THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

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

XIN SYNERGY GROUP BERHAD
鑫集团有限公司

XIN SYNERGY GROUP BERHAD
(Registration No. 200201024617 (592280-W))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS IN RELATION TO THE

PROPOSED ISSUANCE OF UP TO 284,643,618 FREE WARRANTS IN XIN SYNERGY GROUP BERHAD ("COMPANY") ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN THE COMPANY HELD BY THE SHAREHOLDERS OF THE COMPANY WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Adviser

TA SECURITIES
AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No. 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting ("**EGM**") of our Company together with the Proxy Form are enclosed in this Circular and available on our Company's website at https://xinsynergy.com.my/. The details of our EGM are as follows:

Venue of our EGM	:	1045 (1F), Jalan Muhibah 1, Taman Perindustrian Muhibah, 81400 Senai, Johor, Malaysia
Day, date and time of our EGM	:	Tuesday, 1 December 2026 at 11:00 a.m. or at any adjournment thereof
Last date and time for lodging the Proxy Form	:	Sunday, 29 November 2026 at 11:00 a.m.

If you are unable to attend and vote at the EGM in person and wish to appoint proxy(ies) instead, you shall complete and deposit the Proxy Form with share registrar, Aldpro Corporate Services Sdn Bhd, B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Proxy Form can be electronically lodged via the Digerati Portal at https://xsgb-egm.digerati.com.my or via email to admin@aldpro.com.my not less than 48 hours before the time for our EGM. The Proxy Form once deposited will not preclude you from attending and voting at our EGM should you subsequently decide to do so.

This Circular is dated 16 November 2026

DEFINITIONS

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

"Act"	:	Companies Act 2016
"BNM"	:	Bank Negara Malaysia
"Board"	:	Board of Directors of our Company
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"Circular"	:	This circular dated 16 November 2026 to our shareholders in relation to the Proposed Free Warrants Issue
"Deed Poll"	:	The deed poll constituting the Warrants to be executed by our Company
"Directors"	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in section 2(1) of the Capital Markets and Services Act 2007 and section 2(1) of the Act
"EGM"	:	Extraordinary General Meeting of our Company
"Entitlement Date"	:	A date to be determined and announced later by our Board after procuring shareholders' approval at the EGM, on which the names of the shareholders of our Company must appear in the Record of Depositors of our Company as at 5.00 p.m. in order to be entitled to the Proposed Free Warrants Issue
"Entitled Shareholders"	:	Shareholders of our Company whose names appear in the Record of Depositors of our Company as at the close of business on Entitlement Date in order to be entitled to participate in the Proposed Free Warrants Issue
"EPS / (LPS)"	:	Earnings / (Loss) per Share
"ESOS Options"	:	Option(s) with right to subscribe for new Shares, granted under the employees' share option scheme of our Company (expiring on 9 May 2027) to eligible Directors and employees of our Group (excluding dormant subsidiaries) in accordance with the by-laws governing the scheme
"3M FPE"	:	3-month financial period ended
"FYE"	:	Financial year ended 31 March
"GDC"	:	Gross development cost
"GDV"	:	Gross development value
"GP"	:	Gross profit
"KPKT "	:	Kementerian Perumahan dan Kerajaan Tempatan
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities
"LAT"	:	Loss after taxation
"LBT"	:	Loss before taxation

"LPD"	:	11 November 2026, being the latest practicable date prior to the printing of this Circular
"MMSB"	:	Medini Marina Sdn Bhd (a wholly-owned subsidiary of our Company)
"MMSB Acquisition"	:	Acquisition by our Company of the entire equity interest in MMSB (a Johor-based property developer) from Harvest Capital Development Sdn Bhd and Big Land Capital Sdn Bhd for a purchase consideration of RM18,240,000, satisfied via a combination of cash payment of RM2,740,000 and the issuance of 67,391,304 new XSGB Shares amounting to RM15,500,000. The Acquisition was completed on 5 June 2025
"MOF"	:	Ministry of Finance Malaysia
"NA"	:	Net assets attributed to the owners of our Company
"Perdana Putera Project"	:	Development of 155 units of double-storey terraced houses and 13 units of zero-lot bungalows on approximately 13 acres of land across 3 phases in Simpang Ampat, Pulau Pinang, with an estimated GDV of RM117 million over a period of 6 years
"Proposed Free Warrants Issue"	:	Proposed issuance of up to 284,643,618 free Warrants on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date
"QR"	:	Quick Response
"Record of Depositors"	:	Record of securities holders established by Bursa Depository under the rules of Bursa Depository pursuant to the Securities Industry (Central Depositories) Act, 1991
"Ritze Perdana Project"	:	Development of 97 units of 3-storey terraced houses built across two phases in Simpang Ampat, Pulau Pinang, which was launched by Great Marvel Sdn Bhd (a wholly-owned subsidiary of our Company) in 2021, with a GDV of RM56 million over a period of 3 years. The two phases of the Ritze Perdana Project were completed on 16 February 2024 and 15 April 2024, respectively
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"Taman Paloh Project"	:	Development of the Taman Paloh Property with an estimated GDV of RM75 million over the next 5 years following the completion of the MMSB Acquisition
"Taman Paloh Property"	:	157 plots of vacant residential terraced lots and 36 plots of vacant residential semi-detached lots on the remaining gross land area of approximately 16.25 acres in Taman Paloh, Johor, of which MMSB is the registered proprietor and beneficial owner
"TA Securities" or "Adviser"	:	TA Securities Holdings Berhad
"Total IPCO"	:	Total IPCO Sdn Bhd (a wholly-owned subsidiary of our Company)
"VWAP"	:	Volume-weighted average market price
"Warrants"	:	Up to 284,643,618 free warrants in our Company to be issued pursuant to the Proposed Free Warrants Issue
"XSGB" or "Company"	:	Xin Synergy Group Berhad

"XSGB Group" or "Group"	:	Collectively, our Company and our subsidiaries
"XSGB Shares" or "Shares"	:	Ordinary shares in our Company

All references to "we", "us", "our" and "ourselves" are to our Company, or where the context requires, are to our Group or any of our subsidiaries. All references to "you" and "your" in this Circular are to our shareholders, who are entitled to attend and vote at our forthcoming EGM.

In this Circular, words referring to the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations, unless otherwise specified.

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

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THIS EXECUTIVE SUMMARY HIGHLIGHTS ONLY THE SALIENT INFORMATION ON THE PROPOSED FREE WARRANTS ISSUE. YOU ARE ADVISED TO READ THIS CIRCULAR IN ITS ENTIRETY AND THE APPENDICES AND NOT TO RELY SOLELY ON THIS EXECUTIVE SUMMARY IN ARRIVING AT A DECISION ON THE PROPOSED FREE WARRANTS ISSUE BEFORE VOTING AT OUR FORTHCOMING EGM.

Our Board recommends that you vote **in favour** of the resolution in relation to the Proposed Free Warrants Issue to be tabled at our forthcoming EGM.

Summary of the Proposed Free Warrants Issue
Details The Proposed Free Warrants Issue entails the issuance of up to 284,643,618 Warrants on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date. The Entitlement Date will be determined and announced at a later date by our Board upon receipt of all relevant approvals. The Proposed Free Warrants Issue will be implemented in a single tranche and is not intended to be implemented in stages over a period of time. Please refer to **Section 2** of this Circular for further information.
Basis and justification of determining the exercise price of the Warrants The Warrants will be issued at no cost to the Entitled Shareholders. The exercise price of the Warrants will be fixed and announced by our Board at a later date prior to the Entitlement Date, after taking into consideration, amongst others, the following: (i) historical price movement of our Shares; (ii) 5-day VWAP of our Shares up to and including the last trading day prior to the price-fixing date of the exercise price of Warrants; and (iii) Warrants are exercisable at any time for a tenure of 5 years from the date of issuance, which may provide our Company's shareholders with an alternative to participate further in the equity of our Company and potentially realise a capital gain in the event of any share price appreciation. Our Board intends to fix the exercise price of Warrants at a premium within a range of 20% to 40% to the 5-day VWAP of our Shares immediately preceding the price-fixing date, taking into consideration, amongst others, the 5-year tenure of the Warrants, our Group's future funding requirements as set out in **Section 2.5** of this Circular and our Group's long-term prospects as set out in **Section 5.4** of this Circular. For illustrative purposes, an indicative exercise price of RM0.260 per Warrant, represents a premium of RM0.0507 or approximately 24.22% over the 5-day VWAP of our Shares up to and including the LPD of RM0.2093. Please refer to **Section 2.3** of this Circular for further information.
Rationale Our Board is of the view that the Proposed Free Warrants Issue is an appropriate avenue of rewarding our existing shareholders as the Proposed Free Warrants Issue is intended to: (i) enable our existing shareholders to participate in convertible securities issued that are issued by our Company at no cost to them and tradable on the Main Market of Bursa Securities; (ii) strengthen our Group's capital base and shareholders' funds as well as potentially provide funds for our Group to finance our working capital requirements as and when the Warrants are exercised, without incurring interest cost, as compared to bank borrowings;

Summary of the Proposed Free Warrants Issue
(iii) provide our existing shareholders with an opportunity to increase their equity in our Company at a predetermined price during the tenure of the Warrants; and (iv) allow our existing shareholders to participate in and benefit from the future growth of our Group when the Warrants are exercised. Please refer to **Section 3** of this Circular for further information.
Approvals required The Proposed Free Warrants Issue is subject to approvals being obtained from the following: (i) Bursa Securities, for the: (a) admission of up to 284,643,618 Warrants to the Official List of the Main Market of Bursa Securities; and (b) listing of and quotation for up to 284,643,618 Warrants to be issued pursuant to the Proposed Free Warrants Issue and up to 284,643,618 new Shares to be issued arising from the exercise of Warrants on the Main Market of Bursa Securities; (ii) our shareholders at an EGM to be convened; and (iii) any other relevant authorities, if required. Please refer to **Section 8** of this Circular for further information.
Conditionality The Proposed Free Warrants Issue is not conditional upon any other proposals undertaken or to be undertaken by our Company. Please refer to **Section 9** of this Circular for further information.
Interests of Directors, major shareholders, chief executive and/or persons connected None of the Directors, major shareholders and/or chief executive of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Free Warrants Issue, save for their respective entitlements as shareholders of our Company under the Proposed Free Warrants Issue, the rights of which are also available to all Entitled Shareholders as at the Entitlement Date. Please refer to **Section 11** of this Circular for further information.
Directors' statement and recommendation Our Board, after having considered all aspects of the Proposed Free Warrants Issue, including but not limited to the rationale and effects of the Proposed Free Warrants Issue, is of the opinion that the Proposed Free Warrants Issue is in the best interest of our Company. Accordingly, our Board recommends that you vote **in favour** of the resolution pertaining to the Proposed Free Warrants Issue to be tabled at our forthcoming EGM. Please refer to **Section 12** of this Circular for further information.

XIN SYNERGY GROUP BERHAD
鑫集团有限公司

XIN SYNERGY GROUP BERHAD
(Registration No. 200201024617 (592280-W))
(Incorporated in Malaysia)

Registered Office:

Third Floor, No. 77, 79 & 81
Jalan SS 21/60
Damansara Utama
47400 Petaling Jaya
Selangor

16 November 2026

Board of Directors

Steven Wong Chin Fung (Independent Non-Executive Chairman)
Tan Boon Wooi (Executive Director)
Wong Wen Xin (Executive Director)
Kor Ming Keat (Independent Non-Executive Director)
Tan Cheai Peng (Independent Non-Executive Director)

To: Our Shareholders

Dear Sir / Madam,

PROPOSED FREE WARRANTS ISSUE

1. INTRODUCTION

On 13 August 2026, TA Securities had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Free Warrants Issue.

On 10 November 2026, TA Securities had, on behalf of our Board, announced that Bursa Securities had, vide its letter dated 6 November 2026, granted its approval for the following:

(1) admission of up to 284,643,618 Warrants to the Official List of the Main Market of Bursa Securities pursuant to the Proposed Free Warrants Issue; and

(2) listing of and quotation for up to 284,643,618 Warrants to be issued pursuant to the Proposed Free Warrants Issue and up to 284,643,618 new Shares to be issued arising from the exercise of Warrants on the Main Market of Bursa Securities.

The approval of Bursa Securities is subject to the conditions as set out in **Section 8** of this Circular.

Further details of the Proposed Free Warrants Issue is set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED FREE WARRANTS ISSUE AND TO SET OUT THE VIEWS AND RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED FREE WARRANTS ISSUE WHICH WILL BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED FREE WARRANTS ISSUE AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED FREE WARRANTS ISSUE

2.1 Basis of allocation and number of Warrants to be issued

The Proposed Free Warrants Issue entails the issuance of up to 284,643,618 Warrants on the basis of 1 Warrant for every 2 existing Shares held by the Entitled Shareholders on the Entitlement Date.

As at LPD, our Company has a total issued share capital of RM221,184,283 comprising 569,287,236 Shares, and does not have any treasury shares and outstanding convertible securities. For the avoidance of doubt, our Company does not have any outstanding ESOS Options as at the LPD and does not intend to grant any further new ESOS Options, prior to the completion of the Proposed Free Warrants Issue.

The basis of 1 Warrant for every 2 existing Shares was arrived at after considering, amongst others, the following:

(i) rationale for the Proposed Free Warrants Issue as detailed in **Section 3** of this Circular;

(ii) potential dilutive effect on the consolidated EPS/LPS of our Company upon exercise of the Warrants as detailed in **Section 6.2** of this Circular; and

(iii) compliance with Paragraph 6.50 of the Listing Requirements, which states that the number of new Shares arising from the exercise or conversion of all outstanding convertible securities, must not exceed 50% of the total number of issued Shares (excluding treasury shares, if any and before the exercise of the convertible securities) at all times, illustrated as follows:

	No. of Shares
Total number of issued Shares as at LPD **(A)**	569,287,236
To be issued assuming full exercise of the Warrants **(B)**	284,643,618
Enlarged issued share capital after the Proposed Free Warrants Issue	**853,930,854**
(B)/(A)	**50.0%**

The actual number of Warrants to be issued under the Proposed Free Warrants Issue will depend on the total number of Shares in issue on the Entitlement Date. In determining the Entitled Shareholders' entitlements to the Warrants, fractional entitlements arising from the Proposed Free Warrants Issue, if any, will be disregarded and/or dealt with by our Board in such manner as it may in its absolute discretion deem fit and expedient and in the best interest of our Company.

The Entitlement Date will be determined and announced at a later date by our Board upon receipt of all relevant approvals. The Proposed Free Warrants Issue will be implemented in a single tranche and is not intended to be implemented in stages over a period of time.

2.2 Salient terms of the Warrants

The Warrants shall have a tenure of 5 years and an exercise price to be fixed and announced by our Board at a later date prior to the Entitlement Date. The Warrants will be issued in registered form and constituted by the provisions of the Deed Poll. The salient terms of the Warrants are set out in **Appendix I** of this Circular.

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

The Warrants will be issued at no cost to the Entitled Shareholders. The exercise price of the Warrants will be fixed and announced by our Board at a later date prior to the Entitlement Date, after taking into consideration, amongst others, the following:

(i) historical price movement of our Shares;

(ii) 5-day VWAP of our Shares up to and including the last trading day prior to the price-fixing date of the exercise price of Warrants; and

(iii) Warrants are exercisable at any time for a tenure of 5 years from the date of issuance, which may provide our Company's shareholders with an alternative to participate further in the equity of our Company and potentially realise a capital gain in the event of any share price appreciation.

Our Board intends to fix the exercise price of Warrants at a premium within a range of 20% to 40% to the 5-day VWAP of our Shares immediately preceding the price-fixing date, taking into consideration, amongst others, the 5-year tenure of the Warrants, our Group's future funding requirements as set out in **Section 2.5** of this Circular and our Group's long-term prospects as set out in **Section 5.4** of this Circular.

Our Board is of the view that the abovementioned range of premium is reasonable as the 5-year tenure of the Warrants provides the Warrant holders with a sufficiently long period to exercise the Warrants and participate in the potential future growth of our Group, particularly when the market price of our Shares exceeds the exercise price of the Warrants, while at the same time encouraging the Warrant holders to adopt a longer-term investment horizon in our Company rather than focusing on short-term market fluctuations. Further, it also provides our Board with the flexibility to determine the exercise price closer to the price-fixing date, taking into consideration potential fluctuations in prevailing market conditions and prices.

For illustrative purposes, an indicative exercise price of RM0.260 per Warrant, represents a premium of RM0.0507 or approximately 24.22% over the 5-day VWAP of our Shares up to and including the LPD of RM0.2093.

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

The holders of the Warrants will not be entitled to any voting rights or right to participate in any form of dividend, distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into new Shares and such new Shares have been allotted and issued.

The new Shares to be allotted and issued arising from the exercise of Warrants shall, upon allotment and issuance, rank equally in all respects with the existing Shares, save and except that the new Shares shall not be entitled to any dividends, rights, allotments and/or any other forms of distributions which may be declared, made or paid to our shareholders, the entitlement date of which is prior to the date of allotment and issuance of the new Shares arising from the exercise of the Warrants.

2.5 Utilisation of proceeds from the exercise of Warrants

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

The exact quantum of proceeds that may be raised by our Company from the exercise of the Warrants is dependent on the actual number of Warrants exercised during the tenure of the Warrants. As such, the amount of proceeds to be raised, exact timeframe, and the breakdown for the utilisation of the proceeds are not determinable at this juncture. Our Company expects to utilise the proceeds derived from the exercise of Warrants within 60 months from the date of receipt of the proceeds.

For illustrative purposes, the gross proceeds that may be raised upon the full exercise of all 284,643,618 Warrants at an exercise price of RM0.260 per Warrant, are approximately RM74.01 million.

Notwithstanding the above, our Company intends to utilise the proceeds raised from the exercise of the Warrants for the working capital requirements of our Group. The proceeds are expected to be utilised to finance our Group's day-to-day operations including but not limited to, property development costs (e.g. consultants' fees, authorities' fees and contractors' claims), funds to be advanced to borrowers as part of our Group's financing services, general administration and operating expenses such as credit assessment and verification costs for our Group's financing services, marketing expenses (e.g., online marketing, property sales offices, commissions and promotional activities), staff-related expenses (staff training, wages and salaries, statutory contributions and staff welfare), office-related expenses (utilities, office upkeep and equipment), and other miscellaneous expenses (audit fees, professional fees, consultancy fees and secretarial fees). The actual breakdown of utilisation cannot be ascertained at this juncture and will be dependent on the number of Warrants exercised during the tenure of the Warrants as well as the operating and funding requirements of our Group at the time of utilisation. As such, the detailed allocation can only be determined by our Board at a later date.

Pending utilisation, the proceeds to be raised from the Proposed Free Warrants Issue for the abovementioned purpose may be placed as deposits with financial institutions and/or short-term money market instruments, as our Board may deem fit. Any interest income derived from the deposits with financial institutions and/or any gains arising from the short-term money market instruments will be used as additional funds for the working capital requirements of our Group (as detailed above), of which the actual breakdown cannot be determined at this juncture and is subject to the operating and funding requirements of our Group at the time of utilisation.

For information purposes, the estimated expenses incidental to the Proposed Free Warrants Issue are approximately RM0.25 million and will be funded through our Group's internally generated funds.

3. RATIONALE FOR THE PROPOSED FREE WARRANTS ISSUE

Our Board is of the view that the Proposed Free Warrants Issue is an appropriate avenue of rewarding our existing shareholders as the Proposed Free Warrants Issue is intended to:

(i) enable our existing shareholders to participate in convertible securities that are issued by our Company at no cost to them and tradable on the Main Market of Bursa Securities;

(ii) strengthen our Group's capital base and shareholders' funds as well as potentially provide funds for our Group to finance our working capital requirements as and when the Warrants are exercised, without incurring interest cost, as compared to bank borrowings;

(iii) provide our existing shareholders with an opportunity to increase their equity in our Company at a predetermined price during the tenure of the Warrants; and

(iv) allow our existing shareholders to participate in and benefit from the future growth of our Group when the Warrants are exercised.

4. FUND-RAISING EXERCISES UNDERTAKEN IN THE PAST 5 YEARS

Save as disclosed below, our Company has not undertaken any other fund-raising exercises in the past 5 years prior to the date of this Circular or any other fund-raising exercises of which proceeds have yet to be fully utilised:

20% Private Placement

Pursuant to the "Additional Temporary Relief Measures to Listed Issuers" announcement by Bursa Securities on 16 April 2020, the limit prescribed under Paragraph 6.03 of the Listing Requirements had increased from 10% to 20% ("**20% General Mandate**"). Bursa Securities had also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021. Accordingly, our Company had on 30 September 2021 obtained our shareholders' approval for the the private placement of up to 43,106,958 placement shares, representing 20% of the total number of issued Shares ("**20% Private Placement**") at our 19th Annual General Meeting ("**AGM**").

Our Company had implemented the 20% Private Placement in 3 tranches, of which 22,272,000 placement shares were issued at an issue price of RM0.58, and 15,424,000 placement shares were issued at an issue price of RM0.59, as well as 5,400,000 placement shares were issued at an issue price of RM0.61, raising total gross proceeds of RM25.31 million. Subsequently, the 20% Private Placement was completed following the listing of and quotation for the final tranche of placement shares on 9 December 2021.

There was no variation to the utilisation of proceeds raised from the 20% Private Placement, and the proceeds had been fully utilised as at the LPD as follows:

Details of utilisation	**Proposed utilisation**		**Estimated timeframe from the receipt of proceeds**
	RM'000	**%**	
Repayment of bank borrowings(1)	6,000	23.70	Within 3 months
Working capital for money lending business(2)	19,232	75.98	Within 12 months
Estimated expenses for the 20% Private Placement	80	0.32	Immediate
Total	**25,312**	**100.00**	

Notes:

(1) Our Group had utilised the proceeds earmarked for the repayment of bank borrowings as follows:

Type of facility	***Purpose of borrowing***	***Repayment (RM'000)***	***Interest rate per annum (%)***	***Interest savings per annum (RM'000)***
Bank overdrafts	*To finance our Group's business activities, including manufacturing and property development activities*	*6,000*	*6.64*	*398*

(2) Our Group had utilised the proceeds earmarked for the working capital for money lending business as follows:

Description	***RM'000***
Purchase consideration for the Total IPCO Acquisition(a)	*2,000*
Working capital for money lending business(b)	*17,232*
Total	***19,232***

Notes:

*(a) On 1 September 2021, our Group had entered into a Sale Shares Agreement ("**SSA**") with Dato' Sri Chong Wei Chuan, Chong Wei Liang and Dato' Khoo Yik Chou for the acquisition of the entire equity interest in Total IPCO, for a total purchase consideration of RM2,000,000.00 ("**Total IPCO Acquisition**").*

(b) Our Group had utilised RM17.23 million to fund the working capital requirements of our financing services business as follows:

Description	***RM'000***
*Cash buffer to facilitate the provision of flexible financing schemes to various customers, including investment holding companies, small and medium enterprises ("**SMEs**") and start-up entrepreneurs*	*16,989*
Office-related overheads (e.g. office supplies and utilities)	*136*
Staff-related expenses (e.g. salaries)	*107*
Total	***17,232***

30% Private Placement

On 21 April 2022, our Company had obtained approval from our shareholders for the private placement of up to 96,606,238 placement shares, representing 30% of the total number of issued Shares ("**30% Private Placement**").

Our Company had implemented the 30% Private Placement in 2 tranches, of which 6,000,000 placement shares were issued at an issue price of RM0.8277 and 90,606,238 placement shares were issued at an issue price of RM0.2405, raising total gross proceeds of RM26.76 million. Subsequently, the 30% Private Placement was completed following the listing of and quotation for the final tranche of placement shares on 22 September 2022.

On 12 October 2022, our Company had varied the utilisation of proceeds raised from the 30% Private Placement, and the proceeds had been fully utilised as at the LPD as follows:

	Proposed utilisation		**Revised proposed utilisation**		**Deviation (compared to total proceeds)**		**Estimated timeframe from the receipt of proceeds**
Details of utilisation	**RM'000**	**%**	**RM'000**	**%**	**RM'000**	**%[5]**	
Frozen food business	2,433	9.09	-[1]	-	(2,433)	(9.09)	Within 3 months
Repayment of bank borrowings	2,433	9.09	4,900[1]	18.31	2,467	9.22	Within 3 months
Property development	2,839	10.61	3,500[2]	13.08	661	2.47	Within 24 months
Money lending business	15,735	58.81	15,000[3]	56.06	(735)	(2.75)	Within 24 months
Working capital	3,047	11.49	3,100[4]	11.59	26	0.10	Within 12 months
Estimated expenses for the 30% Private Placement	243	0.91	257	0.96	14	0.05	Immediate
Total	**26,757**	**100.00**	**26,757**	**100.00**			

Notes:

*(1) On 5 December 2021, our Company had entered into a Joint Venture and Shareholders Agreement ("**JVSA**") with YHL Foods Sdn Bhd ("**YHLF**") and YHL Jadem Frozen Sdn Bhd (formerly a 60%-owned joint venture company of our Company) ("**YHLJF**") to undertake the business of providing services in relation to processing of frozen seafood and cold storage facilities, as well as export, import, sales, marketing and wholesale of all types of frozen seafood. Subsequently, the JVSA was mutually terminated on 27 October 2022, as our Board intended to focus our Group's resources on our existing business activities. Accordingly, YHLJF was disposed of by our Company on 22 November 2022.*

The proceeds of RM2.43 million initially earmarked for the frozen food business were reallocated towards the repayment of bank borrowings. Accordingly, our Group had utilised RM4.90 million of the proceeds earmarked for the repayment of bank borrowings as follows:

Type of facility	***Purpose of borrowing***	***Repayment (RM'000)***	***Interest rate per annum (%)***	***Interest savings per annum (RM'000)***
Bank overdrafts	*To finance our Group's business activities, including manufacturing and property development activities*	*4,900*	*6.89 – 7.39*	*347*

(2) Our Group had utilised the proceeds earmarked for the execution of the property development projects as follows:

Description	***RM'000***
Ritze Perdana Project (phase 2b)	
• *Professional fees*	*320*
• *Main building works*	*1,680*
Perdana Putera Project (phase 1)	
• *Compensation in respect of low-cost housing requirements arising from the increase in development density*	*800*
• *Land re-alienation cost*	*250*
• *Professional fees*	*200*
• *Authority contribution*	*250*
Total	***3,500***

For information purposes, the key particulars and development status of the respective projects are set out below:

	Ritze Perdana Project (phase 2b)	***Perdana Putera Project (phase 1)***
GDV	*RM31 million*	*RM42 million*
GDC	*RM26 million*	*RM38 million*
Commencement date of construction works	*23 May 2022*	*15 April 2025*
Actual / expected completion date (based on the issuance of Certificate of Completion and Compliance)	*15 April 2024*	*28 February 2027*
Completion progress of the project as at the LPD	*Completed*	*81.72%*

(3) Our Group utilised RM0.74 million out of the RM15.74 million proceeds initially earmarked for the money lending business to partially fund the repayment of bank borrowings, property development, working capital and estimated expenses. The RM15.00 million proceeds earmarked for the money lending business were fully utilised for providing loans and financing to our Group's customers.

(4) Our Group had utilised the proceeds earmarked for our Group's working capital requirements as follows:

Description	***RM'000***
Operating and administrative expenses (including utilities, rental, transportation, marketing and other office-related miscellaneous expenses)	*1,063*
Staff-related expenses (e.g. salaries)	*874*
Settlement of trade and other payables	*1,163*
Total	***3,100***

(5) The percentage of deviation was computed based on the deviation for each category over the total proceeds raised.

10% Private Placement

Pursuant to Sections 75 and 76 of the Act, our Board had been authorised to issue and allot new placement shares to such persons, at any time upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of our Company (excluding treasury shares, if any) for the time being ("**General Mandate**"). In accordance to General Mandate, our Company had on 7 September 2023 obtained our shareholders' approval for the the private placement of up to 45,626,900 placement shares, representing 10.0% of the total number of issued Shares ("**10% Private Placement**") at our 21st AGM.

Our Company had implemented the 10% Private Placement in 3 tranches, of which 17,626,900 placement shares were issued at an issue price of RM0.1860, and 5,000,000 placement shares were issued at an issue price of RM0.1955, as well as 23,000,000 placement shares were issued at an issue price of RM0.2055, raising total gross proceeds of RM8.93 million. Subsequently, the 10% Private Placement was completed following the listing of and quotation for the final tranche of placement shares on 10 January 2025.

There was no variation to the utilisation of proceeds raised from the 10% Private Placement, and the proceeds had been fully utilised as at the LPD as follows:

	Proposed utilisation		**Estimated timeframe from the receipt of proceeds**
Details of utilisation	**RM'000**	**%**	
Repayment of bank borrowings(1)	2,327	25.90	Within 3 months
Property development expenditure(2)	6,556	72.99	Within 12 months
Estimated expenses for the 10% Private Placement	100	1.11	Immediate
Total	**8,983**	**100.00**	

Notes:

(1) Our Group had utilised the proceeds earmarked for the repayment of bank borrowings as follows:

Type of facility	***Purpose of borrowing***	***Repayment (RM'000)***	***Interest rate per annum (%)***	***Interest savings per annum (RM'000)***
Bank overdrafts	*To finance our Group's working capital requirements and the financing of development projects*	*2,327*	*7.89 – 8.39*	*189*

(2) Our Group had utilised the proceeds earmarked for the property development expenditure of the Perdana Putera Project as follows:

Description	***RM'000***
Payment to contractors, suppliers and consultants	*6,129*
Sales and marketing expenses	*407*
Payment to the relevant authorities for permits and approvals	*20*
Total	***6,556***

5. INDUSTRY OUTLOOK AND FUTURE PROSPECTS

5.1 Malaysian economy

Economic growth strengthened to 6% in the second quarter of 2026 (1Q 2026: 5.4%), driven by continued domestic demand and robust exports. Household spending was supported by steady income growth and ongoing policy support. Investment growth was underpinned by continued spending on structures and machinery & equipment. On the external front, exports accelerated, driven mainly by the continued strength in electrical & electronics ("**E&E**") products and sustained expansion in services, as well as the rebound in exports of liquefied natural gas and non-E&E manufacturing products. Gross imports expanded further amid robust growth in intermediate and consumer goods imports.

On the supply side, growth was underpinned by the expansion in services and manufacturing sectors. The higher growth in the services sector was supported by business-related subsectors, especially the information and communication technology subsector from the expanding operationalisation of data centres. The robust growth in the manufacturing sector was driven by export-oriented clusters, particularly in E&E following strong artificial intelligence ("**AI**")-related demand. The mining and quarrying sector growth turned positive, reflecting stronger natural gas production. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 2.5% (1Q 2026: -0.03%).

Headline inflation increased to 1.9% (1Q 2026: 1.6%) while core inflation moderated to 1.9% (1Q 2026: 2.1%). The increase in headline inflation mainly reflected higher external cost pressures following the conflict in the Middle East. Fuel prices, particularly RON97 and diesel, increased during the quarter, leading to higher fuel inflation (5%; 1Q 2026: -1.5%). Although producer cost pressures increased, these remained concentrated at the upstream stage, with limited pass-through to later stages of production and broader consumer prices during the quarter. Meanwhile, core inflation eased mainly due to softer inflation in jewellery and watches (23.7%; 1Q 2026: 39.1%) and rent (1.4%;1Q 2026: 1.6%). Inflation pervasiveness, measured by the share of Consumer Price Index items registering monthly price increases, rose to 45.5% during the quarter (1Q 2026: 38.3%), close to its historical average of 45.6%, driven mainly by a sharp increase in April before moderating in May and June.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2026, BNM)

In 2026, the economy is expected to grow between 4.8% and 5.3%, underpinned by resilient domestic demand amid a challenging external environment. Domestic demand will remain the key driver, supported by sustained private consumption, favourable labour market conditions and continued consumer confidence. Meanwhile, investment activity is expected to strengthen on the back of strong private sector spending and the continued implementation of strategic projects. On the supply side, growth will be led by the services and manufacturing sectors. The services sector will benefit from sustained tourism-related activities, steady trade flows alongside adoption of digital technology, while the manufacturing sector will be bolstered by stronger demand for E&E products and continued expansion in high-value activities.

Malaysia's economy is projected to expand between 4.2% and 5.2% in 2027, supported by sustained domestic demand, favourable labour market conditions, continued income growth and firm investment activity. Private consumption will remain a key growth driver, supported by sustained household purchasing power and continued expansion in tourism, retail, transportation and other services in conjunction with Visit Malaysia 2026 - 2027. Investment activity is expected to remain robust, underpinned by the realisation of approved investments and strategic initiatives under the Thirteenth Plan, New Industrial Master Plan 2030 (NIMP 2030), National Semiconductor Strategy (NSS) and National Energy Transition Roadmap (NETR). The services sector will continue to be the primary growth driver, while the manufacturing sector will benefit from the technology upcycle and expansion of high-value activities, particularly in semiconductors and E&E industries. These developments, together with stronger domestic linkages and productivity-enhancing investments, are expected to strengthen Malaysia's productive capacity and support more balanced, inclusive and sustainable growth. The outlook remains subject to external risks, including geopolitical tensions, shifts in international trade policies and global financial market volatility.

(Source: Economic Outlook 2027, MOF)

5.2 Overview and outlook of the property development industry

5.2.1 Property development industry in Malaysia

Malaysian economy growth strengthened in the second quarter of 2026. The economic report recorded Gross Domestic Product ("**GDP**") growth of 6.0% in Q2 2026 (Q1 2026: 5.4%), driven by continued domestic demand and robust exports. According to Bank Negara Malaysia, the higher growth in the services sector was supported by business-related subsectors, especially the ICT subsector from the expanding operationalisation of data centres. The robust growth in the manufacturing sector was driven by export-oriented clusters, particularly in E&E following strong AI-related demand.

The property market in the first half of 2026 (H1 2026) remained resilient, recording 187,320 transactions valued at RM105.12 billion. This performance reflects a marginal adjustment in both transaction volume and value compared to H1 2025 (196,232 transactions valued at RM107.68 billion), underpinned by sustained transaction activity, stable price movements and active construction.

From a value perspective, the industrial subsector demonstrated growth momentum, with transaction value rising by 3.8% to RM14.78 billion. This performance coincides with the surge in the nation's manufacturing sector, which expanded by 7.3% in Q2 2026. From a macro perspective, robust growth in the E&E sector, driven by high global demand for AI-related products, and data centre expansion have triggered direct demand for terraced factories, warehouses, and industrial land plots in strategic locations such as Selangor and Johor.

The property market was also supported by various initiatives outlined by the government under Budget 2026, which include:

(i) The full stamp duty exemption on the instrument of transfer and loan agreement for first-time homebuyers of the priced up to RM500,000 by Malaysian citizens has been extended until December 31, 2027; and

(ii) Increase Government Guarantees of up to RM20 billion under Housing Credit Guarantee Scheme (SJKP) on housing financing for the benefit of 80,000 home buyers.

The residential subsector remained the primary driver of market activity, comprising 59.3% of the total transaction volume. This momentum was strongly supported by Malaysia's GDP growth of 6.0% in Q2 2026 and sustained household spending, which directly bolstered residential demand, particularly for affordable homes priced at RM300,000 and below, which continues to command a dominant 51.6% share of the market.

The residential sub-sector remained resilient during the review period, experiencing a minor adjustment in transaction volume and value. The residential market registered 110,998 transactions valued at RM47.11 billion (H1 2026), standing firm against the high baseline of H1 2025 (120,307 transactions worth RM49.37 billion).

The commercial sub-sector expanded by 0.9% to 21,454 transactions in H1 2026 (H1 2025: 21,260 transactions), driven mainly by two to two and a half storey terrace shop transaction. Conversely, the total value of commercial transactions recorded RM24.13 billion compared to RM24.45 billion in H1 2025, reflecting steady overall momentum.

Further anchoring the property market's stable performance in 2026 was Bank Negara Malaysia's decision to hold the Overnight Policy Rate ("**OPR**") unchanged at 2.75%. This monetary stance offered critical borrowing cost certainty to homebuyers, driving a sustained rise in domestic housing loan applications.

Residential demand is expected to remain focused on affordable units and houses in the price bracket of RM500,000 and below. Various policy support measures and government initiatives outlined in Budget 2026 will continue to underpin and provide a strong foundation for the stability of market activities. Nevertheless, the broader outlook remains vulnerable to external economic shifts and affordability constraints. Despite ongoing global geopolitical volatility, the Malaysian property market is expected to maintain its stable momentum, supported by strong Malaysia economy growth.

(Source: Property Market Report First Half 2026, Valuation and Property Services Department, MOF)

The real estate and business services subsector rose by 6.8% in the first half of 2026 underpinned by the strong performance of professional, scientific & technical activities under the business services segment, following robust construction-related activities, including data centre projects. The subsector is expected to grow by 6.7% in the second half of the year buoyed by continued realisation of approved investment activities in tandem with ongoing industrial expansion particularly related to data centres and manufacturing as well as infrastructure development. Furthermore, the stable OPR is expected to stimulate demand for properties. For the year, the subsector is anticipated to expand by 6.8%

(Source: Economic Outlook 2027, MOF)

In the residential property sector, market activity remained stable following improvements in employment and income conditions, continued access to financing as well as policy support for first-time home buyers. Transaction volumes have been steady in recent quarters (4Q 2025: 69,447 units; 2Q 2025: 61,019 units), with the mass-market segment (houses priced RM500,000 and below) accounting for approximately three-quarters of total transactions. Following this, house prices continued to grow, albeit at a more moderate pace of 2.3% in the third quarter of 2025 (2Q 2025: 3%). The growth was largely driven by landed properties, reflecting strong demand amid comparatively limited supply relative to high-rise units.

Access to financing in the residential property sector remained forthcoming. End-financing grew by 5.9% year-on-year (June 2025: 6.4%), driven mainly by owner-occupiers who typically have strong incentives to service their debt obligations. Conversely, loan growth among property speculators remained limited. Credit quality in the housing loan portfolio remained stable, with the overall impairment ratio remaining unchanged at 1.1% (June 2025: 1.1%). Notably, the impairment ratio for property investors is relatively lower (0.8%), reflecting banks' prudent lending standards. Property investors generally have stronger financial capacity, with 62.1% of them earning at least RM10,000 monthly (compared to 31.2% of owner-occupiers).

The median loan-to-value (LTV) ratio of overall outstanding housing loans remained prudent at 70.3% as of December 2025 (June 2025: 70.2%). This provides comfortable buffers for both banks and borrowers, reducing the risk of borrowers falling into negative equity if house prices were to decline. Looking ahead, downside risks to financial stability arising from the residential property sector are expected to remain low, underpinned by sound lending standards by banks and continued economic expansion.

(Source: Financial Stability Review 2H 2025, BNM)

5.2.2 Property development industry in Southern Region

The Southern Region property market recorded 45,956 transactions valued at RM30.73 billion, representing a moderate decline of 10.1% and increase of 3.7% in terms of transaction volume and value, respectively. Property market performance in all states showed a moderate decline.

Transaction value in the Southern Region recorded a mixed performance, with Johor registering an 8.2% increase, while Negeri Sembilan and Melaka recorded steady declines respectively.

Johor dominated the region's overall property transaction with 61.4% in volume (28,238 transactions) and 76.2% in value (RM23.43 billion) of the total transactions.

By sub-sector, residential continued to dominate the region's property transactions volume contributing 63.7% (29,253 transactions) of the total. Likewise in overall property transaction value with a 42.5% share (RM13.05 billion).

Residential properties continued to represent the leading subsector in the region, registering 29,253 transactions with a total transaction value of RM13.05 billion. Overall, the residential property market in the region recorded a marginal decline in both transaction volume and value, indicating a relatively subdued market performance during the review period.

The primary residential market in the Southern Region recorded a moderation in new launches in H1 2026. A total of 9,624 units launched, compared with 13,986 units in H1 2025. Johor continued to lead the region in terms of sales performance, registering 36.5% (H1 2025: 40.4%). Melaka recorded a relatively stable sales performance of 19.5% (H1 2025: 20.0%), while Negeri Sembilan registered a lower sales performance of 12.1% (H1 2025: 22.1%). Overall, the data indicates a softer sales performance across all three states in H1 2026.

(Source: Southern Region Property Market Report H1 2026, Valuation and Property Services Department, MOF)

5.2.3 Property development industry in Northern Region

The performance of the Northern Region property market remained moderate in H1 2026 compared to the corresponding period of the previous year. The volume and value of transactions recorded a softer performance, with the region registering 46,381 transactions worth RM16.35 billion, representing a moderate decrease of 7.8% in volume and 9.1% in value compared to H1 2025. This reflects a more cautious market activity across the states within the region, with all states recording lower transaction volume and value. Overall, the four states within the Northern Region contributed 24.8% and 15.6% of the national transaction volume and value, respectively.

The property market activity trend in the Northern Region showed a downward movement in H1 2026 compared to H1 2025. All states within the region recorded lower transaction volume, with Perlis registering the highest decrease at 15.4%, followed by Pulau Pinang at 9.9%, Perak at 8.0% and Kedah at 5.2%. Despite the overall decline in transaction volume, Perak remained the main contributor to the Northern Region's transaction activity with 19,691 transactions, followed by Kedah with 15,262 transactions and Pulau Pinang with 9,960 transactions.

Transaction values also showed a slower movement during the review period, in line with the decline in transaction volume recorded in the Northern Region. All states within the region recorded lower transaction values compared to H1 2025, with Perak registering the highest decrease at 17.5%, followed by Perlis at 13.7%, Kedah at 4.3% and Pulau Pinang at 3.6%. Despite the overall decrease in transaction value, Pulau Pinang and Perak remained the main contributors to the Northern Region's transaction value, recording RM6.76 billion and RM5.55 billion, respectively.

By state, Perak recorded the highest volume of property transactions with 19,691 transactions, contributing 42.5% of the total transaction volume in the Northern Region. In terms of transaction value, Pulau Pinang led the region with a total value of RM6.76 billion, accounting for 41.3% of the overall transaction value.

By sub-sector, residential property remained the most actively transacted sub-sector in the Northern Region, recording 25,358 transactions and accounting for 54.7% of the total transactions. The agriculture sub-sector was the second largest contributor with 13,999 transactions or 30.2%. In terms of transaction value, the residential sub-sector also dominated the region's property market with a total value of RM8.18 billion, representing 50% of the overall property transaction value.

Residential property transaction activity in the Northern Region showed a slower pace in H1 2026 compared to the corresponding period of the previous year. Transaction volume recorded a declining trend across all states within the region, with Perlis registering the largest change at 37.1%, followed by Pulau Pinang at 13.1%, Perak at 11.1% and Kedah at 4.2%.

In line with the trend in transaction volume, the residential sub-sector transaction value also recorded a lower movement across all states. Perlis registered the highest decrease at 23.5%, followed by Pulau Pinang at 11%, Kedah at 3.2% and Perak at 2.2%.

The performance of the primary market in the Northern Region showed mixed movement in H1 2026 compared to the corresponding period of the previous year. Pulau Pinang recorded an increase in new launches by 79.9%, while other states registered a decline, with Perlis recording the highest decrease at 71.8%, followed by Kedah at 58.7% and Perak at 53%.

Overall, Pulau Pinang recorded the highest number of new launches in the region with 2,878 units, followed by Perak with 1,959 units, Kedah with 772 units and Perlis with 22 units. In terms of sales performance, the recorded sales rates remained moderate, with Perak registering the highest rate at 9.9%, followed by Pulau Pinang at 9.8% and Kedah at 8.9%.

(Source: Northern Region Property Market Report H1 2026, Valuation and Property Services Department, MOF)

5.3 Overview and outlook of the finance services industry in Malaysia

For the first half of 2026, the finance and insurance subsector grew by 2.4%. The growth was supported by higher loan disbursements in the finance segment, in line with stronger financing demand, particularly for working capital purposes. In the second half of the year, the subsector is anticipated to register a growth of 2% in tandem with ongoing economic activities. The finance segment is expected to be supported by favourable credit conditions and continued financing demand, including ongoing investment activities in high value-added industries such as E&E and digital technologies. Meanwhile, household financing activity is also anticipated to remain supported by conducive labour market and stable financing conditions. Overall, the subsector is estimated to register a growth of 2.2% in 2026.

(Source: Economic Outlook 2027, MOF)

Credit growth to the private non-financial sector remained broadly stable at 6.3% (August 2026: 6.4%), as higher growth in outstanding loans (6.5%; August 2026: 6.2%) offset the moderation in outstanding corporate bonds (5.7%; August 2026: 7.1%). Business loan growth continued to increase (8.8%; August 2026: 8%), driven primarily by demand for working capital loans. From a sectoral perspective, the services and manufacturing sectors recorded higher loan growth. Meanwhile, household loan growth was sustained at 5.3% (August 2026: 5.2%) supported by steady loan growth across most purposes.

(Source: Monthly Highlights and Statistics, September 2026, BNM)

In the second half of 2025, business activities remained supported by resilient domestic demand amid a challenging external environment. While cost pressures persisted during the period, these were partly offset by lower imported input costs and a firmer ringgit, alongside firms' cost containment efforts. The impact of these cost pressures, however, remained uneven. Larger firms generally recorded improving operating margins given their relatively sizeable operational scale and greater bargaining capacity, whereas smaller firms faced tighter margins. Nonetheless, overall business profitability and debt-servicing capacity remained intact, with median operating margins increasing marginally to 7.5% and the interest coverage ratio remaining stable at 6.4 times.

Correspondingly, the overall credit quality of business borrowings also improved, as reflected in lower shares of impaired loans and loans with increased credit risk (Stage 2 loans). Among SMEs, repayment stress remained confined to a small segment of borrowers with longstanding structural challenges, while the majority continued to adapt to prevailing business conditions and service their debt obligations. Resilient domestic consumption, sustained investments, steady tourism activity and sustained external demand for E&E goods are expected to continue supporting businesses as they navigate the challenging operating environment moving forward.

Household resilience remained supported by positive labour market conditions. Household debt growth moderated slightly in the second half of 2025 and continued to be primarily driven by housing and car loans. The household debt-to-GDP ratio was stable during the period. Micro-level indicators of households' debt-servicing capacity remained sound. The median debt service ratio stood steady at 33%, while the median debt-to-income ratio, a measure of borrower leverage, remained broadly stable at 1.3 times. In the buy now pay later (BNPL) segment, outstanding exposures continued to be small at 0.3% of total household debt, although its rapid expansion warrants close monitoring. In this regard, the Consumer Credit Commission's establishment is timely and important in safeguarding consumers through the regulation and supervision of previously unregulated non-bank credit and credit service providers, including BNPL providers.

Overall household credit quality remained sound, supported by prudent underwriting and affordability assessments by banks and healthy repayment behaviour among borrowers. In the near term, household credit risk is expected to remain manageable. Banks and the Credit Counselling and Debt Management Agency (AKPK) will continue to provide support to borrowers experiencing financial challenges where needed.

(Source: Financial Stability Review 2H 2025, BNM)

Credit to the private non-financial sector expanded by 5.4% in 2025 (2024: 5.2%), supported by resilient domestic economic conditions and lower borrowing costs following the OPR reduction. Outstanding loans grew by 5% (2024: 5.7%). Households remained the major contributor to loan growth, supported by favourable labour market conditions, income- related policy measures and lower lending rates. For businesses, loan growth moderated following slower growth in working capital loans among non- SMEs. Nonetheless, loan growth for investment- related purposes remained above pre-pandemic levels, indicating continued strong investment momentum. Outstanding corporate bonds expanded by 6.9% (2024: 3.4%), reflecting several large issuances for capital expenditure amid lower bond yields and flexible financing structures. Overall, credit conditions remained supportive of financing needs, underpinned by banks' healthy capital and liquidity buffers. Repayment assistance continued to be available for borrowers facing debt-servicing challenges while financing facilities and credit guarantees continued to offer targeted support for SME financing.

Credit demand will be driven by positive domestic growth and income prospects. Credit supply is likewise expected to remain forthcoming, aided by conducive funding conditions and banks' healthy liquidity and capital positions. Overall, domestic financial conditions are expected to remain broadly favourable, supported by generally accommodative global financial conditions and Malaysia's strong economic fundamentals. These factors are also expected to sustain positive investor sentiment towards domestic financial markets. External factors such as unexpected shifts in expectations around the path of US monetary policy, adjustments in valuations of AI-linked equities and heightened geopolitical uncertainties could, however, lead to periods of heightened market volatility. Even so, any spillovers to domestic financial conditions will continue to be manageable given Malaysia's strong economic fundamentals, deep domestic institutional investor base and well-capitalised banking system.

BNM will continue to ensure adequate banking system liquidity to support financial intermediation and maintain orderly market conditions.

(Source: Economic and Monetary Review 2025, BNM)

While credit decisions are commercial decisions for banks to make, we (BNM) have worked with industry players to establish various mechanisms to bridge financing gaps. These include Credit Guarantee Corporation Malaysia Berhad's (CGC) imSME platform. Introduced in 2018, the platform enables SME to get fast access to a diverse array of financing products offered by various lenders. Meanwhile, SMEs facing difficulty with their financing applications may seek the assistance of Khidmat Nasihat Pembiayaan (MyKNP) to discuss challenges associated with their applications. The Small Debt Resolution Scheme (SDRS) also helps financially distressed SME borrowers restructure or reschedule their financing. This was important during the pandemic in complementing repayment assistance programmes offered by lenders. Collectively, these mechanisms support an ecosystem that aims to ensure that the financing needs of SMEs are well supported, be it in good times or bad. This is particularly important given the sizeable role and importance of SMEs to the Malaysian economy and the distinct challenges they face in getting access to financing as compared to larger businesses.

The financial sector is expected to play an important role in supporting economic transformation. Traditional modes of finance will remain important. Complementing efforts to reform the economy, the financial sector will need to meet new and more complex financing demands – such as for high-tech firms and other enterprises in highly innovative ventures.

(Source: Financial Sector Blueprint 2022-2026, BNM)

5.4 Prospect and future plans of our Group

As at the LPD, our Group is principally involved in the following business segments:

Segment	Description
Property development	Property development
Financing services	Money lending services and provision of management services
Others	Investment holdings including letting of properties

Property development was the main contributor of our Group's revenue for the FYEs 2024, 2025, and 2026, representing 90.93%, 91.10%, and 86.11% of our Group's revenue, respectively. Our Group is currently involved in two ongoing property development projects, namely the Perdana Putera Project and the Taman Paloh Project.

On 13 January 2023, SA Jade Development Sdn Bhd (an indirect wholly-owned subsidiary of our Company) obtained the development order approval for the Perdana Putera Project. The first phase of the Perdana Putera Project comprises 63 units of double-storey terraced houses, had obtained building plan approval on 24 June 2024 and construction commenced on 15 April 2025. As at the LPD, the first phase of the Perdana Putera Project had achieved a completion rate of 81.72%, with approximately 71% of the units under the first phase had been sold.

On 5 June 2025, as part of our Group's regional expansion plans for our property development portfolio into the Southern region of Malaysia, our Group has completed the MMSB Acquisition. MMSB is the registered proprietor and beneficial owner of the Taman Paloh Property. Following the MMSB Acquisition, our Group decided to undertake the Taman Paloh Project into four phases. MMSB is currently engaging consultants for the resubmission of building plans and is targeting to launch the first phase in 2027, with the subsequent phases to be developed progressively thereafter.

The MMSB Acquisition is in line with our Group's long-term strategy of expanding and diversifying our property development portfolio beyond our existing geographical market in Penang. Coupled with the positive outlook for the property development industry as set out in **Section 5.2** of this Circular, the MMSB Acquisition enables our Group to establish an immediate presence in Johor, broaden our portfolio of residential development projects, reduce our geographical concentration risk, and enhance our competitive edge, while leveraging our proven track record and expertise in residential property development, as demonstrated by the successful completion of the Ritze Perdana Project.

Our Group's financing services are licensed under KPKT pursuant to the Moneylenders Act 1951 in Malaysia, cater a diverse range of customers, including individuals, investment holdings companies, micro, small, and medium enterprises (MSME), start-up entrepreneurs, sole proprietors, and other small business operators and hawkers, for purposes such as personal financing, project financing, working capital, investments, businesses start-ups, and business expansion. Our Group is of the view that our financing services are expected to contribute positively to our Group's revenue in the coming financial years, taking into consideration, amongst others, the demand for alternative financing from borrowers who may have limited access to credit facilities offered by traditional licensed financial institutions due to stringent lending requirements, as well as the anticipated growth in demand for business and personal financing (as detailed in **Section 5.3** of this Circular).

Furthermore, our Group plans to implement new strategies, measures, and credit assessment methods, such as e-commerce financing, QR financing, and gig financing. Our Group leverages digital platforms to facilitate loan applications and processing, thereby improving user experience and improving operational efficiency. To manage credit risk exposure, our Group also implements stringent credit assessment procedures such as collateral requirements for high-risk borrowers, diversifying our loan portfolio, and maintaining adequate provisions for potential defaults.

Our Group's other business segments currently comprise investment holdings companies involved in the letting of properties. As part of our strategy to streamline our operations, optimise our corporate structure and improve operational efficiency, our Group has progressively disposed of selected dormant and loss-making subsidiaries within various business segments over the past FYEs 2024, 2025 and 2026 (as detailed in **Appendix II, Section 1** of this Circular), including, among others:

(i) manufacturing (including the manufacturing of asphalt premix);

(ii) construction (including land reclamation works, the sale of goods, and construction works);

(iii) healthcare-related businesses (including the business of beauty products and services, the ownership, development and licensing of software, applications, back-end systems, information technology systems and related intellectual properties, as well as the provision of online and digital portal management services focusing on the healthcare and wellness); and

(iv) investment holdings.

These disposals were undertaken to rationalise our Group's business portfolio by exiting dormant and loss-making operations while retaining viable and profitable operations. This enables our Group to focus our resources on our core business segments (i.e. property development and financing services), thereby strengthening our long-term sustainability and financial performance.

Premised on our Group's ongoing efforts to improve our operational efficiency and competitiveness the in market as well as the outlook of the industries in which our Group currently operates, such as the property development, and financing service industries (as detailed in **Sections 5.2 and 5.3** of this Circular, respectively), our management remains cautiously optimistic about our Group's future prospects. Our Board is of the view that the Proposed Free Warrants Issue is established to reward our existing shareholders by allowing them to participate in our Group's future growth and long-term value creation. Moving forward, our Group will continue to strengthen our existing business operations, implement prudent cost management measures, as well as pursue viable and profitable business opportunities to support our future expansion. This, in turn, is expected to further improve our Group's financial performance and enhance shareholders' value in the long term.

(Source: our management)

6. EFFECTS OF THE PROPOSED FREE WARRANTS ISSUE

6.1 Issued share capital

The Proposed Free Warrants Issue will not have an immediate effect on our Company's share capital until such time when the Warrants are exercised. Our Company's share capital will increase progressively as and when new Shares are issued arising from the exercise of Warrants.

For illustrative purposes, the pro forma effects of the Proposed Free Warrants Issue on the issued share capital of our Company are as follows:

	No. of Shares	RM
Issued share capital as at the LPD	569,287,236	221,184,283
Shares to be issued assuming full exercise of the Warrants	284,643,618	74,007,341[(1)]
Enlarged share capital	**853,930,854**	**295,191,624**

Note:

(1) Assuming all 284,643,618 Warrants are exercised into new Shares at an indicative exercise price of RM0.260 per Warrant.

6.2 Earnings/loss and EPS/LPS

The Proposed Free Warrants Issue is not expected to have any material effect on the consolidated earnings/loss and EPS/LPS of our Group for the FYE 2027. However, assuming the earnings/loss of our Group remains unchanged, the EPS/LPS of our Group will be proportionately diluted as a result of the increase in the number of Shares as and when the Warrants are exercised.

The potential effects of the Proposed Free Warrants Issue on the future earnings/losses and EPS/LPS of our Group cannot be ascertained at this juncture as it would depend upon, amongst others, the number of Shares issued pursuant to the exercise of the Warrants at any point in time and the potential benefits from the utilisation of the proceeds.

6.3 NA, NA per Share and gearing

Based on the latest audited consolidated statements of financial position of our Group as at 31 March 2026, the pro forma effects of the Proposed Free Warrants Issue on the NA, NA per Share and gearing of our Group are as follows:

	Audited as at 31 March 2026	(I) After the Proposed Free Warrants Issue	(II) After (I) and assuming full exercise of the Warrants
	RM	RM	RM
Share capital	221,184,283	221,184,283	295,191,624[(5)]
Revaluation reserve	77,047,170	77,047,170	77,047,170
Fair value reserve	-	-	-
Accumulated losses	(93,526,025)	(93,776,025)[(4)]	(93,776,025)
Shareholders' equity / NA	**204,705,428**	**204,455,428**	**278,462,769**
No. of Shares in issue	569,287,236	569,287,236	853,930,854
NA per Share[(1)]	0.36	0.36	0.33
Total borrowings[(2)]	7,016,510	7,016,510	7,016,510
Gearing ratio (times)[(3)]	0.03	0.03	0.03

Notes:

(1) Computed based on NA divided by the number of Shares in issue.

(2) Comprising term loans, lease liabilities, share margin financing and bank overdrafts.

(3) Computed based on the total borrowings divided by the NA.

(4) After taking into consideration the estimated expenses for the Proposed Free Warrants Issue of approximately RM0.25 million.

(5) Assuming all 284,643,618 Warrants are exercised into new Shares at an indicative exercise price of RM0.260 per Warrant.

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6.4 Substantial shareholders' shareholdings

The Proposed Free Warrants Issue will not have any immediate effect on the substantial shareholders' shareholding in our Company as the Warrants will be allotted on a pro-rated basis to all Entitled Shareholders. However, the number of Shares held by each substantial shareholder will increase proportionately assuming full exercise of the Warrants.

For illustrative purposes, the pro forma effects of the Proposed Free Warrants Issue on the substantial shareholders' shareholdings in our Company based on the Register of Substantial Shareholders as at the LPD are as follows:

	As at the LPD				After assuming full exercise of the Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%[(1)]	No. of Shares	%[(1)]	No. of Shares	%[(2)]	No. of Shares	%[(2)]
JMR Consolidated Holdings Sdn Bhd	90,593,862	15.91	-	-	135,890,793	15.91	-	-
Dato' Ir. Dr. Goh Yong Chee	-	-	91,593,862[(3)]	16.09	-	-	137,390,793[(3)]	16.09
Tan Boon Wooi	37,600,000	6.60	3,800,000[(4)]	0.67	56,400,000	6.60	5,700,000[(4)]	0.67
Big Land Capital Sdn. Bhd	44,343,478	7.79	-	-	66,515,217	7.79	-	-
Soh Oon Hai	-	-	67,391,304[(5)]	11.84	-	-	101,086,956[(5)]	11.84
Tee San San	-	-	44,343,478[(6)]	7.79	-	-	66,515,217[(6)]	7.79
Chong Sin Kiong	33,470,000	5.88	-	-	50,205,000	5.88	-	-
Chong Wei Chuan	25,502,700	4.48	6,460,000[(7)]	1.13	38,254,050	4.48	9,690,000[(7)]	1.13

Notes:

(1) Based on 569,287,236 Shares as at the LPD.

(2) Based on 853,930,854 Shares after assuming full exercise of the Warrants.

(3) Deemed interested by virtue of the Shares held by JMR Consolidated Holdings Sdn Bhd pursuant to Section 8 of the Act, and his spouse, Ms. Janis Tan Sooi Imm.

(4) Deemed interested by virtue of the Shares held by City Titan Sdn Bhd and Lian Soon Express Sdn Bhd pursuant to Section 8 of the Act.

(5) Deemed interested by virtue of the Shares held by Harvest Capital Development Sdn Bhd and Big Land Capital Sdn Bhd pursuant to Section 8 of the Act.

(6) Deemed interested by virtue of the Shares held by Big Land Capital Sdn Bhd pursuant to Section 8 of the Act.

(7) Deemed interested by virtue of the Shares held by X Infinity Holding Sdn Bhd pursuant to Section 8 of the Act.

6.5 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities. For the avoidance of doubt, our Company does not have any outstanding ESOS Options as at the LPD and does not intend to grant any further new ESOS Options prior to the completion of the Proposed Free Warrants Issue.

7. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of our Shares as traded on Bursa Securities for the past 12 months up to the date of this Circular are as follows:

	High (RM)	Low (RM)
2025		
November	0.220	0.190
December	0.215	0.190
2026		
January	0.210	0.190
February	0.205	0.180
March	0.205	0.180
April	0.190	0.180
May	0.185	0.180
June	0.200	0.180
July	0.230	0.175
August	0.190	0.160
September	0.200	0.175
October	0.220	0.180

The last transacted market price of our Shares on 12 August 2026, being the last trading day prior to the announcement for the Proposed Free Warrants Issue on 13 August 2026 was RM0.175 each.

The last transacted market price of our Shares on the LPD was RM0.210 each.

(Source: Bloomberg)

8. APPROVALS REQUIRED

The Proposed Free Warrants Issue is subject to approvals being obtained from the following:

(i) Bursa Securities, for the:

(a) admission of up to 284,643,618 Warrants to the Official List of the Main Market of Bursa Securities; and

(b) listing of and quotation for up to 284,643,618 Warrants to be issued pursuant to the Proposed Free Warrants Issue and up to 284,643,618 new Shares to be issued arising from the exercise of Warrants on the Main Market of Bursa Securities;

The approval from Bursa Securities was obtained via its letter dated 6 November 2026, subject to the following conditions:

No.	Conditions	Status of compliance
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Free Warrants Issue;	To be complied

No.	Conditions	Status of compliance
(b)	Our Company is required to furnish Bursa Securities with a certified true copy of the resolution passed by the shareholders at the EGM approving the Proposed Free Warrants Issue;	To be complied
(c)	Our Company and TA Securities are required to inform Bursa Securities upon completion of the Proposed Free Warrants Issue;	To be complied
(d)	Our Company is required to furnish Bursa Securities with a written confirmation of our compliance with the terms and conditions of Bursa Securities' approval once the Proposed Free Warrants Issue is completed; and	To be complied
(e)	Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of Shares listed pursuant to the exercise of Warrants as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

(ii) our shareholders at an EGM to be convened; and

(iii) any other relevant authorities, if required.

9. CONDITIONALITY

The Proposed Free Warrants Issue is not conditional upon any other proposals undertaken or to be undertaken by our Company.

10. CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Free Warrants Issue, our Board is not aware of any corporate proposals that have been announced by our Company but are pending completion as at the date of this Circular.

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

None of our Directors, major shareholders and/or chief executive of our Company and/or persons connected with them have any interest, direct or indirect, in the Proposed Free Warrants Issue, save for their respective entitlements as shareholders of our Company under the Proposed Free Warrants Issue, the rights of which are also available to all Entitled Shareholders as at the Entitlement Date.

12. DIRECTORS' STATEMENT AND RECOMMENDATION

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

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

13. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to the receipt of all required approvals as set out in **Section 8** of this Circular, our Board expects the Proposed Free Warrants Issue to be completed and implemented by the 1st quarter of 2027. The tentative timeline for the implementation and completion of the Proposed Free Warrants Issue are as follows:

Tentative date	Events
1 December 2026	• EGM for the Proposed Free Warrants Issue • Announcement of the results of our EGM
Mid-December 2026	Announcement of the Entitlement Date
End-December 2026	Entitlement Date
Early January 2026	• Listing of and quotation for the Warrants on the Main Market of Bursa Securities • Completion of the Proposed Free Warrants Issue

14. EGM

The Notice of EGM together with the Proxy Form and this Circular are available on our Company's website at https://xinsynergy.com.my/. Our EGM will be held at 1045 (1F), Jalan Muhibah 1, Taman Perindustrian Muhibah, 81400 Senai, Johor, Malaysia on Tuesday, 1 December 2026 at 11:00 a.m. or at any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution to give effect to the Proposed Free Warrants Issue at our EGM, as described herein.

If you are unable to participate at our EGM and wish to appoint proxy(ies) instead, you should complete and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the share registrar of our Company at Aldpro Corporate Services Sdn Bhd, B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia or alternatively, the Proxy Form can be electronically lodged via the Digerati Portal at https://xsgb-egm.digerati.com.my or via email to admin@aldpro.com.my not less than 48 hours before the time appointed for holding our EGM.

The lodging of Proxy Form does not preclude you from attending and voting in person should you subsequently decide to do so and, in such event, your Proxy Form shall be revoked accordingly.

15. FURTHER INFORMATION

You are advised to refer to the appendices of this Circular for further information.

Yours faithfully,
For and on behalf of our Board of
XIN SYNERGY GROUP BERHAD

TAN BOON WOOI
Executive Director

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

Terms		Details
Issuer	:	XSGB
Issue size	:	Up to 284,643,618 Warrants.
Form and constitution	:	The Warrants will be issued in registered form and will be constituted by the Deed Poll to be executed by our Company.
Tenure	:	5 years commencing from and inclusive of the date of allotment and issuance of the Warrants.
Expiry Date	:	A date which falls on the day immediately before the 5th anniversary date of allotment and issuance of the Warrants and if such day falls on a day which is not a market day, then the expiry date will be on the preceding market day.
Exercise Price	:	Each Warrant entitles its registered holder to subscribe for 1 new Share at an exercise price to be determined and announced later by our Board, or such other exercise price as may be adjusted in accordance with the provisions of the Deed Poll during the Exercise Period (as defined below).
Exercise Period	:	The Warrants may be exercised at any time during the tenure of 5 years commencing from and inclusive of the date of allotment and issuance of the Warrants until 5:00 p.m. on the Expiry Date. Any Warrant not exercised at the expiry of the exercise will thereafter lapse and cease to be valid for any purpose.
Mode of exercise	:	A Warrants holder is required to execute and lodge an exercise notice with our Company's share registrar which is duly completed, signed and stamped together with payment of the Exercise Price by way of banker's draft or cashier's order or money order or postal order drawn on a bank or post office operating in Malaysia or by way of internet bank transfer to an account maintained by our Company for the amount equal to the Exercise Price payable together with the payment of the requisite processing fees when exercising the Warrants to subscribe for new Shares. The payment of such fee must be made in Ringgit Malaysia.
Exercise rights	:	Each Warrant shall entitle the Warrants holder to subscribe for 1 new Share at any time during the Exercise Period at the Exercise Price, subject to the terms and adjustments in accordance with the provisions of the Deed Poll.
Board lot	:	For the purpose of trading on Bursa Securities, a board lot for the Warrants shall be 100 Warrants or such other denominations as determined by Bursa Securities from time to time.
Adjustment in the Exercise Price and/or number of unexercised Warrants	:	The Exercise Price and/or number of unexercised Warrants may be adjusted by our Board in consultation with an approved adviser appointed by our Company and certified by our auditors in the event if any alteration in the share capital of our Company at any time during the tenure of the Warrants, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the provisions of the Deed Poll.
Rights of the Warrants holders	:	The holders of the Warrant will not be entitled to any voting rights or right to participate in any form of dividend, distribution and/or offer of further securities in our Company until and unless such holders of the Warrant exercise their Warrants into new Shares and such new Shares have been issued and allotted.

Terms		Details
Rights of the Warrants holders in the event of winding-up, liquidation, compromise, or arrangement	:	Where a resolution has been passed for a members' voluntary winding-up of our Company, or there is a compromise or arrangement, whether for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (i) our Company will give notice to the Warrants holder within 7 days of such a resolution for a members' voluntary winding up of our Company or within 7 days from the granting of the court order approving the winding up, compromise or arrangement, as the case may be; (ii) for the purposes of such a winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrants holder, or some persons designated by them for such purpose by a special resolution of the Warrants holders, shall be a party, the terms of such winding-up, compromise or arrangement shall be binding on all the Warrants holders; and (iii) in any other case and subject always to the provisions of Deed Poll, every Warrants holder shall thereupon be entitled to exercise his Warrants at any time within 6 weeks after the passing of such resolution for a members' voluntary winding up of our Company or within 6 weeks from the granting of the court order approving the winding-up, compromise or arrangement (as the case may be), by the irrevocable surrender of his Warrants to our Company by submitting the duly completed exercise notice(s) authorising the debit of his Warrants, together with payment of the relevant payments and fees for the Exercise Price, to elect to be treated as if he had immediately prior to the commencement of such winding up, compromise or arrangement, exercised the exercise rights to the extent specified in the exercise notice(s) and be entitled to receive out of the assets of our Company which would be available in liquidation as if he had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly. Upon the expiration of the aforesaid 6 weeks period, all exercise rights which have not then been exercised will lapse and every Warrant will cease to be valid for any purpose.
Modifications of rights of the Warrants holders	:	Subject to the provisions of Deed Poll, no amendment or addition may be made to the provisions of Deed Poll without the consent or sanction of a special resolution of the Warrants holders and must be effected by a supplemental deed poll and expressed to be supplemental and comply with the requirements of the Deed Poll, unless the amendments or additions are required to correct any manifest errors or are required to comply with any provisions of the prevailing laws or regulations of Malaysia or in the opinion of our Company, will not be materially prejudicial to the interests of the Warrants holders.
Transferability	:	Subject to the provisions of Deed Poll, the Warrants shall be transferable in the manner provided under the Securities Industry (Central Depositories) Act, 1991 and the Rules of Bursa Depository.

Terms		Details
Listing	:	The Warrants will be listed on the Main Market of Bursa Securities. Approval will be obtained from Bursa Securities for the admission of the Warrants to the Official List of the Main Market of Bursa Securities as well as the listing of and quotation for the Warrants and the new Shares to be issued pursuant to the exercise of Warrants on the Main Market of Bursa Securities.
Governing law	:	The laws of Malaysia.

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1. HISTORICAL FINANCIAL INFORMATION OF OUR GROUP

The historical financial information of our Group for the audited FYEs 2024, 2025, and 2026, as well as the unaudited 3M FPE 30 June 2025 and 3M FPE 30 June 2026, are set out below:

	Audited[1]			Unaudited	
	FYE 2024[2] (RM'000)	**FYE 2025[3] (RM'000)**	**FYE 2026[4] (RM'000)**	**3M FPE 30 June 2025 (RM'000)**	**3M FPE 30 June 2026 (RM'000)**
Revenue	70,917	24,844	14,237	363	6,887
Cost of sales	(42,865)	(18,351)	(11,680)	20	(5,740)
GP	**28,052**	**6,493**	**2,557**	**383**	**1,147**
Other income	5,188	2,558	1,493	117	187
Administrative expenses	(16,647)	(6,534)	(5,658)	(1,025)	(962)
(Impairment loss) / Reversal of impairment on:					
- trade and other receivables	(38,694)	(2,561)	81	11	-
- intangible assets	(258)	-	-	-	-
- amount owing from related party	-	-	(1,500)	-	-
Deposits written off	(200)	-	-	-	-
Amount owing from associate written off	-	(16)	-	-	-
Inventories written down	(3,898)	-	-	-	-
Gain on disposal of subsidiaries	25,040	14	2,116	-	-
Loss on disposal of other investments	-	-	(2,739)	-	(452)
Gain on disposal of associate	-	-	1	-	-
Share of loss of an associate	-	(1)	(1)	(5)	-
Loss from operations	**(1,417)**	**(47)**	**(3,650)**	**(519)**	**(80)**
Finance costs	(4,244)	(301)	(332)	(54)	(76)
LBT	**(5,661)**	**(348)**	**(3,982)**	**(573)**	**(156)**
Tax expense	(5,330)	(1,508)	(2,189)	(24)	-
LAT	**(10,991)**	**(1,856)**	**(6,171)**	**(597)**	**(156)**
LAT attributable to:					
- owners of our Company	(9,208)	(1,667)	(6,131)	(587)	(156)
- non-controlling interest	(1,783)	(189)	(40)	-	-
	(10,991)	**(1,856)**	**(6,171)**	**(587)**	**(156)**
Share capital	196,702	205,684	221,184	221,184	221,184
Shareholders' equity / NA	192,701	236,377	204,705	247,266	204,549
No. of Shares in issue ('000)	456,269	501,896	569,287	569,287	569,287
Weighted average no. of Shares in issue ('000)	441,411	473,758	509,305	547,070	569,287

	Audited[1]			Unaudited	
	FYE 2024[2] (RM'000)	**FYE 2025[3] (RM'000)**	**FYE 2026[4] (RM'000)**	**3M FPE 30 June 2025 (RM'000)**	**3M FPE 30 June 2026 (RM'000)**
NA per Share (RM)[5]	0.42	0.47	0.36	0.43	0.36
Basic LPS (sen)[6]	(2.09)	(0.35)	(1.20)	(0.11)	(0.03)
Current ratio (times)[7]	4.97	7.22	9.94	7.00	9.38
Total borrowings[8]	5,927	1,896	7,017	4,653	7,000
Gearing ratio (times)[9]	0.03	0.01	0.03	0.02	0.03

(Source: Annual reports of our Group for respective financial years under review)

Notes:

(1) The financial results for the FYEs 2024 to 2026 include both continuing and discontinued operations.

(2) For the FYE 2024, the discontinued operations comprised Tag Steel Holdings Sdn Bhd, SA Marvel Sdn Bhd, Jadem Ganjaran Sdn Bhd, X Infinity Technology Sdn Bhd, and Utex Ltd, all of which were disposed of by our Group during the FYE 2024.

(3) For the FYE 2025, the discontinued operations comprised Jadem AI Manufacturing Sdn Bhd, which was disposed of by our Group during the FYE 2025.

(4) For the FYE 2026, the discontinued operations comprised Jadem EV & Automotive Sdn Bhd, Fook Lye Enterprises (M) Sdn Bhd, Great Marvel Development Sdn Bhd, Multilight Sdn Bhd, Jadem IG Solutions Sdn Bhd and its subsidiary, and MYK Capital Management Sdn Bhd, all of which were disposed of by our Group during the FYE 2026.

(5) Computed based on the NA divided by the number of Shares in issue for the respective financial years under review.

(6) Computed based on the LAT attributable to owners of our Company divided by the weighted average number of Shares in issue for respective financial years under review.

(7) Computed based on the current assets divided by the current liabilities as at the end of the respective financial years under review.

(8) Comprising term loans, lease liabilities, share margin financing and bank overdrafts.

(9) Computed based on the total borrowings divided by the NA for the respective financial years under review.

Commentaries:

FYE 2024 vs FYE 2023 (including continuing and discontinued operations)

Our Group's revenue for the FYE 2024 increased by RM32.26 million or 83.47% to RM70.92 million (FYE 2023: RM38.65 million). The increase in revenue was mainly due to:

(i) higher revenue contribution from our Group's property development segment of RM64.49 million (FYE 2023: RM12.85 million), mainly due to higher sales of development properties under the Ritze Perdana Project as the project progressed towards completion; and

(ii) higher revenue contribution from our Group's financing services segment of RM5.32 million (FYE 2023: RM3.17 million), mainly due to higher interest income earned from money lending services.

However, the higher revenue was partially offset by the following:

(i) lower revenue contribution from our Group's manufacturing segment of RM0.26 million (FYE 2023: RM6.18 million), mainly due to lower sales of tarmac and emulsion products and the absence of sales of bituminous premix products following the disposal of our manufacturing plant during the FYE 2023;

(ii) lower revenue contribution from our Group's healthcare-related segment of RM0.51 million (FYE 2023: RM2.68 million), following the disposal of our subsidiaries involved in the trading of medical devices and the provision of IT control systems for the wellness industry, respectively; and

(iii) absence of revenue from the mining business following the disposal of our mining trading business during the FYE 2023 (FYE 2023: RM12.79 million).

In line with the higher revenue for the FYE 2024, our Group recorded a higher GP of RM28.05 million (GP margin 39.56%) as compared to a GP of RM7.57 million (GP margin 19.58%) for the FYE 2023, representing an increase of RM20.48 million or 270.67%. The increase in GP margin was mainly due to higher GP margin from our Group's property development segment, arising from the sales of higher-margin development properties under the Ritze Perdana Project.

Our Group recorded an LAT of RM10.99 million for the FYE 2024 as compared to an LAT of RM53.08 million for the FYE 2023, representing a decrease of RM42.09 million or 79.30%. The decrease in LAT was mainly due to:

(i) the increase in GP as mentioned above; and

(ii) higher gain on disposal of subsidiaries from discontinued operations (as stated above in **Note (2) of this Appendix II**) of RM25.04 million (FYE 2023: RM3.54 million).

FYE 2025 vs FYE 2024

Our Group's revenue for the FYE 2025 decreased by RM46.07 million or 64.97% to RM24.84 million (FYE 2024: RM70.92 million). The decrease in revenue was mainly due to:

(i) lower revenue contribution from our Group's property development segment of RM22.63 million (FYE 2024: RM64.49 million), mainly due to lower revenue recognised from the Ritze Perdana Project as the construction progress during FYE 2025 was lower compared to FYE 2024, and lower sales of completed properties from past projects; and

(ii) lower revenue contribution from our Group's financing services segment of RM1.64 million (FYE 2024: RM5.32 million), mainly due to lower interest income earned from money lending services.

In line with the lower revenue for the FYE 2025, our Group recorded a lower GP of RM6.49 million (GP margin of 26.14%) as compared to a GP of RM28.05 million (GP margin of 39.56%) for the FYE 2024, representing a decrease of RM21.56 million or 76.85%. The decrease in GP margin was mainly due to lower GP margin from our Group's property development segment, arising from the sales of lower-margin completed properties from past projects, for which the selling prices were reduced to facilitate sales and clear the remaining units.

Our Group recorded an LAT of RM1.86 million for the FYE 2025 as compared to a LAT of RM10.99 million for the FYE 2024, representing a decrease of RM9.14 million or 83.11%. The decrease in LAT was mainly due to:

(i) lower administrative expenses of RM6.53 million (FYE 2024: RM16.65 million), mainly due to the disposal of discontinued operations during the FYE 2024;

(ii) lower impairment loss on trade and other receivables of RM2.56 million (FYE 2024: RM38.69 million), mainly due to lower impairment recognised on loans advanced under the money lending services that were assessed to be unrecoverable;

(iii) the absence of inventories written down (FYE 2024: RM3.90 million), mainly due to the one-off write-down recognised in the FYE 2024 in respect of property development costs relating to design and planning incurred in the past, following a change in the project's development plans;

(iv) lower finance costs of RM0.30 million (FYE 2024: RM4.24 million), in line with lower bank borrowings during the FYE 2025; and

(v) lower tax expense of RM1.51 million (FYE 2024: RM5.33 million).

However, the decrease in LAT was partially offset by:

(i) the decrease in GP as mentioned above;

(ii) lower other income of RM2.56 million (FYE 2024: RM5.19 million), mainly due to the absence of debts waivers recognised during the FYE 2024; and

(iii) lower gain on disposal of subsidiaries from discontinued operations (as stated above in **Note (3) of this Appendix II**) of RM0.01 million (FYE 2024: RM25.04 million).

FYE 2026 vs FYE 2025

Our Group's revenue for the FYE 2026 decreased by RM10.61 million or 42.69% to RM14.24 million (FYE 2025: RM24.84 million). The decrease in revenue was mainly due to lower revenue contribution from our Group's property development segment of RM12.26 million (FYE 2025: RM22.63 million), mainly due to lower sales of completed properties from past projects, and lower revenue recognised from development properties, as the Perdana Putera Project remained in the initial stage of construction during the FYE 2026.

However, the lower revenue was partially offset by higher revenue contribution from our Group's financing services segment of RM1.94 million (FYE 2025: RM1.64 million), mainly due to higher interest income earned from money lending services.

In line with the lower revenue for the FYE 2026, our Group recorded a lower GP of RM2.56 million (GP margin of 17.96%) as compared to a GP of RM6.49 million (GP margin of 26.14%) for the FYE 2025, representing a decrease of RM3.94 million or 60.62%. The decrease in GP margin was mainly due to the sales of lower-margin completed properties from past projects, as well as the lower GP margin recognised from the Perdana Putera Project.

Our Group recorded an LAT of RM6.17 million for the FYE 2026 as compared to an LAT of RM1.86 million for the FYE 2025, representing an increase of RM4.32 million or 232.49%. The increase in LAT was mainly due to:

(i) the decrease in GP as mentioned above;

(ii) lower other income of RM1.49 million (FYE 2025: RM2.56 million), mainly due to the absence of gain on disposal of investment property recognised during the FYE 2025;

(iii) impairment loss on amount owing from a related party of RM1.50 million (FYE 2025: nil), mainly arising from the impairment of funds advanced to Only Korea (M) Sdn Bhd pursuant to a shareholder agreement entered into during the FYE 2023, which remained overdue subsequent to our Group's divestment on 30 July 2025. The impairment was recognised in accordance with auditors' recommendation;

(iv) loss on disposal of other investments in quoted shares of RM 2.74 million (FYE 2025: nil); and

(v) higher tax expense of RM2.19 million (FYE 2025: RM1.51 million).

However, the increase in LAT was partially offset by:

(i) lower administrative expenses of RM5.66 million (FYE 2025: RM6.53 million), mainly due to lower employee benefits and directors' remuneration;

(ii) the reversal of impairment on trade and other receivables of RM0.08 million (FYE 2025: impairment loss on trade and other receivables of RM2.56 million), mainly due to the recovery of loans advanced under our Group's money lending services; and

(iii) higher gain on disposal of subsidiaries from discontinued operations (as stated above in **Note (4) of this Appendix II**) of RM2.12 million (FYE 2025: RM0.01 million).

3M FPE 30 June 2026 vs 3M FPE 30 June 2025

Our Group's revenue for the 3M FPE 30 June 2026 increased by RM6.52 million or 1797.25% to RM6.89 million (3M FPE 30 June 2025: RM0.36 million). The increase in revenue was mainly due to higher revenue contribution from our Group's property development segment of RM6.46 million (3M FPE 30 June 2025: nil), mainly arising from the further work progress of the Perdana Putera Project.

In line with the higher revenue for the 3M FPE 30 June 2026, our Group recorded a higher GP of RM1.15 million (GP margin of 16.65%) as compared to a GP of RM0.38 million (GP margin of 105.51%) for the 3M FPE 30 June 2025, representing an increase of RM0.77 million or 199.48%. However, the decrease in GP margin was mainly attributable to the refund of deposits relating to an intended development project, while no revenue or corresponding cost of sales from the property development segment was recognised during the 3M FPE 30 June 2025.

Our Group recorded an LAT of RM0.16 million for the 3M FPE 30 June 2026 as compared to an LAT of RM0.60 million for the 3M FPE 30 June 2025, representing a decrease of RM0.44 million or 73.87%. The decrease in LAT was mainly due to the increase in GP as mentioned above. However, the decrease in LAT was partially offset by the loss on disposal of other investments in quoted shares of RM0.45 million (3M FPE 30 June 2025: nil).

2. IMPACT AND VALUE CREATION OF THE PROPOSED FREE WARRANTS ISSUE TO OUR GROUP AND OUR SHAREHOLDERS FROM THE BUSINESS, FINANCIAL AND OPERATIONAL PERSPECTIVES

The Proposed Free Warrants Issue is undertaken to provide our Entitled Shareholders with an opportunity to increase their equity participation in our Company and enjoy potential capital appreciation of our Shares in the future, subject to, among others, the prevailing market price of our Shares and the exercise price of Warrants. This is then expected to contribute towards enhancing shareholders' value over the long term.

From the business, financial and operational perspectives, the Proposed Free Warrants Issue provides our Group with an avenue to raise additional funds as and when the Warrants are exercised into new Shares, which the proceeds arising therefrom will be channelled towards our Group's working capital requirements to support our Group's ongoing business activities, day-to-day operations (as detailed in **Section 2.5** of this Circular), including but not limited to the execution of our Group's property development projects and provision of funds to borrowers under our financing services. This is expected to support our Group's business activities and operations, while providing an additional source of funding without incurring interest costs associated with bank borrowings or relying solely on internally generated funds, thereby providing greater financial flexibility and preserving our Group's cash flow position. The utilisation of such proceeds, when realised, is expected to support the smooth operation of our Group's businesses and, in turn, contribute positively to our Group's financial performance and shareholders' value over the long term.

Nevertheless, our Group's EPS may be correspondingly diluted arising from the increase in the number of Shares in issue as and when the Warrants are exercised into new Shares. As set out in **Section 6.3** of this Circular, the exercise of the Warrants, may increase our Group's share capital and NA position.

3. ADEQUACY OF THE PROPOSED FREE WARRANTS ISSUE IN ADDRESSING OUR GROUP'S FINANCIAL CONDITION

Considering our Group's ongoing efforts to improve the financial performance (as set out in **Section 4 of this Appendix II**), impact of the Proposed Free Warrants Issue (as set out in **Section 2 of this Appendix II**) and the prospects of the property development and financing services industries (as set out in **Sections 5.2 and 5.3** of this Circular, respectively), our Board is of the view that the Proposed Free Warrants Issue will provide the necessary funds to meet the financial requirements of our Group without relying on debt financing, which would result in higher finance cost.

Despite the potential dilution in our Group's EPS in the future as and when the Warrants are exercised into new Shares, the Proposed Free Warrants Issue are expected to create value to our Group and shareholders in the long term as the proceeds to be raised from the exercise of Warrants will be used to supplement the working capital requirements of our Group's day-to-day operations (as detailed in **Section 2.5** of this Circular). Our Board is of the view that the Proposed Free Warrants Issue are appropriate to manage our Company's capital structure and strengthen our Group's financial position, as and when the Warrants are exercised. It also presents an opportunity for our shareholders to increase their equity participation in our Company's future growth. Additionally, our Board will continuously evaluate the viability of other measures to ensure the sustainability of our Group's financial performance as well as various fundraising avenues to support our Group's long-term cash flow requirements.

4. STEPS TAKEN OR TO BE UNDERTAKEN BY OUR GROUP TO IMPROVE OUR FINANCIAL CONDITION

Our Group has undertaken the following initiatives to improve our financial performance and strengthen our financial position:

(i) Streamlining business operations by disposing of dormant and loss-making businesses to focus on our Group's core operating segments and implementing prudent cost management measures to improve our Group's financial performance

During the FYEs 2024, 2025, and 2026, our Group disposed of selected dormant and loss-making subsidiaries within various business segments (as detailed in **Section 1 of this Appendix II**), including, among others, manufacturing, construction, healthcare-related businesses and investment holdings. These disposals were carried out as part of our Group's strategy to streamline our operations, optimise our corporate structure and improve our operational efficiency, while retaining the viable and profitable operations within the respective business segments. This enables our Group to focus on our core businesses of property development and financing services, thereby enhancing our long-term sustainability and financial performance.

Following the aforementioned disposals, our Group has also implemented prudent cost management measures, including rationalising our administrative and operating expenses and reallocating resources towards our core operating segments, particularly the property development, and financing services segments.

These initiatives are intended to enhance our Group's operational efficiency, improve our financial performance and support our long-term sustainability.

(ii) Continuing to expand our Group's property development portfolio and presence in the Southern region of Malaysia

Property development was the main contributor of our Group's revenue for the FYEs 2024, 2025, and 2026. As at the LPD, our Group has completed the Ritze Perdana Project in the Northern region of Malaysia. Currently, our Group is undertaking the development of the Perdana Putera Project, located in Simpang Ampat, Pulau Pinang, which is also situated in the Northern region of Malaysia.

As part of our Group's strategy to expand our property development portfolio and presence into the Southern region of Malaysia, and in view of the positive industry outlook of the property development industry in the Southern region of Malaysia (as detailed in **Section 5.2.2** of this Circular), our Group has undertaken the MMSB Acquisition, and is currently undertaking the development of the Taman Paloh Project located in Taman Paloh, Johor.

Upon completion of the MMSB Acquisition, MMSB became a wholly-owned subsidiary of our Group, allowing our Group to consolidate the financial performance of MMSB and potentially enhance our future profitability.

(iii) Expanding our Group's financing services business into underserved borrower segments, including micro-enterprises, small business operator borrowers, and start-up entrepreneurs

Our Group's financing services business has primarily focused on providing targeted credit facilities, including working capital financing and project financing, to investment holding companies and SMEs. As part of our growth strategy, our Group has expanded our financing services business into underserved borrower segments, including micro-enterprises, small business operators and start-up entrepreneurs, which may have limited access to traditional banking facilities due to stringent lending requirements. Our Board believes that demand for alternative financing solutions from these borrower segments will continue to grow, and our Group is well positioned to leverage our flexible financing model to broaden our customer base, expand our financing portfolio and generate a recurring interest income, while maintaining prudent credit risk management through robust credit assessment procedures, customer due diligence and ongoing monitoring of borrowers' repayment performance.

(iv) Continuously pursuing business initiatives to expand our Group's financing services business

Our Group intends to modernise our financing services business by introducing e-commerce financing, QR financing, and gig financing, supported by online loan application and processing technology to enhance user experience and lower operational costs, thereby improving our Group's profit margins. Automated processing also speeds up our Group's operations, allowing it to issue loans faster to improve user experience and increase transaction volume.

In order to manage non-performing loan risks, our Group also implements stringent credit assessment procedures such as collateral requirements for high-risk borrowers, diversifying our loan portfolio, and maintaining adequate provisions for potential defaults. These measures are aimed at minimising the impairment of loans and spreading out our Group's operational exposure, thereby protecting our Group's cash reserves and improving our resilience.

Our Board will continue to explore opportunities within our Group's existing core business and new viable businesses, and devise new strategies and measures to further strengthen our Group's financial performance in the future.

(Source: our management)

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1. DIRECTORS' RESPONSIBILITY STATEMENT

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

2. CONSENT

TA Securities, being the Adviser for the Proposed Free Warrants Issue, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

3. CONFLICT OF INTEREST

TA Securities has confirmed that there is no conflict of interest that exists or any circumstances which would or is likely to exist in relation to its role as the Adviser for the Proposed Free Warrants Issue.

4. MATERIAL COMMITMENTS

As at the LPD, our Board confirmed that there are no material commitments incurred or known to be incurred by our Group that have not been provided for, which upon becoming due or enforceable, may have a material impact on the financial results or position of our Group.

5. CONTINGENT LIABILITIES

As at the LPD, our Board confirmed that there are no contingent liabilities incurred or known to be incurred by our Group which, upon becoming due or enforceable, may have a material impact on the financial position of our Group.

6. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, save as disclosed below, there is no material litigation, claims or arbitration involving our Group, either as plaintiff or defendant, and our Board confirms that there is no proceeding pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group:

Total IPCO v Khoo Yik Chou, Chong Wei Liang, Chong Wei Chuan, Liow Yee Joo, Lee Ying Ying, Lee Swee Ming, CSTME Resources Sdn Bhd, Seringan Mulia Sdn Bhd, Chung Kah Haur, Unimega Solutions Sdn Bhd, Jin Wang Marketing Sdn Bhd, Ang Yee Sian, PH Prestij Development Sdn Bhd, Low Choon Hean, Tan Yueh Ming, Lee Chee Hoon, Goh Chuen Kheng and Chen Boon Choon (collectively, the "Defendants")
(Penang High Court Civil Suit No. PA-22NCvC-155-09/2026)

On 9 September 2026, Total IPCO commenced legal proceedings against the Defendants by way of a writ of summons and statement of claim.

The proceedings arise from 28 moneylending transactions allegedly arranged and/or approved by Khoo Yik Chou, Chong Wei Liang and Chong Wei Chuan, being former directors of Total IPCO (collectively, the "**Former Directors**"). Total IPCO claims that it had recorded impairment losses exceeding RM44.0 million as at 31 May 2024, and that an audit investigation conducted in July 2024 revealed alleged irregularities involving the said transactions.

The alleged irregularities include, amongst others, the granting of loans to unqualified borrowers, inadequate due diligence, improper loan disbursements, falsification of documents, circular payments and misuse of loan proceeds. Total IPCO alleges that the Former Directors had breached their fiduciary duties, duties of trust and duties of care owed to Total IPCO, whilst the remaining Defendants were allegedly involved in and/or benefited from the said transactions through, amongst others, fraud, conspiracy to defraud, knowing receipt, dishonest assistance and unjust enrichment.

Accordingly, Total IPCO seeks, amongst others, declarations in respect of the alleged breaches of fiduciary duties and trust, repayment and restitution of monies, an account of profits, damages, interest, costs and other reliefs as pleaded in the statement of claim.

Based on the confirmation from the solicitors handling the litigation, the writ of summons and statement of claim have been served on all the Defendants, of which 13 Defendants have entered appearance. The Penang High Court has fixed 16 November 2026 for the Defendants to file their respective defences, and the next case management is fixed on 31 December 2026 to update the Penang High Court on the status of pleadings.

As regards the probable outcome and prospects of success of the proceedings, the solicitors are of the opinion that the prospects of success largely depend on Total IPCO establishing that its Former Directors had breached their fiduciary duties and acted in conspiracy with the other Defendants, which would require sufficient supporting evidence.

The solicitors further clarified that the proceedings involve multiple parties and different claims against the respective Defendants. Based on the documentary evidence furnished by Total IPCO, the solicitors are of the preliminary view that there appear to be wrongdoings in the disbursement of loans involving the Defendants. However, the outcome of the proceedings remains dependent on further evidence uncovered as the case progresses and the testimonies of witnesses at trial. In this regard, the solicitors are presently unable to provide a reliable assessment of the likely outcome of the proceedings.

Total IPCO v Tenaga Era Baru Sdn Bhd ("TEB")
(Shah Alam High Court Suit No.: BA-22NCC-237-12/2024)

On 11 December 2024, Total IPCO filed a suit against TEB arising from TEB's alleged default under a moneylending agreement dated 29 December 2023 ("**Loan Agreement TEB**"). Pursuant to the Loan Agreement TEB, Total IPCO had granted TEB an unsecured loan of RM400,000. Total IPCO alleged that TEB subsequently defaulted on its repayment obligations and had only made partial payments totalling RM30,000 as at 10 October 2024.

Total IPCO claims against TEB for, among others, RM170,100 of outstanding principal, RM36,000 of outstanding interest, RM3,824.42 of late payment interest as at 10 October 2024 and RM235,900 of principal and interest which had not matured but which Total IPCO claims became payable under the Loan Agreement TEB, together with further interest and costs.

On 22 April 2025, TEB filed its defence disputing Total IPCO's claim, including among others, the validity and enforceability of the Loan Agreement TEB and Total IPCO's compliance with the applicable moneylending requirements. On 30 April 2025, Total IPCO subsequently filed its reply to defence and denied TEB's allegations.

On 9 May 2025, Total IPCO applied for summary judgment under Order 14 of the Rules of Court 2012. On 8 July 2025, the Shah Alam High Court ordered the matter to be transferred to the Sessions Court Shah Alam (with the consent of both parties, as the claim sum fell within the jurisdiction of Sessions Court Shah Alam), while the summary judgment application was not determined on its merits. As at the LPD, the matter remains contested and is fixed for trial on 14 April 2027.

Our Board is of the opinion that the prospects of success of the summary judgment application are reasonable, as TEB's defence is considered to be having no merits.

Total IPCO v V Dream KTV Sdn Bhd ("V Dream")
(Penang Sessions Court Suit No.: PA-B52NCC-74-08/2024)

On 13 August 2024, Total IPCO filed a suit against V Dream to recover the outstanding sums due under a moneylending agreement dated 5 July 2022 ("**Loan Agreement VD**"). Pursuant to the Loan Agreement VD, Total IPCO had granted V Dream a loan of RM550,000. V Dream subsequently defaulted on its repayment obligations.

Total IPCO claims against V Dream for, among others, RM550,000 of outstanding principal and RM17,883.22 of late payment interest as at 30 October 2023, together with interest at 8% per annum calculated daily from 31 October 2023 until full settlement, and other reliefs.

V Dream did not enter an appearance and, on 16 October 2024, Judgment in Default was entered against V Dream. V Dream has failed to satisfy the judgment entered against it. As at the LPD, Total IPCO is currently exploring further recovery proceedings, including judgment debtor summons proceedings against the Director of V Dream.

Our Board is of the opinion that there are reasonable prospects of success in obtaining an order against V Dream and/or its Director in the intended judgment debtor summons proceedings, given the subsisting and unsatisfied default judgment.

Total IPCO v Jadem Trading Sdn Bhd ("JT")
(Penang High Court Suit No.: PA-22NCC-78-10/2024)

On 27 October 2024, Total IPCO filed a suit against JT to recover the outstanding sums due under a moneylending agreement dated 1 February 2023 ("**Loan Agreement JT**"). Pursuant to the Loan Agreement JT, Total IPCO had granted JT a loan of RM3,850,000.00. JT subsequently defaulted on its repayment obligations.

Total IPCO claims against JT for, among others, RM1,913,800.00 of outstanding principal and RM76,229.71 of late-payment interest as at 10 September 2024, together with interest at 8% per annum calculated daily from 11 September 2024 until full settlement, and other reliefs.

JT did not enter an appearance and, on 3 February 2025, Judgment in Default was entered against JT. JT has failed to satisfy the judgment entered against it. As at the LPD, Total IPCO is currently exploring further recovery proceedings, including judgment debtor summons proceedings against the Directors of JT.

Our Board is of the opinion that there are reasonable prospects of success in obtaining an order against JT and/or its Directors in the intended judgment debtor summons proceedings, given the subsisting and unsatisfied default judgment.

Total IPCO v Chew Haw Yong ("Chew")
(Kuala Selangor Sessions Court Suit No.: BA-22NCC-149-08/2024)

On 14 August 2024, Total IPCO filed a suit against Chew to recover the outstanding sums due under a moneylending agreement dated 5 July 2024 ("**Loan Agreement CHY**"). Pursuant to the Loan Agreement CHY, Total IPCO had granted Chew a loan of RM2,182,761.64. Chew subsequently defaulted on its repayment obligations.

Total IPCO claims against Chew for, among others, RM2,329,588.45 (comprising RM2,322,258.83 of outstanding principal under the restructured terms and RM7,329.62 of late-payment interest as at 29 July 2024), together with interest at 8% per annum calculated daily from 30 July 2024 until full settlement, and other reliefs.

Chew did not enter an appearance and, on 12 March 2025, Judgment in Default was entered against Chew. Chew has failed to satisfy the judgment entered against him. Total IPCO has since obtained a judgment debtor summons order against Chew. Chew has proposed to repay the outstanding sum at RM5,000.00 per month. As at the LPD, Total IPCO is negotiating with Chew for a higher monthly repayment amount.

Our Board is of the opinion that there are reasonable prospects of recovery against Chew, having already obtained a judgment debtor summons order against him, and that a satisfactory repayment arrangement will likely be concluded.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of our Company at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor during normal business hours from Monday to Friday (except public holidays) for the date of this Circular up to and including the date of our forthcoming EGM:

(i) our Constitution;

(ii) audited consolidated financial statements of our Group for the FYEs 2025 and 2026, as well as the latest unaudited consolidated financial statements of our Group for the 3M FPE 30 June 2026;

(iii) draft Deed Poll;

(iv) letter of consent and declaration of conflict of interest referred to in **Sections 2 and 3 of this Appendix III**, respectively; and

(v) relevant cause papers in respect of the material litigation as referred to in **Section 6 of this Appendix III**.

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XIN SYNERGY GROUP BERHAD
鑫集团有限公司

XIN SYNERGY GROUP BERHAD
(Registration No. 200201024617 (592280-W))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting ("**EGM**" or "**Meeting**") of Xin Synergy Group Berhad ("**XSGB**" or "**Company**") will be held at 1045 (1F), Jalan Muhibah 1, Taman Perindustrian Muhibah, 81400 Senai, Johor, Malaysia on Tuesday, 1 December 2026 at 11:00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following resolution, with or without any modifications:

ORDINARY RESOLUTION

PROPOSED ISSUANCE OF UP TO 284,643,618 FREE WARRANTS IN THE COMPANY ("WARRANT(S)") ON THE BASIS OF 1 WARRANT FOR EVERY 2 EXISTING ORDINARY SHARES IN THE COMPANY ("SHARES") HELD BY THE SHAREHOLDERS OF THE COMPANY WHOSE NAMES APPEAR IN THE RECORD OF DEPOSITORS OF THE COMPANY ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED FREE WARRANTS ISSUE")

"**THAT** subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Board of Directors of the Company ("**Board**") to allot and issue up to 284,643,618 Warrants to the entitled shareholders whose names appear in the record of securities holders established and maintained by Bursa Malaysia Depository Sdn Bhd ("**Record of Depositors**") of the Company as at the close of business at 5:00 p.m. on an entitlement date to be determined and announced by the Company at a later date, on the basis of 1 Warrant for every 2 existing Shares held, in accordance with the provisions of the deed poll constituting the Warrants to be executed by the Company ("**Deed Poll**");

THAT the Board be and is hereby authorised to fix the exercise price of the Warrants at a later date and that the Board be and is hereby authorised to enter into and execute the Deed Poll with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required or imposed by the relevant authorities or as the Board may deem necessary or expedient in the best interest of the Company subject to the provisions contained in the Deed Poll, and with full powers for the Board to implement, finalise and give full effect to the Deed Poll;

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

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

THAT the Board be and is hereby authorised to disregard and deal with any fractional entitlements from the Proposed Free Warrants Issue, if any, in such a manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

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

THAT the Board be and is hereby authorised to utilise the proceeds to be raised from the exercise of the Warrants for such purposes and in such manner as set out in Section 2.5 of the circular to shareholders of the Company dated 16 November 2026, and the Board be authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient or in the best interest of the Company, subject to the approval of the relevant authorities (where required);

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all acts, deeds and things as may be required to give effect to and complete the Proposed Free Warrants Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts, deeds and things for and on behalf of the Company in any manner as they may deem fit or necessary or expedient to implement, finalise and give full effect to the Proposed Free Warrants Issue in the best interest of the Company."

BY ORDER OF THE BOARD,

TEA SOR HUA (MACS 01324) (SSM PC NO.: 201908001272)
LOO HUI YAN (MAICSA 7069314) (SSM PC NO.: 202308000290)
Company Secretaries
Selangor Darul Ehsan
16 November 2026

Notes:

(a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

*(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.*

(e) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 65(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 November 2026. Only members whose names appear in the General Meeting Record of Depositors as at 23 November 2026 shall be regarded as members and entitled to attend and vote at the Meeting.

*(g) To be valid, the instrument appointing a proxy must be deposited at the office of Share Registrar of the Company at Aldpro Corporate Services Sdn. Bhd., **B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia** or alternatively, the Proxy Form can be electronically lodged via the Digerati Portal at **https://xsgb-egm.digerati.com.my** or via email to **admin@aldpro.com.my** not less than **forty-eight (48) hours** before the time for holding the Meeting.*

(h) The resolution as set out in this Notice of Meeting will be put to vote by poll.

(i) Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at https://xinsynergy.com.my for the latest status of the Meeting.

***Personal data privacy**:*

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

XIN SYNERGY GROUP BERHAD
鑫集团有限公司
200201024617 (592280-W)
(Incorporated in Malaysia)

Proxy Form

No. of shares held	
CDS Account No.	

I/We * _____ NRIC/Passport/Registration No.* _____
(Full name in capital letters)

of _____
(Full address)

with email address _____ mobile phone no. _____

being a member/members* of **XIN SYNERGY GROUP BERHAD** ("**Company**") hereby appoint(s):-

Full Name (in capital letters)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Full Address (in capital letters)			
Contact No.			
Email Address			

and/or*

Full Name (in capital letters)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Full Address (in capital letters)			
Contact No.			
Email Address			

or failing him/her*, the Chairman of the meeting as my/our* proxy/proxies* to vote for me/us* on my/our* behalf, at the Extraordinary General Meeting ("**EGM**") of the Company to be held at 1045 (1F), Jalan Muhibah 1, Taman Perindustrian Muhibah, 81400 Senai, Johor, Malaysia on Tuesday, 1 December 2026 at 11:00 a.m. or at any adjournment thereof:

Please indicate with an "X" or "✓" in the appropriate spaces how you wish your vote to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

Resolution	**Particulars**	**For**	**Against**
Ordinary Resolution	To approve the Proposed Free Warrants Issue		

**Delete whichever is not applicable*

Dated this ……. day of …….. 2026

_____
Signature of Member(s) / Common Seal

Notes:

(a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend, participate, speak and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

*(d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.*

(e) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint more than one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 65(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 November 2026. Only members whose names appear in the General Meeting Record of Depositors as at 23 November 2026 shall be regarded as members and entitled to attend and vote at the Meeting.

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Affix Stamp

The Share Registrar

XIN SYNERGY GROUP BERHAD

c/o Aldpro Corporate Services Sdn. Bhd.
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

1st fold here

*(g) To be valid, the instrument appointing a proxy must be deposited at the office of Share Registrar of the Company at Aldpro Corporate Services Sdn. Bhd., **B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, Malaysia** or alternatively, the Proxy Form can be electronically lodged via the Digerati Portal at **https://xsgb-egm.digerati.com.my** or via email to **admin@aldpro.com.my** not less than forty-eight (48) hours before the time for holding the Meeting.*

(h) The resolution as set out in this Notice of Meeting will be put to vote by poll.

(i) Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at https://xinsynergy.com.my for the latest status of the Meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the EGM dated 16 November 2026.