	121,013	5,584,858
Additions	-	20,000	510,727	27,890	600,685
Disposals	-	-	(245,450)	-	(1,167,507)
Written off	-	(298,654)	-	(113,484)	(508,252)
At 30 April 2025	595,273	40,000	3,317,801	35,419	4,509,784
<b>Accumulated depreciation</b>					
At 1 May 2023	49,095	298,927	2,494,722	118,921	3,141,855
Charge for the year	6,137	4,000	223,842	1,504	252,213
Disposals	-	-	(29,999)	-	(29,999)
Written off	-	-	(268,583)	-	(268,583)
At 30 April 2024/1 May 2024	55,232	302,927	2,419,982	120,425	3,095,486
Charge for the year	6,137	8,000	282,296	3,427	324,038
Disposals	-	-	(114,379)	-	(114,379)
Written off	-	(298,607)	-	(113,448)	(507,824)
At 30 April 2025	61,369	12,320	2,587,899	10,404	2,797,321
<b>Net carrying amounts</b>					
At 30 April 2025	533,904	27,680	729,902	25,015	1,712,463
At 30 April 2024	540,041	15,727	632,542	588	2,489,372
At 1 May 2023	546,178	1,327	641,388	2,092	2,494,970

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 5. Property, plant and equipment (cont'd)

- (a) Included in property, plant and equipment of the Group and of the Company are the following fully depreciated property, plant and equipment, which still in use:

	Group and Company		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
Computer equipment	26,078	52,948	52,319
Electrical installation	-	5,055	5,055
Furniture and fittings	-	39,560	39,560
Machineries	-	298,654	298,654
Motor vehicles	2,326,313	1,933,312	2,231,898
Office equipment	7,529	118,263	113,484
	<u>2,359,920</u>	<u>2,447,792</u>	<u>2,740,970</u>

- (b) Additional information on the right-of-use assets is as follows:

	Motor vehicles RM
<b>Group and Company</b>	
<b>Cost</b>	
At 1 May 2023/30 April 2024/1 May 2024	584,936
Disposals	(218,450)
Reclassified to property, plant and equipment	(147,786)
At 30 April 2025	<u>218,700</u>
<b>Accumulated depreciation</b>	
At 1 May 2023	116,987
Charge for the year	116,987
At 30 April 2024/1 May 2024	<u>233,974</u>
Charge for the year	73,297
Disposals	(87,380)
Reclassified to property, plant and equipment	(88,671)
At 30 April 2025	<u>131,220</u>
<b>Net carrying amounts</b>	
At 30 April 2025	<u>87,480</u>
At 30 April 2024	<u>350,962</u>
At 1 May 2023	<u>467,949</u>

The above right-of-use assets have been included in property, plant and equipment.

The Group and the Company have leased motor vehicles with lease term of two (2) to three (3) years. The details of the terms and conditions of the lease arrangements are disclosed in Note 17 to the financial statements.

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**Notes to the Financial Statements  
For the Financial Year Ended 30 April 2025 (Cont'd)****6. Investment properties**

<b>Group and Company Cost</b>	<b>Freehold land RM</b>	<b>Freehold buildings RM</b>	<b>Leasehold land RM</b>	<b>Leasehold buildings RM</b>	<b>Total RM</b>
At 1 May 2023	797,699	1,902,548	2,808,481	5,678,273	11,187,001
Disposals	-	-	(50,000)	(441,150)	(491,150)
At 30 April 2024/30 April 2025	797,699	1,902,548	2,758,481	5,237,123	10,695,851
<b>Accumulated depreciation</b>					
At 1 May 2023	-	362,428	246,723	1,017,303	1,626,454
Charge for the year	-	38,051	29,035	104,742	171,828
Disposals	-	-	(10,989)	(149,991)	(160,980)
At 30 April 2024/1 May 2024	-	400,479	264,769	972,054	1,637,302
Charge for the year	-	38,051	28,880	104,897	171,828
At 30 April 2025	-	438,530	293,649	1,076,951	1,809,130
<b>Net carrying amounts</b>					
At 30 April 2025	797,699	1,464,018	2,464,832	4,160,172	8,886,721
At 30 April 2024	797,699	1,502,069	2,493,712	4,265,069	9,058,549
At 1 May 2023	797,699	1,540,120	2,561,758	4,660,970	9,560,547

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 6. Investment properties (cont'd)

- (a) The Group's and the Company's investment properties are currently leased out to external party for monthly rental of RM600 to RM7,550 in the current financial year (2024: RM500 to RM7,550).
- (b) Rental income and direct operating expenses recognised in profit or loss in relation to investment properties are as follows:

	Group and Company	
	2025	2024
	RM	RM
Rental income	487,500	518,582
<b>Direct operating expenses:</b>		
Depreciation of investment properties	171,828	171,828
Insurance expenses	4,210	4,183
Quit rent and assessment	50,990	53,994

- (c) Fair value of investment properties are as follows:

	Group and Company		
	Level 3		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
Freehold buildings	3,617,938	3,617,938	3,617,938
Freehold land	1,840,826	2,790,351	2,790,351
Leasehold buildings	6,079,365	6,079,365	6,079,365
Leasehold land	5,317,321	5,317,321	5,317,321

The fair values of the investment properties are within level 3 of the fair value hierarchy in accordance with MFRS 13, 'Fair Value Measurement' and are estimated by Director's valuation by reference to market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties. No transfers between hierarchy levels occurred during the year.

#### 7. Investment in subsidiary

	Company		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
<b>Unquoted shares, at cost</b>			
At beginning of the financial year	576,000	576,000	576,000
Disposal during the year	(576,000)	-	-
At the end of the financial year	-	576,000	576,000

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 7. Investment in subsidiary (cont'd)

The details of the subsidiary of the Company is as follow:

Name of subsidiary	Principal place of business	Effective interest			Principal activities
		30.04.2025	30.04.2024	01.05.2023	
Power Structure Resources Sdn. Bhd.	Malaysia	0%	60%	60%	Dormant

#### (a) Disposal of subsidiary during the year

On 22 April 2025, the Company disposed of its entire equity interest in Power Structure Resources Sdn. Bhd. to the Directors of the Company by way of settlement of debt amounting to RM1,628,836. Accordingly, Power Structure Resources Sdn. Bhd. ceased to be a subsidiary of the Company.

The disposal had the following financial effects to the Group and to the Company as at the date of disposal:

	Group RM	Company RM
Consideration received (by way of debt settlement)	<u>1,628,836</u>	<u>1,628,836</u>
Carrying amount of shares disposed of	-	576,000
Assets and liabilities derecognised:		
Freehold land	1,595,994	-
Cash and cash equivalents	1,936	-
Payables and accruals	<u>(99,500)</u>	<u>-</u>
	1,498,430	-
Non-controlling interest derecognised (40%)	<u>(595,410)</u>	<u>-</u>
Company's share of net liabilities derecognised	<u>903,020</u>	<u>-</u>
Gain on disposal in profit or loss	<u>725,816</u>	<u>1,052,836</u>
Net cash flows, net of cash disposal, presented as investing activities in the statements of cash flows	<u>-</u>	<u>-</u>

#### (b) Non-controlling interests

Summarised financial information of non-controlling interests have not been presented as the non-controlling interests of the subsidiary are not individually material to the Group.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 8. Investment in associates

	30.04.2025 RM	30.04.2024 RM
<b>Group</b>		
<b>Unquoted shares, at cost</b>		
At 1 May 2024/1 May 2023	1,932,118	1,567,612
Addition during the year	-	375,000
Disposal during the year	(1,874,077)	(25,000)
Share of post-acquisition reserve	(58,041)	14,506
At 30 April 2025/30 April 2024	<u>-</u>	<u>1,932,118</u>
	30.04.2025 RM	30.04.2024 RM
<b>Company</b>		
<b>Unquoted shares, at cost</b>		
At 1 May 2024/1 May 2023	2,039,412	1,689,412
Addition during the year	-	375,000
Disposal during the year	(1,926,912)	(25,000)
At 30 April 2025/30 April 2024	<u>112,500</u>	<u>2,039,412</u>

The detail of the associates are as follows:

Name of associates	Principal place of business	Effective interest			Principal activities
		30.04.2025	30.04.2024	01.05.2023	
AL-Ching Resources Sdn. Bhd. # (a)	Malaysia	0%	20%	20%	Investment holding
Tampin Hectares Sdn. Bhd. # (a)	Malaysia	0%	30%	30%	Planter and cultivator of crops
LPC Property Sdn. Bhd. (Formerly known as LPK Development Sdn. Bhd.)	Malaysia	45%	45%	45%	General construction works
Suria Eco Development Sdn. Bhd. # (a)	Malaysia	0%	20%	25%	Dormant

# Not audited by Ecovis Malaysia PLT.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 8. Investment in associates (cont'd)

##### (a) Disposed of associates during the year

On 22 April 2025, the Company disposed of its entire equity interest in AL-Ching Resources Sdn. Bhd., Tampin Hectares Sdn. Bhd. and Suria Eco Development Sdn. Bhd. to the Directors of the Company by way of settlement of debt amounting to RM1,926,912. Accordingly, those companies ceased to be the associates of the Company.

The disposal had the following financial effects to the Group and to the Company as at the date of disposal:

	Group RM	Company RM
Consideration received (by way of debt settlement)	<u>1,926,912</u>	<u>1,926,912</u>
Carrying amount of shares disposed of	1,926,912	1,926,912
Share of loss on investment in associates	<u>(52,835)</u>	<u>-</u>
Carrying amount at date of disposal	<u>1,979,747</u>	<u>-</u>
Gain on disposal in profit or loss	<u>(52,835)</u>	<u>-</u>

#### 9. Trade receivables

	Group and Company		
	30.04.2025 RM	30.04.2024 RM	01.05.2023 RM
Trade receivables			
- external parties	13,843,711	9,240,592	8,857,111
- related parties	2,332,806	2,923,915	5,375,121
Retention sum receivables			
- external parties	5,021,265	3,333,877	3,057,384
- related parties	1,371,458	1,846,390	1,665,969
	<u>22,569,240</u>	<u>17,344,774</u>	<u>18,955,585</u>
Less: impairment losses	<u>(162,260)</u>	<u>-</u>	<u>-</u>
	<u>22,406,980</u>	<u>17,344,774</u>	<u>18,955,585</u>

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 9. Trade receivables (cont'd)

The movement of the impairment loss:

	Group and Company	
	30.04.2025 RM	30.04.2024 RM
At 1 May 2024/1 May 2023	-	-
Net impairment losses during the financial year		
- lifetime ECL allowance	78,178	-
- specific allowance	84,082	-
At 30 April 2025/30 April 2024	<u>162,260</u>	<u>-</u>

Trade receivables are non-interest bearing and the Group's and the Company's normal trade credit term ranges from 30 days to 60 days (30.04.2024: 30 days to 60 days; 01.05.2023: 30 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

Amount owing by related parties are unsecured, interest free, repayable on demand in cash and cash equivalents. Also included in receivables from related parties is an amount of RM Nil (30.04.2024: RM1,339,521; 01.05.2023: RM 3,316,360) are balances owing from companies controlled by certain Directors of the Company.

#### 10. Other receivables, deposits and prepayments

	Group and Company		
	30.04.2025 RM	30.04.2024 RM	01.05.2023 RM
Other receivables	1,085,100	1,423,374	3,681,402
Deposits	38,951	34,331	27,711
Prepayments	-	3,583	500
	<u>1,124,051</u>	<u>1,461,288</u>	<u>3,709,613</u>
Total other receivables, deposits and prepayments	1,124,051	1,461,288	3,709,613
Less: Prepayments	-	(3,583)	(500)
Less: GST receivables	-	(315,374)	(315,374)
Total other receivables and deposits at amortised cost	<u>1,124,051</u>	<u>1,142,331</u>	<u>3,393,739</u>

Included in other receivables is an amount of RM724,000 (30.04.2024: RM720,000; 01.05.2023: RM2,933,456) owing by a related party. This amount is unsecured, interest free and repayable on demand in cash and cash equivalents.

#### 11. Amount owing by a subsidiary

Amount owing by a subsidiary is non-trade in nature, unsecured, interest-free and repayable on demand in cash and cash equivalents.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 12. Amount owing by associates

Amount owing by associates are non-trade in nature, unsecured, interest-free and repayable on demand in cash and cash equivalents.

#### 13. Contract assets and liabilities

	Group and Company	
	30.04.2025	30.04.2024
	RM	RM
At 1 May 2024/1 May 2023	4,872,868	2,971,386
Revenue recognised during the year	41,351,931	32,517,658
Progress billing issued during the year	<u>(40,871,156)</u>	<u>(30,616,176)</u>
At 30 April 2025/30 April 2024	<u>5,353,643</u>	<u>4,872,868</u>

	Group and Company		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
<u>Represented by:</u>			
Contract assets	6,979,351	5,522,888	3,457,190
Contract liabilities	<u>(1,625,708)</u>	<u>(650,020)</u>	<u>(485,804)</u>
	<u>5,353,643</u>	<u>4,872,868</u>	<u>2,971,386</u>

#### 14. Fixed deposits with licensed banks

The effective interest rate for fixed deposits with licensed banks ranged from 2.15% to 3.30% (30.04.2024: 2.10% to 3.15%; 01.05.2023: 1.65% to 3.15%) per annum with maturity period of 1 month to 12 months (30.04.2024: 1 month to 12 months; 01.05.2023: 1 month to 12 months).

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 15. Share capital

	Group and Company		
	No. of shares (unit)		
	30.04.2025	30.04.2024	01.05.2023
<b>Issued and fully paid up:</b>			
At beginning/end of the financial year	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>

	Group and Company		
	Amount (RM)		
	30.04.2025	30.04.2024	01.05.2023
<b>Issued and fully paid up:</b>			
At beginning/end of the financial year	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,200,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

#### 16. Retained earnings

The retained earnings of the Company and its subsidiary are available for distributions by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences to the Company that would result from the payment of dividends to shareholders. The dividends would not be taxable in the hands of the shareholders.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 17. Lease liabilities

	Group and Company	
	30.04.2025	30.04.2024
	RM	RM
At 1 May 2024/1 May 2023	127,328	242,333
Lease interest	2,168	9,050
Lease payment	(103,089)	(124,055)
At 30 April 2025/30 April 2024	<u>26,407</u>	<u>127,328</u>

	Group and Company		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
<b>Future lease payments payable:</b>			
- Not later than 1 year	26,887	76,096	124,056
- Later than 1 year and not later than 5 years	-	56,763	132,858
Total future minimum lease payments	<u>26,887</u>	<u>132,859</u>	<u>256,914</u>
Less: Future finance charges	(480)	(5,531)	(14,581)
Present value of minimum lease payments	<u>26,407</u>	<u>127,328</u>	<u>242,333</u>
Payments due within 12 months, presented as current	(26,407)	(71,705)	(115,005)
Non-current portion of lease liabilities	<u>-</u>	<u>55,623</u>	<u>127,328</u>
<b>Present value of lease liabilities</b>			
- Not later than 1 year	26,407	71,705	115,005
- Later than 1 year and not later than 5 years	-	55,623	127,328
	<u>26,407</u>	<u>127,328</u>	<u>242,333</u>

The incremental borrowing rate and interest rate implicit in lease applied by the Group and by the Company to lease liabilities is 2.53% (30.04.2024: 2.32% to 2.53%; 01.05.2023: 2.32% to 2.53%) per annum.

Lease arrangement for motor vehicles of the Group and of the Company are disclosed in Note 5 to the financial statements.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 17. Lease liabilities (cont'd)

##### (a) Cash flow for lease as lessee

	Group and Company	
	2025	2024
	RM	RM
<b>Included in net cash from operating activities</b>		
Payment relating to short-term lease	948,785	635,014
<b>Included in net cash from financing activities</b>		
Payment of lease liabilities	(103,089)	(124,055)
Interest paid in relation to lease liabilities	2,168	9,050
	<u>(100,921)</u>	<u>(115,005)</u>

##### (b) Amount recognised in profit or loss

	Group and Company	
	2025	2024
	RM	RM
Depreciation in right-of-use assets	73,297	116,987
Interest expenses on lease liabilities	2,168	9,050
Short-term leases	948,785	635,014
	<u>1,024,250</u>	<u>761,051</u>

(c) Included in amount of RM26,407 (30.04.2024: RM122,983; 01.05.2023: RM187,061) of lease arrangement of motor vehicle is guaranteed by a Director of the Group and of the Company, Ching Tai Kuen.

(d) Included in amount of RM Nil (30.04.2024: RM4,345; 01.05.2023: RM55,272) of lease arrangement of motor vehicle is guaranteed by a former Director of the Group and of the Company, Ching Tai Poh.

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#### 18. Deferred tax liabilities

Deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax related to the same tax authority.

	Group and Company	
	30.04.2025	30.04.2024
	RM	RM
<b>Deferred tax liabilities:</b>		
<b>Property, plant and equipment</b>		
At 1 May 2024/1 May 2023	36,050	23,150
Recognised in profit or loss:		
- Origination and reversal of temporary differences	(36,050)	12,900
At 30 April 2025/30 April 2024	<u>-</u>	<u>36,050</u>

#### 19. Trade payables

	Group and Company		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
Trade payables			
- external parties	12,609,304	6,984,840	5,776,058
- related parties	385,410	990,545	3,453,589
Retention sum payables			
- external parties	3,278,441	2,016,116	1,934,622
- related parties	247,099	724,681	773,050
	<u>16,520,254</u>	<u>10,716,182</u>	<u>11,937,319</u>

Trade payables are non-interest bearing. The normal credit terms granted to the Group and to the Company range from 30 days to 60 days (30.04.2024: 30 days to 60 days; 01.05.2023: 30 days to 60 days).

Included in trade payables is an amount of RM2,271,059 (30.04.2024: RM2,445,865; 01.05.2023: RM3,470,462) owing to a company in which the Directors of the Company have interests. This amount is unsecured, interest-free and payable on demand in cash and cash equivalents.

Amount owing to related parties are unsecured, interest free, payable on demand in cash and cash equivalents. Also included in payables to related parties is an amount of RM Nil (30.04.2024: RM 1,632,753; 01.05.2023: RM 4,159,668) are balances owing to companies controlled by certain Directors of the Company.

The retention sum payables are repayable upon the expiry of the defect liability period of 24 months from the respective date of completion.

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#### 20. Other payables, deposits received and accruals

	30.04.2025	Group 30.04.2024	01.05.2023
	RM	RM	RM
Deposits received	172,330	111,930	119,280
Other payables	1,304,534	6,971,105	7,434,105
Accruals	282,256	1,049,274	849,665
	<u>1,759,120</u>	<u>8,132,309</u>	<u>8,403,050</u>

	30.04.2025	Company 30.04.2024	01.05.2023
	RM	RM	RM
Deposits received	172,330	111,930	119,280
Other payables	1,304,534	6,970,506	7,434,105
Accruals	282,256	1,042,604	844,411
	<u>1,759,120</u>	<u>8,125,040</u>	<u>8,397,796</u>

Included in other payables is an amount of RM Nil (30.04.2024: RM6,380,972; 01.05.2023: RM7,244,571) owing to family members of the Directors of the Company. This amount is unsecured, interest-free and payable on demand in cash and cash equivalents.

#### 21. Amount owing to Directors

Amount owing to Directors are unsecured, interest-free and payable on demand in cash and cash equivalents.

#### 22. Revenue

	Group and Company	
	2025	2024
	RM	RM
<b>Revenue from contract with customers</b>		
<u>Recognised overtime:</u>		
Contract revenue	41,351,931	32,517,658
Other services income	238,971	439,756
	<u>41,590,902</u>	<u>32,957,414</u>

Contract revenue of the Group and of the Company represents proportion of the value of contracts attributable to the stage of completion during the year.

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#### 23. Other income

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on disposal of investment properties	-	349,830	-	349,830
Gain on disposal of investment in subsidiary	725,816	-	1,052,836	-
Gain on disposal of investment in associates	52,835	25,000	-	25,000
Gain on disposal of property, plant and equipment	1,719,062	7,999	1,719,062	7,999
Interest income	149,776	129,328	149,776	129,328
Rental income	487,500	518,582	487,500	518,582
Other income	2,287	8,498	2,287	8,498
	<u>3,137,276</u>	<u>1,039,237</u>	<u>3,411,461</u>	<u>1,039,237</u>

#### 24. Finance costs

	Group and Company	
	2025 RM	2024 RM
Bank interest	-	1,589
Lease interest	2,168	9,050
	<u>2,168</u>	<u>10,639</u>

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#### 25. Profit before tax

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Profit before tax is arrived at after charging:				
Auditors' remuneration	94,784	9,616	85,000	7,776
Bad debt written off:				
- Trade	778,252	-	778,252	-
- Non-trade	315,374	-	315,374	-
Depreciation of property, plant and equipment	324,038	252,213	324,038	252,213
Depreciation of investment properties	171,828	171,828	171,828	171,828
Expenses of short term leases <sup>^</sup>	948,785	635,014	948,785	635,014
Impairment of trade receivables	162,260	-	162,260	-
Property, plant and equipment written off	428	3	428	3
Staff costs:				
- Salaries, allowance and bonus	1,107,460	1,077,063	1,107,460	1,077,063
- Defined contribution plans	149,481	151,629	149,481	151,629
- Social security contribution	17,621	17,036	17,621	17,036
- Employment insurance system	1,326	1,107	1,326	1,107
- Other benefits	35,580	34,700	35,580	34,700
Expenses recognised in cost of sales which included above:				
Depreciation of property, plant and equipment	107,177	88,000	107,177	88,000
Expenses of short term leases <sup>^</sup>	948,785	635,014	948,785	635,014
Staff cost:				
- Salaries, allowance and bonus	723,216	719,333	723,216	719,333
- Defined contribution plans	90,212	89,584	90,212	89,584
- Social security contribution	14,294	14,312	14,294	14,312
- Employment insurance system	1,103	997	1,103	997
- Other benefits	19,829	19,224	19,829	19,224

<sup>^</sup> These amounts represent short-term leases under MFRS 16.

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#### 26. Tax expense

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current tax expenses:</b>				
- income tax expenses in Malaysia	850,000	856,000	850,000	856,000
- over provision of income tax expenses in prior years	-	(42)	-	(42)
- capital gain tax	32,577	-	32,577	-
- real property gain tax	-	16,970	-	16,970
	<u>882,577</u>	<u>872,928</u>	<u>882,577</u>	<u>872,928</u>
<b>Deferred tax expenses:</b>				
- Relating to originating and recognition of temporary differences	(36,050)	12,900	(36,050)	12,900
	<u>846,527</u>	<u>885,828</u>	<u>846,527</u>	<u>885,828</u>

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	<u>4,099,629</u>	<u>3,853,823</u>	<u>4,451,469</u>	<u>3,850,667</u>
Malaysia statutory tax rate of 24% (2024: 24%)	983,911	924,918	1,068,353	924,160
Tax effect in respect of:				
Non-taxable income	(514,905)	(108,750)	(514,905)	(108,750)
Non-deductible expenses	472,218	133,966	387,776	134,724
Utilisation of capital allowances	(46,224)	(49,134)	(46,224)	(49,134)
Differential in tax rate for:				
- small and medium companies in Malaysia	(45,000)	(45,000)	(45,000)	(45,000)
Capital gain tax	32,577	-	32,577	-
Real property gain tax	-	16,970	-	16,970
Over provision of income tax expenses in prior years	-	(42)	-	(42)
Effect on deferred tax liabilities	(36,050)	12,900	(36,050)	12,900
Income tax expenses for the financial year	<u>846,527</u>	<u>885,828</u>	<u>846,527</u>	<u>885,828</u>

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 27. Cash and cash equivalents

Cash and cash equivalents consists of:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	1,288,272	1,267,026	1,288,272	1,262,707
Fixed deposits with licensed banks	<u>6,619,839</u>	<u>6,609,772</u>	<u>6,619,839</u>	<u>6,609,772</u>
	<u>7,908,111</u>	<u>7,876,798</u>	<u>7,908,111</u>	<u>7,872,479</u>

#### 28. Related party disclosures

##### 28.1 Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa where the Company and the party are subject to common control or common significant influence. Related parties could be individual or other entities.

Related parties of the Company include:

- (i) Direct subsidiary as disclosed in Note 7 to the financial statements;
- (ii) Associates as disclosed in Note 8 to the financial statements;
- (iii) Entities in which the Directors of the Group and the Company has substantial financial interests;
- (iv) Entities in which the close family member of the Directors of the Group and the Company has substantial financial interests;
- (v) Close family member of the Directors of the Group and the Company; and
- (vi) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 28. Related party disclosures (cont'd)

##### 28.2 Related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Transaction with direct subsidiary</b>		
- Advance to	(17,000)	(10,000)
	<u>                    </u>	<u>                    </u>
<b>Transaction with Directors and their close family members of the Company</b>		
- Settlement of amount owing to Directors and their close family members by way of disposal of investments and properties	6,115,748	-
- Settlement of amount owing to Directors and their close family members by way of offset against amounts receivable from a subsidiary and associates	2,028,000	-
- Settlement of amount owing to Directors and their close family members by way of cash payments	91,266	-
	<u>                    </u>	<u>                    </u>
	<b>Group and Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Transaction with associates companies</b>		
- Advance to	(404,000)	(1,036,000)
- Other services income received	(780)	(2,400)
	<u>                    </u>	<u>                    </u>
<b>Transaction with entities in which the Directors and their close family members of the Group and of the Company have interests</b>		
- Progress billing for provision of construction services	(7,700,178)	(8,530,747)
- Procurement for and delivery of construction materials	(517,281)	(594,764)
- Other services income	(239,136)	(429,566)
- Rental income	(36,000)	(45,600)
- Reimbursement of utilities	(6,498)	(44,926)
- Receipt of maintenance charges and expenses paid on behalf	(4,732)	(1,415)
- Purchase of construction materials	239,402	723,732
- Subcontractor charges	1,442,580	4,519,032
- Expenses of short term leases	347,798	323,100
- Advance to	(4,000)	-
	<u>                    </u>	<u>                    </u>

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 28. Related party disclosures (cont'd)

##### 28.3 Directors' remuneration

The Group's and the Company's Directors' remuneration for the financial year ended 30 April 2025 and the comparative prior year are as follows:

	Group and Company	
	2025	2024
	RM	RM
Directors' fees	-	780,000
Directors' salaries, allowances and bonus	404,910	426,890
Directors' defined contribution plans	72,744	222,676
Directors' social security contribution	3,368	3,487
Directors' employment insurance system	363	393
	<u>481,385</u>	<u>1,433,446</u>

#### 29. Financial instruments

##### 29.1 Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost based on their respective classification. The material accounting policies information in Note 3.8 describes how the classes of financial instruments are measured, and how income and expense, including fair value gains or losses, are recognised.

The table below provides an analysis of financial instruments of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned and therefore by measurement basis:

	Group		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
<b>Financial assets at amortised cost</b>			
Trade receivables	22,406,980	17,344,774	18,955,585
Other receivables and deposits	1,124,051	1,142,331	3,393,739
Amount owing by associates	1,788,563	3,350,563	2,314,563
Fixed deposits with licensed banks	6,619,839	6,609,772	4,220,039
Cash and bank balances	1,288,272	1,267,026	516,241
	<u>33,227,705</u>	<u>29,714,466</u>	<u>29,400,167</u>

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#### 29. Financial instruments (cont'd)

##### 29.1 Classification of financial instruments (cont'd)

The table below provides an analysis of financial instruments of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned and therefore by measurement basis: (cont'd)

	30.04.2025	Group 30.04.2024	01.05.2023
	RM	RM	RM
<b>Financial liabilities at amortised cost</b>			
Trade payables	16,520,254	10,716,182	11,937,319
Other payables, deposits received and accruals	1,759,120	8,132,309	8,403,050
Amount owing to Directors	-	2,583,464	2,135,741
Lease liabilities	26,407	127,328	242,333
	<u>18,305,781</u>	<u>21,559,283</u>	<u>22,718,443</u>
<b>Financial assets at amortised cost</b>			
Trade receivables	22,406,980	17,344,774	18,955,585
Other receivables and deposits	1,124,051	1,142,331	3,393,739
Amount owing by subsidiary	-	75,000	65,000
Amount owing by associates	1,788,563	3,350,563	2,314,563
Fixed deposits with licensed banks	6,619,839	6,609,772	4,220,039
Cash and bank balances	1,288,272	1,262,707	512,587
	<u>33,227,705</u>	<u>29,785,147</u>	<u>29,461,513</u>
<b>Financial liabilities at amortised cost</b>			
Trade payables	16,520,254	10,716,182	11,937,319
Other payables, deposits received and accruals	1,759,120	8,125,040	8,397,796
Amount owing to Directors	-	2,583,464	2,135,741
Lease liabilities	26,407	127,328	242,333
	<u>18,305,781</u>	<u>21,552,014</u>	<u>22,713,189</u>

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 29. Financial instruments (cont'd)

##### 29.2 Net losses arising from financial instruments

	Group and Company	
	2025	2024
	RM	RM
<b>Net losses/(gains) on:</b>		
Financial assets measured at amortised cost	1,106,110	(129,328)
Financial liabilities measured at amortised cost	2,168	10,639
	<u>1,108,278</u>	<u>(118,689)</u>

##### 29.3 Financial risk management objectives and policies

The Group and the Company are exposed to financial risk arising from its operation and the use of financial instruments. The key financial risks include interest rate risk, credit risk and liquidity risk.

The Board of Directors review and agree policies and procedure for the management of these risks, which are executed by the Managing Director. The Group's and the Company's financial risk management policies are to ensure that adequate financial resources are available for the development of the Group's and of the Company's operations whilst managing its interest rate risk, credit risk and liquidity risk. The Group and the Company operates within policies and guidelines that are approved by the Directors, which includes not engaging in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

###### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company manages the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. The management does not enter into interest rate hedging transactions as the cost of such instruments outweighs the potential risk of interest rate fluctuation.

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#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

###### (i) Interest rate risk (cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on the carrying amounts as at the end of the reporting period is as follows:

	Group and Company		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
<b>Fixed rate instruments</b>			
<i>Financial assets</i>			
Fixed deposits with licensed banks	<u>6,619,839</u>	<u>6,609,772</u>	<u>4,220,039</u>
<i>Financial liabilities</i>			
Lease liabilities	<u>26,407</u>	<u>127,328</u>	<u>242,333</u>

###### Interest rate risk sensitivity analysis

Sensitivity analysis is not disclosed on fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

###### (ii) Credit risk

Credit risk is the risk of financial loss to the Group and to the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

###### (a) Trade receivables and retention sum receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and retention sum receivables are represented by the carrying amounts in the statements of financial position. The carrying amount of trade receivables and retention sum receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

###### (ii) Credit risk (cont'd)

###### (a) Trade receivables and retention sum receivables (cont'd)

###### Credit risk concentration profile of trade receivables and retention sum receivables

The Group and the Company major concentration of credit risk relates to the amount owing by 3 customers (2024: 4 customers) which constituted 81% (2024: 71%) of its trade receivables and retention sum receivables at the end of each reporting year.

###### Assessment of impairment losses

The Group and the Company apply the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for all trade receivables and retention sum receivables.

To measure the expected credit losses, trade receivables and retention sum receivables have been grouped based in shares credit risk characteristics and the days past due.

For certain large customers or customers with a high risk of default, the Group and the Company assess the risk of loss each customer individually based on their financial information and past trends of payments, where applicable.

Also, the Group and the Company consider any trade receivables and retention sum receivables having financial difficulty or in default with significant balances overdue for more than 120 days may deemed credit impaired and assess for their risk of loss individually.

The expected credit loss rates are based on the payment profiles of sales over a period of 3 years from the measurement date and the corresponding historical credit losses experiences within this period. The historical loss rates are adjusted to reflect current and forward-looking information (if any) on macroeconomic factors affecting the ability of the customers to settle their debts.

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#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

###### (ii) Credit risk (cont'd)

###### (a) Trade receivables (cont'd)

###### Aging analysis

The aging analysis of the Group's and the Company's trade receivables and retention sum receivables as at the end of reporting period is as follows:

	<b>Gross amount RM</b>	<b>Impairment losses RM</b>	<b>Carrying amount RM</b>
<b>Group and Company At 30 April 2025</b>			
Neither past due nor impaired	7,898,865	-	7,898,865
Past due but not impaired			
- 0 to 30 days	2,963,522	-	2,963,522
- 31 to 60 days	1,904,119	-	1,904,119
- 61 to 90 days	1,057,883	-	1,057,883
- 91 to 120 days	133,723	-	133,723
- More than 120 days	2,218,405	(162,260)	2,056,145
	8,277,652	(162,260)	8,115,392
Retention sum receivables	6,392,723	-	6,392,723
	<u>22,569,240</u>	<u>(162,260)</u>	<u>22,406,980</u>
<b>At 30 April 2024</b>			
Neither past due nor impaired	6,653,708	-	6,653,708
Past due but not impaired			
- 0 to 30 days	1,067,521	-	1,067,521
- 31 to 60 days	2,030,523	-	2,030,523
- 61 to 90 days	85,414	-	85,414
- 91 to 120 days	289,898	-	289,898
- More than 120 days	2,037,443	-	2,037,443
	5,510,799	-	5,510,799
Retention sum receivables	5,180,267	-	5,180,267
	<u>17,344,774</u>	<u>-</u>	<u>17,344,774</u>

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## Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

### 29. Financial instruments (cont'd)

#### 29.3 Financial risk management objectives and policies (cont'd)

##### (ii) Credit risk (cont'd)

##### (b) Trade receivables (cont'd)

###### Aging analysis (cont'd)

The aging analysis of the Group's and the Company's trade receivables and retention sum receivables as at the end of reporting period is as follows: (cont'd)

	<b>Gross amount RM</b>	<b>Impairment losses RM</b>	<b>Carrying amount RM</b>
<b>Group and Company At 1 May 2023</b>			
Neither past due nor impaired	4,232,323	-	4,232,323
Past due but not impaired			
- 0 to 30 days	2,603,444	-	2,603,444
- 31 to 60 days	1,828,287	-	1,828,287
- 61 to 90 days	446,646	-	446,646
- 91 to 120 days	990,945	-	990,945
- More than 120 days	4,130,587	-	4,130,587
	9,999,909	-	9,999,909
Retention sum receivables	4,723,353	-	4,723,353
	<u>18,955,585</u>	<u>-</u>	<u>18,955,585</u>

###### Trade receivables and retention sum receivables that are neither past due nor impaired

Trade receivables and retention sum receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

###### Trade receivables and retention sum receivables that are past due but not impaired

As at the end of the reporting period, trade receivables and retention sum receivables of the Group and of the Company of RM8,115,392 respectively (30.04.2024: RM5,510,799; 01.05.2023: RM9,999,909) was past due but not impaired. These are not secured by any collateral or supported by any other credit enhancement.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

###### (ii) Credit risk (cont'd)

###### (b) Other receivables

###### Exposure to credit risk, credit quality and collateral

Other receivable balances are monitored on an ongoing basis.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk is represented by carrying amount of other receivables as at the end of the reporting period.

###### Aging analysis of other receivables and impairment losses.

The Group and the Company does not maintain aging analysis for other receivables. Based on past experience, the Director determine whether the impairment is necessary in respect of other receivables applying the general approach to determine the ECL. Consequently, the Group and the Company is of the view that loss allowance for other receivables is not material and hence it is not provided for.

###### (c) Other financial assets

Other financial assets (including fixed deposits placed with licensed banks and bank balances) are held with licensed financial institution. The Group and the Company minimised credit risk by dealing exclusively with high credit counterparties.

###### Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations. As at the end of reporting period, the maximum exposure to credit risk is represented by the carrying amount of cash and banks in the statements of financial position.

###### Impairment losses

The credit risk for others financial assets are low as those assets are protected to the extent by Perbadanan Insurance Deposit Malaysia. Consequently, the Group and the Company is of the view that loss allowance is not material and hence is not provided for.

###### (d) Intercompany advances

The Company provides unsecured advance to subsidiary and associates. The Company monitors the results of the subsidiary regularly.

###### Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there was no indication that the advances to the subsidiary and associates are not recoverable. The Company does not specifically monitor the aging of current advances to the subsidiary and the associates. These advances are repayable on demand in cash and cash equivalents.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

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#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

###### (ii) Credit risk (cont'd)

###### (e) Financial guarantees

	Group and Company		
	30.04.2025	30.04.2024	01.05.2023
	RM	RM	RM
Corporate guarantee given to licensed banks for credit facilities grant to:			
- associates companies	5,250,000	16,650,000	5,250,000
- non-related corporations	11,400,000	154,720,904	154,720,904
	<u>16,650,000</u>	<u>171,370,904</u>	<u>159,970,904</u>

All the financial guarantees contracts are considered to be performing, have low risks of default and historically there were no instances where the financial guarantee were called upon by the parties of which the financial guarantee were issued to. Accordingly, there was no loss allowance determined by the Group and by the Company for the financial guarantee.

All financial guarantees had been discharged on 17 June 2025.

###### (iii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by management to ensure, as far as possible, that it will not have sufficient liquidity to meet its liability when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practice risk management by maintaining sufficient cash balances.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

29. Financial instruments (cont'd)
- 29.3 Financial risk management objectives and policies (cont'd)
- (iii) Liquidity risk (cont'd)

#### Maturity analysis

The maturity profiles of the Group's and the Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:

Group	Weighted effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
<b>As at 30 April 2025</b>					
Trade payables		16,520,254	16,520,254	16,520,254	-
Other payables, deposits received and accruals		1,759,120	1,759,120	1,759,120	-
Lease liabilities	2.53%	26,407	26,887	26,887	-
Financial guarantee contracts*		-	16,650,000	16,650,000	-
		<b>18,305,781</b>	<b>34,956,261</b>	<b>34,956,261</b>	<b>-</b>
<b>As at 30 April 2024</b>					
Trade payables		10,716,182	10,716,182	10,716,182	-
Other payables, deposits received and accruals		8,132,309	8,132,309	8,132,309	-
Amount owing to Directors		2,583,464	2,583,464	2,583,464	-
Lease liabilities	2.32% to 2.53%	127,328	132,859	76,096	56,763
Financial guarantee contracts*		-	171,370,904	171,370,904	-
		<b>21,559,283</b>	<b>192,935,718</b>	<b>192,878,955</b>	<b>56,763</b>

\* This has been included for illustration purposes only as the related financial guarantee contracts have not crystallised as the end of the reporting period.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

##### (iii) Liquidity risk (cont'd)

###### Maturity analysis (cont'd)

The maturity profiles of the Group's and the Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:  
(cont'd)

Group	Weighted effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
<b>As at 1 May 2023</b>					
Trade payables		11,937,319	11,937,319	11,937,319	-
Other payables, deposits received and accruals		8,403,050	8,403,050	8,403,050	-
Amount owing to Directors		2,135,741	2,135,741	2,135,741	-
Lease liabilities	2.32% to 2.53%	242,333	256,914	124,056	132,858
Financial guarantee contracts*		-	159,970,904	159,970,904	-
		<b>22,718,443</b>	<b>182,703,928</b>	<b>182,571,070</b>	<b>132,858</b>

\* This has been included for illustration purposes only as the related financial guarantee contracts have not crystallised as the end of the reporting period.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

##### (iii) Liquidity risk (cont'd)

###### Maturity analysis (cont'd)

The maturity profiles of the Group's and the Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:  
(cont'd)

Company	Weighted effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
<b>As at 30 April 2025</b>					
Trade payables		16,520,254	16,520,254	16,520,254	-
Other payables, deposits received and accruals		1,759,120	1,759,120	1,759,120	-
Lease liabilities	2.53%	26,407	26,887	26,887	-
Financial guarantee contracts*		-	16,650,000	16,650,000	-
		<b>18,305,781</b>	<b>34,956,261</b>	<b>34,956,261</b>	<b>-</b>

\* This has been included for illustration purposes only as the related financial guarantee contracts have not crystallised as the end of the reporting period.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

###### (iii) Liquidity risk (cont'd)

###### Maturity analysis (cont'd)

The maturity profiles of the Group's and the Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:  
(cont'd)

Company	Weighted effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
<b>As at 30 April 2024</b>					
Trade payables		10,716,182	10,716,182	10,716,182	-
Other payables, deposits received and accruals		8,125,040	8,125,040	8,125,040	-
Amount owing to Directors		2,583,464	2,583,464	2,583,464	-
Lease liabilities	2.32% to 2.53%	127,328	132,859	76,096	56,763
Financial guarantee contracts*		-	171,370,904	171,370,904	-
		21,552,014	192,928,449	192,871,686	56,763

\* This has been included for illustration purposes only as the related financial guarantee contracts have not crystallised as the end of the reporting period.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 29. Financial instruments (cont'd)

##### 29.3 Financial risk management objectives and policies (cont'd)

##### (iii) Liquidity risk (cont'd)

###### Maturity analysis (cont'd)

The maturity profiles of the Group's and the Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:  
(cont'd)

	Weighted effective interest rate %	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within one year RM	One to five years RM
<b>Company</b>					
<b>As at 1 May 2023</b>					
Trade payables		11,937,319	11,937,319	11,937,319	-
Other payables, deposits received and accruals		8,397,796	8,397,796	8,397,796	-
Amount owing to Directors		2,135,741	2,135,741	2,135,741	-
Lease liabilities	2.32% to 2.53%	242,333	256,914	124,056	132,858
Financial guarantee contracts*		-	159,970,904	159,970,904	-
		<b>22,713,189</b>	<b>182,698,674</b>	<b>182,565,816</b>	<b>132,858</b>

\* This has been included for illustration purposes only as the related financial guarantee contracts have not crystallised as the end of the reporting period.

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 30. Fair value of financial instruments

Financial assets and financial liabilities not carried at fair value are disclosed in Note 29.1 to the financial statements. These financial instruments are carried at the amounts approximate of their fair values on the statements of financial position of the Group and the Company due to the relatively short-term maturity of these financial instruments and the Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

The Group and the Company does not have any financial instruments carried at fair value as at 30 April 2025, 30 April 2024 and 1 May 2023.

#### 31. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that the Group's and the Company's ability to continue as a going concern and maximise shareholder value.

To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manages its capital based on debt-to-equity ratio. The Group's and the Company's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total shareholders' equity.

The debt-to-equity ratio of the Group and of the Company as at the end of the reporting period is as follows:

	30.04.2025	Group 30.04.2024	01.05.2023
	RM	RM	RM
Trade payables	16,520,254	10,716,182	11,937,319
Other payables, deposits received and accruals	1,759,120	8,132,309	8,403,050
Amount owing to Directors	-	2,583,464	2,135,741
Lease liabilities	26,407	127,328	242,333
Less: Fixed deposits with licensed banks	(6,619,839)	(6,609,772)	(4,220,039)
Less: Cash and bank balances	(1,288,272)	(1,267,026)	(516,241)
Net debt	<u>10,397,670</u>	<u>13,682,485</u>	<u>17,982,163</u>
Total equity	<u>30,803,546</u>	<u>28,145,854</u>	<u>25,177,859</u>
Capital and net debt	<u>41,201,216</u>	<u>41,828,339</u>	<u>43,160,022</u>
Gearing ratio	<u>25%</u>	<u>33%</u>	<u>42%</u>

## Lai Pau Construction Sdn. Bhd.

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### Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)

#### 31. Capital management (cont'd)

The debt-to-equity ratio of the Group and of the Company as at the end of the reporting period is as follows: (cont'd)

	30.04.2025	Company 30.04.2024	01.05.2023
	RM	RM	RM
Trade payables	16,520,254	10,716,182	11,937,319
Other payables, deposits received and accruals	1,759,120	8,125,040	8,397,796
Amount owing to Directors	-	2,583,464	2,135,741
Lease liabilities	26,407	127,328	242,333
Less: Fixed deposits with licensed banks	(6,619,839)	(6,609,772)	(4,220,039)
Less: Cash and bank balances	(1,288,272)	(1,262,707)	(512,587)
Net debt	<u>10,397,670</u>	<u>13,679,535</u>	<u>17,980,563</u>
Total equity	<u>30,916,046</u>	<u>27,311,104</u>	<u>24,346,265</u>
Capital and net debt	<u>41,313,716</u>	<u>40,990,639</u>	<u>42,326,828</u>
Gearing ratio	<u>25%</u>	<u>33%</u>	<u>42%</u>

#### 32. Significant events subsequent to the end of the financial year

- (a) On 5 June 2025, the Company entered into a Sale and Purchase Agreement for the purpose of acquiring all that piece of 99-year leasehold land (expiring on 24 February 2094) held under Pajakan Negeri No. 14987, Lot 830, Kawasan Bandar XXXIX, Daerah Melaka Tengah, Negeri Melaka, measuring approximately 130 square metres, together with a three-storey shop office erected thereon, bearing the postal address No. 2, 2-1, 2-2, Jalan Melaka Raya 33, Taman Melaka Raya 1, 75000 Melaka, Melaka, at a purchase consideration of RM688,000.
- (b) On 7 July 2025, for the purpose to finance the purchase of above property, the Company accept banking facilities of RM595,600 granted by Public Bank Berhad.
- (c) On 1 August 2025, the Company acquired 15,000 ordinary shares in LPC Property Sdn. Bhd. (formerly known as LPK Development Sdn. Bhd.) from Mr. Tew Yoke Yee for a total cash consideration of RM15,000. Following this acquisition, the Company's total shareholding in LPC Property Sdn. Bhd. increased to 127,500 ordinary shares, representing an equity interest of 50.98%. Accordingly, LPC Property Sdn. Bhd. became a subsidiary of the Company subsequent to the financial year end.

## **Lai Pau Construction Sdn. Bhd.**

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### **Notes to the Financial Statements For the Financial Year Ended 30 April 2025 (Cont'd)**

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#### **33. First time adoption of MFRS Framework**

As stated in Note 2 to the financial statements, there are the Group's and the Company's first set financial statements prepared in accordance with MFRS. The accounting policies set out in Note 3 to the financial statements have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 30 April 2025, comparative information presented these financial statements for financial year ended 30 April 2024 and the presentation of the opening MFRS statement of financial position as at 1 May 2023 (being the Group's and the Company's date of transition to MFRS framework).

The Group and the Company generally applied the requirements of these accounting standards retrospectively with practical expedients and transitional exemption as allowed by the standards. In preparing the comparative information and opening statement of financial position at the date of transition of MFRS, the Group and the Company had adjusted the amounts reported previously in financial statements prepared in accordance with previous MPERS.

The transition from MPERS to MFRS has no significant impact to the financial statements of the Group and of the Company.

#### **34. Comparative figures**

The financial statements of previous year, which are presented for comparative purposes were examined and reported on by another firm of auditors.

The presentation and classification of items in the current period financial statements have been consistent with the previous financial year except for certain comparative amounts have been reclassified to conform with current period's presentation.

**Independent Auditors' Report**  
**To the Members of Lai Pau Construction Sdn. Bhd.**  
(Incorporated in Malaysia)  
Registration No. 198701001001 (159667-T)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of **Lai Pau Construction Sdn. Bhd.** ("the Company"), which comprise the statements of financial position as at 30 April 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 7 to 84.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2025, and of their financial performance and their cash flows for the financial 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 (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and Other Ethical Responsibilities*

We are independent of the 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 IESBA Code.

**ECOVIS MALAYSIA PLT** 201404001750 (LLP0003185-LCA) & AF 001825 Chartered Accountants, D-10-03, Level 10, Exsim Tower, Millerz Square @ Old Klang Road, Megan Legasi, No. 357, Jalan Kelang Lama, 58000 Kuala Lumpur, Malaysia Phone: +60(3) 7986 0066 E-Mail: [kuala-lumpur@ecovis.com.my](mailto:kuala-lumpur@ecovis.com.my)

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**Independent Auditors' Report**  
**To the Members of Lai Pau Construction Sdn. Bhd. (Cont'd)**  
(Incorporated in Malaysia)  
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**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

**Responsibilities of the Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the 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 Directors either intend to liquidate the Group or the Company or to cease operations, or has 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 that 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 of auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on basis of these financial statements.

**Independent Auditors' Report**  
**To the Members of Lai Pau Construction Sdn. Bhd. (Cont'd)**  
(Incorporated in Malaysia)  
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**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

**Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)**

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on of 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**Independent Auditors' Report**  
**To the Members of Lai Pau Construction Sdn. Bhd. (Cont'd)**  
(Incorporated in Malaysia)  
Registration No. 198701001001 (159667-T)

**OTHER MATTERS**

- (a) As stated in Note 2 to the financial statements, the Company adopted Malaysian Financial Reporting Standards and International Financial Reporting Standards on 1 May 2024 with a transition date of 1 May 2023. The standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statements of financial position of the Group and of the Company as at 30 April 2024 and 1 May 2023, and the statements of profit or loss and other comprehensive income, statements of changes of equity and statements of cash flows of the Group and of the Company for the year ended 30 April 2024 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the year ended 30 April 2025 in these circumstances, included obtaining sufficient and appropriate audit evidence that the opening balances as at 1 May 2024 do not contain misstatements that materially affect the financial position as at 30 April 2025 and financial performance and cash flows for the financial year then ended.
- (b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
- (c) The financial statements of the Group and the Company for the financial year ended 30 April 2024 were audited by another firm of chartered accountants who expressed an unqualified opinion on those financial statements on 1 October 2024.



**ECOVIS MALAYSIA PLT**  
AF 001825  
Chartered Accountants

Kuala Lumpur  
29 August 2025



**CHUA KAH CHUN**  
02696/09/2025 J  
Chartered Accountant

## **APPENDIX II**

### **INDEPENDENT MARKET RESEARCH REPORT**

The Board of Directors  
**LPC Group Berhad**  
No. 2, 2-1, 2-2, Jalan Melaka Raya 33  
Taman Melaka Raya 1  
75000 Melaka

Date: 19 September 2025

Dear Sir/Madam,

## **INDEPENDENT MARKET RESEARCH REPORT ON THE CONSTRUCTION INDUSTRY IN MALAYSIA ("IMR REPORT")**

The following report is an independent assessment of the Construction Industry of Malaysia, prepared by Redmarch Capital Insights Sdn. Bhd. ("Redmarch") for inclusion in the Information Memorandum of LPC Group Berhad ("LPC" or "the Company") in relation to its proposed listing on the LEAP Market of Bursa Malaysia Securities Berhad.

Redmarch is an independent market research and consulting firm headquartered in Malaysia. We deliver evidence-based strategic market information, insights and advice through in-depth research of markets to assess market size and trends, growth drivers, demand and supply conditions, industry structure and competitive landscape.

The research process for this study includes secondary research (also known as desktop research) as well as supplementary primary research, which involves discussing the status of the industry and competitive landscape with industry participants. The information presented in this report is subject to change due to evolving business dynamics, industry trends and economic conditions.

Redmarch has prepared this IMR Report in an independent and objective manner and has taken reasonable consideration and care to ensure the accuracy of the report. It is our opinion that this IMR Report represents a true and fair assessment of the industry within the limitations of secondary statistics and primary research, and do not purport to be exhaustive. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibility for the decisions or actions of readers of this document. This IMR Report should not be taken as a recommendation to buy or not to buy the shares of any company.

Yours sincerely,



Wah Shu Tin  
Director

## Independent Market Research Report on the Construction Industry in Malaysia

### 1.0 Market Introduction

#### 1.1 Overview of the construction industry

The construction industry encompasses work carried out for both public and private sector project owners. Works are organised into four main activities, as below:

- i. **Residential Buildings:** the construction of properties intended for dwelling purposes, such as terrace houses, bungalows and high-rise residences.
- ii. **Non-Residential Buildings:** the construction of properties for commercial use (such as offices, shop lots, hotels and serviced apartments), industrial use (such as factory lots, industrial compounds and warehouses), and other uses (including institutional buildings such as schools, hospitals and prisons).
- iii. **Infrastructure (also known as Civil Engineering):** the construction of infrastructure, such as roads, railways, retaining walls, drainage, bridges, ports and power plants. These could be either for public works (e.g. national and state infrastructure) or private works (e.g. infrastructure within the compound of residential and non-residential buildings).
- iv. **Special Trade Activities:** includes specialist construction and installation related activities, such as demolition, land reclamation, electrical wiring and fittings, security systems, plumbing, elevators as well as heating, ventilation and air conditioning (“HVAC”).

Among these, LPC through its subsidiary, Lai Pau Construction Sdn Bhd (“Lai Pau”), engages in the construction of **Residential** and **Non-Residential** buildings, as well as **Infrastructure** projects. For Infrastructure projects, Lai Pau’s scope mainly covers the construction of drainage systems, retaining walls, detention ponds and roads. Its customers are predominantly in the private sector.

#### 1.2 Overview of the construction contractors

In Malaysia, construction works are carried out by contractors registered with the Construction Industry Development Board (“CIDB”), which regulates their licensing and industry development. Contractors are classified into 7 Grades that defines the scope of works they can undertake, based on project size, capital requirements and technical qualification, as described below (Figure 1):

**Figure 1: Definition and Number of Registered Contractors in Malaysia, by Grade**

Grade	Limit on project size conducted	Minimum paid-up capital	Qualification of technical personnel	*Number of contractors
G1	Up to RM200,000	RM5,000	Technical Certificate holders	68,764
G2	Up to RM500,000	RM25,000		23,739
G3	Up to RM1,000,000	RM50,000		20,382
G4	Up to RM3,000,000	RM150,000	Diploma holders	6,032
G5	Up to RM5,000,000	RM250,000	Diploma holders (min. 5 years’ experience) or Degree holders (min. 1 year experience)	7,530
G6	Up to RM10,000,000	RM500,000	At least 1 Degree + 1 Diploma holders (min. 3 years’ experience each)	1,971
G7	No limit	RM750,000	At least 2 Degree or 1 Degree + 1 Diploma holders (min. 5 years’ experience each)	10,416

Note: \*Number of contractors registered with CIDB as at the latest practicable date (“LPD”) of 31 August 2025  
Source: CIDB

Contractor Category and Specialisation describe their field of competence and each contractor can register for multiple categories and specialisations to carry out different scopes of work simultaneously. There are 4 categories of specialisations, as follows (Figure 2):

**Figure 2: List of Contractor Categories and Specialisations**

Category	Specialisation	Commentary
Building Construction (B)	B01-B29	Construction of buildings, structures, roofing, carpentry, installation of internal water and gas pipes, glass, paint works, decoration, etc.
Civil Engineering Construction (CE)	CE01-CE43	Construction of roads and pavements, bridges, pipelines, sewerage, water supply, underground work, outdoor landscaping, piling, etc.
Mechanical and Electrical (ME)	M01-M23 E01-E35	Mechanical (M) includes installation of HVAC, elevators, fire protection systems, boilers, etc. Electrical (E) includes installation of power cables, sound systems, lighting, telecommunications systems, etc.
Facilities (F)	F01-F02	Can only be carried out by Grade G4 and above contractors, with competency in building and infrastructure facility services or maintenance management

Source: CIDB

Lai Pau has active registrations with CIDB at the highest level of **Grade 7**, which allows them to bid for project tenders of any value. They are classified in the categories of **Building Construction (B)**, **Civil Engineering Construction (CE)**, as well as **Mechanical and Electrical (ME)** engineering, and in particular, the specialisations of **B04** (building construction works), **CE21** (civil engineering construction) and **M15** (various mechanical fittings).

### 1.3 Overview of the role of players

A construction project involves multiple tasks taking place across a diversity of functional disciplines and the parties typically involved in a project include:

- **Project owner / developer:** Owner or operator of the building project for construction, with rights to use or develop the land. They are the principal customer that funds and sets the scope of the construction project, and can be public or private organisations.
- **Architect / designer / consultant:** Provide the professional design and engineering drawings, conduct quantity surveying, obtain the required regulatory approvals, and other professional and technical services. They may be in-house within the developer or third-party organisations.
- **Main contractor:** Execute the construction works, including project management and quality control to ensure compliance, on-time and on-budget completion. They may conduct the works themselves or engage sub-contractors with specialist expertise, licenses, labour or other resources to assist on specific project modules. They may be affiliates of developers or third-party organisations. Some projects engage multiple main contractors, each responsible for a significant portion of the works, for example, one for building and one for infrastructure.
- **Sub-contractor:** Provide a narrowly-focused scope of services such as concrete form works, masonry works, road works, or electrical works. They are engaged by main contractor and take responsibility for the hiring of labour to execute the works. Sub-contractors are usually third-party organisations to developers and main contractors.
- **Supplier and vendor:** Supplier of materials (such as cement, wood, steel), equipment and tools (such as power tools, heavy machinery, parts), as well as fixtures and systems (such as locks, cables, HVAC systems). The developer, consultants and contractors all play a role in the selection of suppliers and procurement, as laid-out in the project mandate.

Lai Pau typically serves as the **main contractor** for both the building and infrastructure projects. Sub-contractors are engaged by Lai Pau to support on the labour intensive and/or specialised works such as concrete formwork, masonry, carpentry, roofing and painting, among others.

## 2.0 Market Size and Development

### 2.1 Malaysia's economy and contribution of the construction industry

The Malaysian economy has experienced robust growth over the past three years. According to the Department of Statistics, Malaysia ("DOSM"), Gross Domestic Product ("GDP") grew by 8.9% in 2022 following the strong rebound from the economic contractions during the COVID-19 pandemic. Growth moderated to 3.6% in 2023, reflecting a deceleration attributed to global economic uncertainties and inflationary challenges, including the weakening of the Ringgit due to tightening global monetary policy and capital outflows. GDP expanded by 5.1% in 2024 supported by the strong growth in domestic demand and investment together with a rebound in external trade. Furthermore, political stability enjoyed under the unity government since the 2022 elections have allowed for consistent economic policymaking and the implementation of critical economic reforms that position the country for growth.

The construction industry is a core pillar of Malaysia's economy as it supports not only directly through employment and investment, but also indirectly through the consumption of various materials and local supporting services. It also plays a key role in creating the necessary infrastructure for businesses to expand and function, e.g. through the building of roads, accommodation, factories and research facilities. The construction industry accounted for 4.0% of Malaysia's GDP and 8.5% share of employment in 2024. It was the fastest growing sector in 2024, recording a year-on-year ("YOY") growth of 17.5% which significantly outpaced the overall GDP growth (Figure 3), attributable to a combination of factors such as strategic government investments in the development of infrastructure, surge in residential construction, increased Foreign Direct Investment ("FDI") into the construction of data centres and advanced manufacturing facilities.

**Figure 3: Malaysia GDP and GDP Growth, by Economic Activity, 2022- 2024**

Economic activity	GDP (RM billion)			GDP growth (%)		
	2022	2023	2024	2022	2023	2024
Agriculture	100.1	100.8	103.9	1.3	0.7	3.1
Mining & Quarrying	97.0	97.5	98.4	3.5	0.5	0.9
Manufacturing	364.1	366.7	381.9	8.1	0.7	4.2
Construction	53.4	56.7	66.6	5.1	6.1	17.5
Services	882.7	927.9	977.7	11	5.1	5.4
Import Duties	16.8	18.4	19.7	7.3	9.6	6.9
<b>Total National GDP</b>	<b>1,514.1</b>	<b>1,568.0</b>	<b>1,648.2</b>	<b>8.9</b>	<b>3.6</b>	<b>5.1</b>

Source: DOSM

### 2.2 Market size of the construction industry

The market size of Malaysia's construction industry is defined as the value of works across the construction of residential buildings, non-residential buildings, infrastructure and special trade activities. Total market size reached RM158.8 billion in 2024, having grown by 20.2% from the previous year (Figure 4). In particular, the State of Melaka contributed around 2% to 3% of the total value of work done in Malaysia, which was generally in line with Melaka's contribution to the national GDP. Melaka's construction market recorded strong expansion, with a YOY increase of 52.7% and the value of works reaching RM4.7 billion in 2024. Residential projects are the largest contributor to Melaka's construction market (representing 38.6% of Melaka's total value of works in Q2 2025) and are expected to continue as a key driver of growth.

**Figure 4: Value of Work Done by Location of Project, 2022 - 2024**

State	Value of work done (RM million)		
	2022	2023	2024
Johor	12,303	14,777	24,503
Kedah	5,397	8,378	7,293
Kelantan	3,111	3,445	4,186
Melaka	2,854	3,075	4,696
Negeri Sembilan	4,721	4,516	5,342
Pahang	4,820	8,161	10,125
Perak	4,975	4,865	5,177
Perlis	433	585	896
Pulau Pinang	8,274	9,584	11,251
Sabah	7,562	7,328	9,296
Sarawak	14,109	14,629	17,514
Selangor	28,373	32,251	35,788
Terengganu	3,996	4,437	4,710
Wilayah Persekutuan*	20,963	16,123	18,026
<b>Malaysia (Total)</b>	<b>121,889</b>	<b>132,156</b>	<b>158,803</b>
<i>Melaka's contribution as % of total</i>	<i>2.3%</i>	<i>2.3%</i>	<i>3.0%</i>
<i>YOY growth in Malaysia</i>	<i>8.8%</i>	<i>8.4%</i>	<i>20.2%</i>
<i>YOY growth in Melaka</i>	<i>15.9%</i>	<i>7.7%</i>	<i>52.7%</i>

Note: \* includes Wilayah Persekutuan Kuala Lumpur, Putrajaya and Labuan  
Source: DOSM

LPC and Lai Pau ("LPC Group") operates primarily in Melaka with RM41.6 million revenue recorded for FYE 2025, representing 0.9% and 0.03% share of Melaka's and the national market respectively in 2024.

## 2.3 Demand conditions

### 12<sup>th</sup> Malaysia Plan ("12MP")

The 12MP sets the strategic roadmap for Malaysia's development for the period from 2021 to 2025. The plan aims to achieve the objective of a "Prosperous, Inclusive, Sustainable Malaysia" and focuses on three themes: 1. Resetting the economy, 2. Strengthening security, wellbeing and inclusivity, and 3. Advancing sustainability. Directly relating to the construction sector, the 12MP has set goals to build 500,000 units of affordable homes (93.9% completion as of December 2024). Efforts will continue under the 13th Malaysia Plan ("13MP") to further expand homeownership opportunities, particularly for young Malaysians.

### National Construction Policy ("NCP") 2030

The NCP 2030 was launched in 2021 with the aim to transform and modernise the construction industry. It serves as a reference and guide to strengthen the industry in terms of its sustainability and competitiveness, as well as skill enhancement of the workforce. The policy was built around 6 Thrusts to support the long-term value creation of the industry, namely: 1. Strengthen Quality and Safety in Project Performance Across the Construction Sector; 2. Embrace Sustainable Built Environment; 3. Improve Construction Productivity; 4. Strengthen Infrastructure Maintenance; 5. Strengthening Internationalisation and Competitiveness; and 6. Strengthening Good Governance and Adoption of Best Practices.

### Monetary policy

Property developers rely heavily on financing to fund their projects, given the high capital requirement involved, as well as the time lag between upfront expenditures and payment collection. Monetary policies such as money supply and interest rates impact the availability and cost of capital for construction projects. According to the Bank Negara Malaysia ("BNM"), the annual volume of loans applied by the construction industry reached RM98.8 billion in 2024, growing by 14.7% from the previous year. Meanwhile, the volume of loans approved was RM65.6 billion, growing by 26.7% YOY. The loan approval rate rose from 62.9% to 66.5% between 2022 and 2024. This indicates that monetary policies have been supportive towards the overall growth of the construction industry in recent years.

### Major national construction projects

The construction industry in Malaysia has always been a prime economic mover and a frequent target for the government's economic stimulus measures. It is further boosted by demand from the private sector across a variety of industries, together with accompanying housing and commercial facilities. Example of notable projects in recent years include the East Coast Rail Link (RM75 billion investment, expected completion in 2027), Klang Valley Mass Rapid Transit (RM119 billion investment over various phases, expected completion in 2030), and various Data Centre projects (e.g. Google and Microsoft each investing RM9 billion across the Klang Valley and Johor, expected completion in 2026 to 2028).

### Major Melaka construction projects

Melaka has been designated as a Unesco World Heritage site since 2008 and brings in close to 19 million domestic and international tourists annually. Its strategic location in-between the major economic centres of Kuala Lumpur and Johor Bahru / Singapore has supported its appeal as a logistics and services hub. Melaka's construction sector has seen stable development over the years and the state government has completed a total of 2,205 projects valued at RM 392 million between 2020 and 2024. A further RM88 million is allocated for various projects in 2025 aimed at driving economic growth and improving the well-being of its people, including the upgrade of roadworks, a new Melaka Sentral Market, a new police station, and the expansion of the West Coast Expressway. Other notable projects in Melaka include the Melaka International Cruise Terminal (RM682 million investment, expected completion in 2026), Melaka International Airport upgrade and helicopter centre (RM16.5 billion investment including the building of a maintenance and repair hub, training centre and leasing of helicopters, expected completion by 2027), and the German Technology Park (RM228 million investment, expected completion in 2027).

## 2.4 Supply conditions

### Building materials

Costs and margins in the construction industry are sensitive to the availability and cost of building materials, which are influenced by global supply-demand forces. Volatility in the price of key materials such as cement and steel can cause significant disturbance to overall construction costs. For example, steel prices rose and fell between 2020 and 2024 due to fluctuations in global supply-demand dynamics amid COVID lockdowns (particularly in China), exasperated by the Russia-Ukraine conflict in 2022 when prices spiked up 30% compared to 2020. Cement prices have been steadily rising largely due to rising coal and energy prices, higher shipping costs and the depreciation of the Ringgit in recent years. Overall, building costs stabilised between 2023 and 2024, as falling steel prices offset rising cement prices during the period, although still approximately 20% higher than pre-COVID levels in 2019.

### Construction equipment

Heavy construction equipment, such as excavators, cranes and trucks, are used for a multitude of activities within a construction project, including to move large amounts of material and the piling of foundations. Global brands dominate, with a mix of both imported as well as locally produced equipment and parts. While the availability of equipment and spare parts was temporarily impacted by COVID-19 lockdowns, they are generally no longer considered a limiting factor as operations largely returned to normal since 2022.

### Labour

The Malaysian construction industry faces the challenge of low labour participation among locals, causing a critical dependence on foreign labour. There were 1.27 million jobs in the construction sector in 2024, of which 89% were classified as semi-skilled or low-skilled, which was higher than in the manufacturing (82%) and services (65%) sectors. The number of documented foreign workers in the construction industry in Malaysia was around 0.7 million in 2024 (the number could be higher when accounting for undocumented workers), representing a majority of the construction workforce. The industry faces a shortage of workforce due to the unwillingness for locals to work in dirty, dangerous and difficult construction jobs compared against opportunities for higher paying jobs in other sectors. At the same time, the government has been tightening controls to limited the influx of foreign workers, which furthers the shortage of labour. There is thus demand for companies that specialise in the hiring and managing of foreign workers that alleviate contractors from the operational burden and potential compliance risk of hiring foreign workers directly.

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## 3.0 Competitive Landscape

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### 3.1 Overview of market competition

Competition among construction contractors is highly fragmented. According to the CIDB, there were a total of 139,664 contractors in Malaysia as at the LPD, of which 10,416 were classified into the highest G7 grade. Melaka has 4,058 actively registered local contractors, representing 2.9% of the total in Malaysia, and 215 were G7 contractors, accounting for 2.1% of national G7 contractors. Contractors generally carve out their competitive advantage around the following factors:

- **Reputation and track record** – for providing satisfactory project management and on-time / on-budget delivery of projects, built gradually with customers over time.
- **Access to resources** – for building materials, construction equipment, labour and financing; business relationships with a variety of suppliers and sub-contractors enable favourable pricing, terms of credit and business support.
- **Local project execution expertise** – for understanding of local regulatory requirements, approval processes, formal and informal business practices and restrictions.
- **Construction capabilities** – for executing a variety of construction techniques beyond conventional methods, such as pre-cast & pre-fabricated form works.
- **Price** – supported by improved operational efficiencies, lower cost structure, and strategic pricing programs.

### 3.2 Selected market players analysis

Lai Pau is a contractor focusing on building construction works as well as road and drainage infrastructure works in Melaka. Lai Pau has obtained the highest G7 license from CIDB, which allows them to execute projects without limitations in value. They are also licensed for the specialisations of B04 (building construction works), CE21 (civil engineering construction), and M15 (various mechanical fittings).

Among the 215 actively registered G7 contractors from Melaka, not all of them are direct competitors to Lai Pau, as they may have different areas of focus in terms of scope of work, type of customer, geography, as well as compete at a different scale of business altogether. Redmarch has selected 8 industry players that are comparable to Lai Pau (Figure 6) which satisfy the following criteria:

- Business and CIDB registrations in the State of Melaka;
- CIDB grade G7 and with specialisations similar to Lai Pau (including B04, CE21 and M15);
- Revenue not exceeding RM50 million; and
- Exclude contractors that are subsidiaries of developers or those that focus almost exclusively on projects from a single customer instead of bidding on open tenders.

Note that the list of selected players (Figure 6) is non-exhaustive and intend for the purpose of providing a reference point for comparing Lai Pau against the performance of similar companies.

### 3.3 Lai Pau's competitive positioning

Lai Pau is a mid-sized player among the set of selected construction companies in Melaka. Lai Pau recorded revenue of RM41.6 million in FYE 2025, representing an estimated 0.9% share of Melaka's total construction market in 2024 (as defined by total value of construction works, across both the public and private sectors, as well as all types of activity on all building types, including those that Lai Pau does not participate in). Lai Pau's gross profit margins and profit after tax margins were broadly in line with its industry peers for the latest available comparable period. Notably, it has a longer operating history (38 years since its incorporation in 1987, compared to an average of 23 years across its peers).

**Figure 6: Profiles of Lai Pau and selected industry players**

Company Name	Year of Incorporation	CIDB Specialisation <sup>(1)</sup>	Nature of Business <sup>(2)</sup>	Comparable FYE <sup>(3)</sup>	Revenue <sup>(4)</sup> (RM'000)	Gross Profit <sup>(4)</sup> (RM'000)	Profit After Tax <sup>(4)</sup> (RM'000)	Gross Profit Margin <sup>(5)</sup>	Profit After Tax Margin <sup>(6)</sup>
Ban Hong Engineering & Construction (M) Sdn. Bhd.	1989	B04, CE21, M15	Building and general contractors	31 Mar 2024	45,545	3,762	1,610	8.3%	3.5%
STS Mega Sdn. Bhd.	2016	B04, CE21, M15	Construction of buildings and other engineering projects	30 Apr 2024	38,593	4,128	915	10.7%	2.4%
Super Enhance Sdn. Bhd.	2004	B04, CE21, M15	Construction of building, wholesale of variety of goods, transportation services, transportation agents	31 Dec 2023	37,157	4,528	2,501	12.2%	6.7%
Lai Pau Construction Sdn. Bhd.	1987	B04, CE21, M15	General construction	30 Apr 2025	41,591	4,157	3,253	10.0%	7.8%
CNS Construction Sdn. Bhd.	1997	B04, CE21, M15	General contractors	31 Dec 2024	15,896	2,368	886	14.9%	5.6%
TKK Structures Sdn. Bhd.	2013	B04, CE21, M15	General construction contractors	30 Jun 2024	19,924	2,222	981	11.2%	4.9%
Tan Heng Chew Building Contractor Sdn. Bhd.	1976	B02, B04, CE21, M15	Building contractor, hiring of tractor, lorry, machinery and equipment	30 Jun 2024	19,417	4,761	3,769	24.5%	19.4%
Fuma Building & Engineering Sdn. Bhd.	2021	B04, CE21, M15	Construction of buildings, real estate activities with owned or leased property	30 Jun 2024	17,994	1,756	656	9.8%	3.6%
MLCL Construction Sdn. Bhd.	1997	B04, CE21, M15	General contractor, property developer, oil palm plantation	31 Aug 2024	13,822	2,356	-3,503	17.0%	-25.3%

Source: CIDB, Companies Commission of Malaysia ("SSM")

**Notes:**

- (1) All selected players hold CIDB G7 licenses with specialisations B04, CE21 and M15, while Tan Heng Chew Building Contractor Sdn. Bhd. holds an additional specialisation B02 (Industrialised Building System, IBS – Steel framework system)
- (2) As per SSM records
- (3) Latest financial records available from SSM database as at the LPD, comparable against Lai Pau's audited financial results for the FYE 2025 (the financial records of Super Enhance Sdn. Bhd. for 2024 is not available on SSM database)
- (4) Financial data for the group (inclusive of their subsidiaries), where applicable
- (5) Gross profit margin = gross profit / revenue
- (6) Profit after tax margin = profit after tax / revenue; negative means loss for the year

## 4.0 Market Outlook

### 4.1 Macro-economic outlook

Malaysia's GDP is expected to grow at a healthy pace of between 4.0% and 4.8% in 2025 as forecasted by the BNM (compared to 5.1% registered for 2024). Strong domestic consumption, fueled by low unemployment rate and sustained wage growth, is expected to be a key driver of growth, supported by the continuation of multi-year investment projects and national development initiatives. For the longer term, the 13MP will include a slew of policy guidelines that support the vision for Malaysia to close the digital and productivity gap against developed countries and induce unity and elevated values among citizens. Malaysia will promote the development of high-growth-high-value sectors such as digital technology, energy transition, and electrical and electronics, which requires talent development as well as the construction of supplemental facilities.

### 4.2 Construction market outlook

The outlook of the construction sector remains positive. The value of projects is projected to expand by 6.1% in 2025, as cited by the CIDB. While still healthy, this represents a slight moderation of the 20.2% growth experienced in 2024 when the market benefited from a surge in investment across the economy. Growth in 2025 will be supported by continued government investments in infrastructure (including transportation and renewable energy), expansion in residential construction, as well as increased private and foreign investments corresponding to advanced manufacturing, logistics, tourism and digital infrastructure. A variety of analysts have forecast an average annual growth ranging from 4.4% to 8.5% for the longer term period from 2026 to 2030. A growing population, increasing urbanisation, stable political environment, tourism and growing industrial activity for the digital economy will create a consistent demand for residential, commercial and industrial construction.

### Property sector outlook

According to data from the Valuation and Property Services Department ("JPPH"), the property sector shows a healthy pipeline of planned supply of Residential properties, alongside Serviced Apartment and Small office/home office ("SOHO"), which accounted for 6.0%, 34.3% and 24.8% of existing stocks, respectively (Figure 7).

**Figure 7: Construction Stock, by Type of Property and Status, 2024**

Type of property	Unit of measure	Existing Stock	Incoming Supply	Planned Supply	Planned Supply as % of Existing Stock
Residential	No. of units	6,343,987	378,350	383,496	6.0%
Industrial	No. of units	123,077	4,221	5,897	4.8%
Commercial					
- Shops	No. of units	571,966	23,804	29,279	5.1%
- SOHO	No. of units	67,414	23,359	16,696	24.8%
- Serviced Apartment	No. of units	426,881	151,767	146,537	34.3%
- Hotel	No. of rooms	280,177	16,928	13,369	4.8%
- Shopping Complex	Total space (sq.m)	17,974,783	888,020	352,025	2.0%
- Purpose Built Office	Total space (sq.m)	25,117,506	1,066,118	909,482	3.6%

Note: Existing Stock = units already issued with Certificate of Fitness ("CF") or Temporary Certificate of Fitness ("TCF"); Incoming Supply = buildings where physical construction works are in progress, and CF or TCF have not been issued; Planned Supply = units with building plan approval obtained, but physical construction works have not started; all numbers represent totals for the period Q4 2024 including adjusted accumulated volume from previous periods

Source: JPPH

Future property development activity, as represented by the volume of planned supply, remains strong in Melaka. The growing pipeline of Residential, Industrial and Commercial - Serviced Apartment projects is expected to sustain construction demand over the medium term. However, key regions attracting the largest volume of planned property supply include the state of Johor and the Klang Valley which straddles across the state of Selangor, the Federal Territory of Kuala Lumpur and Putrajaya (Figure 8). The strong pipeline of property supply in these regions supports robust demand for construction growth into the future.

**Figure 8: Construction Planned Supply for Selected Types of Property, by State, 2024**

State	Residential		Industrial		Commercial - Shops		Commercial - Serviced Apartments	
	Planned Supply (no. of units)	Planned Supply as % of Existing	Planned Supply (no. of units)	Planned Supply as % of Existing	Planned Supply (no. of units)	Planned Supply as % of Existing	Planned Supply (no. of units)	Planned Supply as % of Existing
Kuala Lumpur	65,437	11.7%	37	0.7%	1,087	3.3%	56,989	42.3%
Putrajaya	3,224	15.9%	-	-	-	-	940	78.1%
Labuan	196	1.4%	-	-	-	-	-	-
Selangor	62,546	3.6%	898	2.1%	3,454	3.0%	29,283	22.4%
Johor	45,462	4.9%	303	1.6%	5,113	5.1%	27,852	25.7%
Pulau Pinang	21,447	3.8%	-	-	2,085	5.1%	9,008	92.8%
Perak	41,449	7.6%	542	6.4%	3,399	5.3%	1,096	69.9%
Negeri Sembilan	26,928	8.7%	766	13.7%	2,438	8.8%	598	4.1%
Melaka	23,977	10.7%	1,899	26.1%	1,777	7.6%	5,488	56.6%
Kedah	15,458	4.3%	404	10.4%	1,157	3.5%	-	-
Pahang	35,129	11.3%	233	6.3%	3,483	13.2%	6,736	69.0%
Terengganu	7,844	6.6%	56	6.2%	620	6.9%	132	47.8%
Kelantan	3,889	4.2%	30	4.7%	497	3.3%	1,358	80.2%
Perlis	2,206	7.9%	143	47.5%	838	14.3%	-	-
Sabah	21,178	8.6%	317	4.9%	2,269	6.4%	2,729	100.5%
Sarawak	7,126	2.4%	269	3.5%	1,062	2.6%	4,328	299.1%
<b>Malaysia Total</b>	<b>383,496</b>	<b>6.0%</b>	<b>5,897</b>	<b>4.8%</b>	<b>29,279</b>	<b>5.1%</b>	<b>146,537</b>	<b>34.3%</b>

Source: JPPH

### Industrial investments outlook

Initiatives highlighted by the Malaysian Investment Development Authority (“MIDA”) under the New Industrial Master Plan (“NIMP”) 2030 are expected to support the future growth of the construction sector. The plan aims to transform Malaysia’s industrial sector by capitalising on emerging global trends and advancing a sustainable, innovation-driven economy, with a target of achieving 6.5% annual growth in the manufacturing sector. A total of 21 sectors have been identified for growth, with top 5 priorities being Electrical and Electronics, Chemical, Pharmaceutical, Medical Devices and Aerospace. The increase of investment activity in these manufacturing sectors will spill-over and drive demand across all types of construction works, including industrial buildings, commercial facilities, infrastructure, and housing.

According to MIDA, Melaka enjoyed strong economic investment in 2024, with value of investments across primary, manufacturing and services sectors reaching RM8.2 billion and growing by 36.1% compared to the previous year. Elsewhere, the Klang Valley (including Kuala Lumpur, Putrajaya and Selangor) and Johor attracted the largest volume of projects and investments, totaling at RM242.4 billion, representing almost two thirds of total investments in Malaysia. Continuous investments in these regions will support robust demand for construction works into the future.