EcoSys (Malaysia) Berhad (ECOSYS)

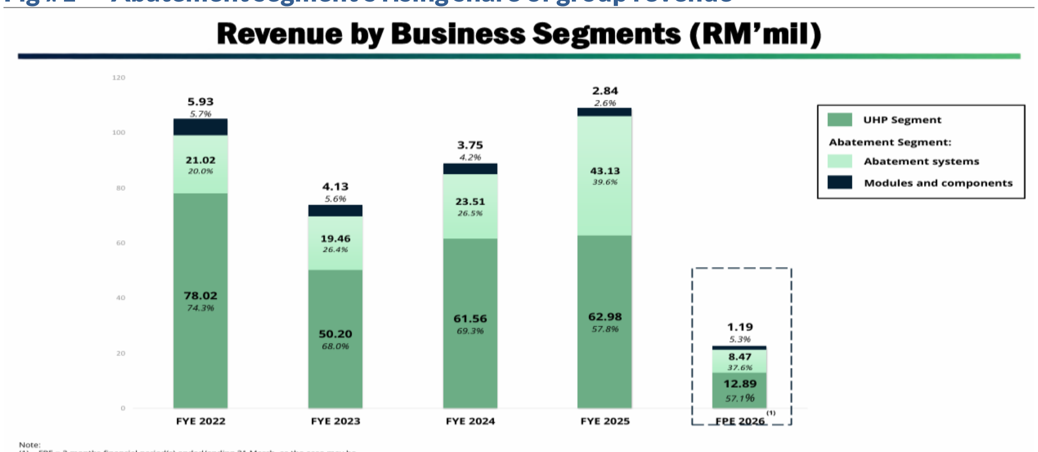
Capturing Growth Beyond Precision

- **EcoSys (Malaysia) Berhad is a Malaysia-based industrial solutions provider serving the pan-semiconductor industry, with core capabilities spanning ultra-high-purity (UHP) fabrication of precision engineering components and sub-assembly modules, and the development and delivery of proprietary abatement systems that capture, treat and neutralise harmful process gases.**
- **We project core PATMI to expand at a 13.6% CAGR to reach RM11.1m, RM13.4m and RM16.4m in FY26–FY28, respectively. This growth is underpinned by (i) a larger contribution from higher-margin abatement systems, (ii) deeper penetration of India's solar-related manufacturing base, and (iii) operating leverage as throughput increases at the Simpang Ampat factory. Secured purchase orders of RM94.3m, including RM63.4m expected for delivery in FY26 and RM30.9m in FY27 based on customer schedules, provide visibility over upcoming deliveries.**
- **We assign a fair value of RM0.32 per share for ECOSYS, indicating an 18.5% upside from the IPO price of RM0.27. Our valuation is derived by ascribing a target P/E multiple of 14.9x to mid-FY27 core EPS of 2.14 sen, representing a 50% discount to the peer average forward P/E of 29.7x.**

Investment highlights

Higher-margin abatement provides a stronger base for earnings growth. Abatement generated RM46.0m revenue and RM13.7m gross profit in FY25, with a gross margin of 29.9% versus UHP's 19.5%, and supplied c.93% of incremental group revenue. At those margins, each ringgit of abatement sales generates roughly 10 sen more gross profit than UHP. Overseas sales representatives, including India-based Zuvay, support customer access through commission-based order solicitation. Group commissions increased from RM0.129m in FY24 to RM3.495m in FY25, mainly for Indian sales, absorbing part of the gross-profit gain. Nevertheless, abatement's established margin advantage positions it to contribute disproportionately to incremental gross profit as sales expand alongside UHP.

Fig #1 Abatement segment's rising share of group revenue



Source: EcoSys (Malaysia) Berhad

Indian manufacturing expansion provides a demonstrated growth avenue. India contributed RM38.2m, or 35.1%, of FY25 group revenue, up from RM6.3m in FY24. EcoSys secured seven new Indian abatement customers during the financial review period through the latest practicable date, with five identified major customers investing in solar-related manufacturing. Customer F, a solar-related manufacturing

IPO Note – Not rated

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Non-Rated

Share price	**RM0.27**
Target price	**RM0.32**
Previous TP	**-**
Capital upside	18.5%
Dividend return	-
Total return	18.5%

Company profile

An engineering group combining UHP components manufactured to customer requirements with the design, integration and supply of abatement equipment. Its proprietary abatement platform originated with product-line and IP acquisitions in 2011. The operating platform includes its Simpang Ampat factory, operational since October 2025.

Stock information

Bursa Code	0477
Bloomberg ticker	ECOSYS MK
Listing market	ACE
Share issued (m)	571.4
Market Cap (m)	154.3
Shariah compliant	Yes
MITI allocation	Yes

Major shareholders	%
Chan Chee Wei	52.2
Solarvest	22.3

Earnings snapshot

FYE (Dec)	FY25	FY26f	FY27f
PATMI (m)	11.2	11.1	13.4
EPS (sen)	2.0	1.9	2.3
P/E (x)	13.8	13.9	11.5

Timetable of IPO

Opening of application	23 September
Closing of application	29 September
Balloting of application	1 October
Allotment of the IPO shares	8 October
Listing on the ACE market	14 October

customer, generated RM22.2m of abatement-system revenue across India and Singapore, equivalent to 20.4% of group sales. These delivered sales provide concrete evidence of solar-manufacturing capex translating into revenue for EcoSys, complementing the strong growth in its Indian business. The planned Indian sales and service centre would bring technical coverage closer to customers, supporting equipment deployment and strengthening relationships that could lead to further installations as manufacturers expand.

Proprietary technology supports customised equipment sales and follow-on opportunities. The 2011 acquisition of abatement product lines and intellectual property established a platform subsequently developed through the 2022 launch of its '91 Series' and microwave-plasma technology. Mechanical and electrical design, programming and system optimisation enable EcoSys to tailor equipment to customer processes, extending its capabilities beyond customer-specified fabrication. System deliveries increased from 99 in FY24 to 194 in FY25, enlarging the installed base that may require replacement modules and technical support. Customisation supports the core equipment offering today, while these follow-on requirements provide additional sales opportunities over the equipment lifecycle, rather than contracted recurring revenue.

Fig #2 Examples of EcoSys abatement product series

Source: EcoSys (Malaysia) Berhad

Secured purchase orders provide delivery visibility into FY27. Group-wide secured purchase orders totalled RM94.3m at 25 August 2026, comprising RM63.4m scheduled for delivery within FY26 and RM30.9m in FY27. These orders establish a tangible base of customer demand and support procurement and production planning against scheduled requirements. Their undisclosed segment mix limits visibility into the associated gross profit, while customer scheduling and acceptance influence the timing of revenue recognition. Timely fulfilment and subsequent collection are therefore central to translating the order pool into earnings and releasing working capital committed to deliveries.

Targeted process investment supports throughput at Simpang Ampat. The relocation addressed the former factory's space constraint, shifting the operational focus towards component availability and individual production processes. RM17.0m of IPO proceeds will fund abatement components and modules, aiming to shorten procurement and delivery lead times by up to four weeks. Separately, the RM2.1m UHP equipment programme includes chemical cleaning and surface treatment to bring outsourced processes in-house. Stock buffers should reduce procurement waits, while in-house processing reduces dependence on external suppliers and provides greater scheduling control. Together, these investments support higher throughput across both businesses from an already operational facility, with scope for better fixed-cost absorption as production scales.

Fig #3 Existing ISO Class 5 cleanroom at Simpang Ampat

Source: EcoSys (Malaysia) Berhad

Company background

EcoSys (Malaysia) Berhad ("EcoSys" or "the Group") combines customer-specified precision engineering with proprietary industrial emissions-treatment equipment. These activities have different sources of value: fabrication earns a return on process execution, while abatement also draws on product design and system integration. The listed holding structure consolidates established common-control businesses. Its July 2026 acquisition of SIW Manufacturing is retrospectively reflected in the combined historical accounts, preserving the operating perimeter for comparisons of growth.

The Group's history traces back to the acquisition of EcoSys PLT in 2005 by Chan Chee Wei and Voon Sin Choo through HTM Technology Sdn Bhd, followed by equipment-parts trading and servicing in 2006 and UHP fabrication through SIW Engineering in 2009. In 2011, 60%-owned BHT acquired abatement product lines and IP from Applied Materials, adding a proprietary product platform to those activities. BHT became wholly owned in 2012 as abatement manufacturing began in Singapore; production progressively relocated to Penang from 2020. Solarvest's secondary purchase in December 2024 changed ownership without adding operating funds.

SIW Manufacturing, SIW Engineering, EcoSys PLT and BHT form the operating structure. The Simpang Ampat factory began operations in October 2025, so the IPO finances stock, selected equipment, people, market development and debt reduction around an existing facility. This deployment shifts the immediate task from establishing premises to coordinating procurement, engineering and customer delivery. The enlarged equity base will earn a return only as those resources support profitable sales and collections.

Fig #4 Corporate milestones

Source: EcoSys (Malaysia) Berhad

Industry overview

EcoSys operates across precision engineering and industrial abatement, with distinct addressable markets and demand drivers. Malaysia's precision-engineering solutions industry, measured by fabricated-metal-product sales, grew from RM6.5bn in 2021 to RM9.7bn in 2025, a 10.5% CAGR, and PROVIDENCE expects it to reach RM11.9bn by 2027, implying 10.8% CAGR. Meanwhile, the global abatement solutions industry grew from RM4.3bn in 2021 to RM5.5bn in 2025, a 6.3% CAGR, and is projected to reach RM6.0bn by 2027 at 4.4% CAGR. EcoSys accounted for c.0.6% and c.0.8% of these respective markets in FY25, although these shares are based on broad market denominators and are not direct measures of competitive strength.

Demand is supported by manufacturing expansion and increasingly stringent production requirements. In UHP, smaller semiconductor geometries raise the importance of contamination control, process consistency and yield optimisation, supporting demand for qualified precision-engineering components. In abatement, hazardous gases generated during semiconductor and downstream manufacturing require treatment to reduce environmental impact and meet emissions requirements. While broader semiconductor, AI, 5G, solar and EV trends support the addressable markets, EcoSys's clearest recent growth driver has been India. India contributed RM38.22m, or 35.1% of FY25 revenue, up from RM6.32m in FY24, while the Group secured seven new Indian abatement customers, including five major customers investing in solar-related manufacturing processes.

However, growth remains subject to customer capex cycles and execution. Abatement demand moderated in 2023 alongside weaker semiconductor-equipment capex, highlighting the project-driven nature of the business. EcoSys also relies on purchase orders rather than long-term agreements, with Customer A and B remaining significant contributors, while Customer F accounted for 20.4% of FY25 revenue and Customer J accounted for 20.0% of FPE26 revenue. Against this backdrop, the Simpang Ampat relocation increased abatement assembly capacity by c.49%, while additional UHP equipment and an India sales and service centre should enhance its ability to convert customer expansion and upgrade activity into revenue.

Substantial Shareholders and Key Management

1. Chan Chee Wei – Promoter, Substantial Shareholder and Managing Director
Responsible for the Group's business direction, growth strategies and R&D. A Computer Science graduate of Universiti Sains Malaysia, Chan previously held sales and management roles at Kinetics Process Systems and Celerity Singapore. Together with his spouse, Voon Sin Choo, he acquired EcoSys PLT through HTM Technology Sdn Bhd in 2005 and SIW Engineering in 2009, before founding SIW Manufacturing in 2019. Post-IPO, he holds a 52.2% direct equity interest.

2. Gan Teck Hooi – Non-Independent Non-Executive Chairperson
Appointed in October 2025, Gan is an ACCA fellow and Chartered Accountant with MIA. His career spans finance and management roles at Rohas-Euco Industries, TSH Resources, Polymer Composite Asia and Poney Garments, where he became Group COO. He founded ICFO Solutions and concurrently serves as an Independent Non-Executive Director of Solarvest.

3. Dato' Chong Chun Shiong – Non-Independent Non-Executive Director
Appointed in June 2026 as Solarvest's corporate representative. An engineering graduate of Universiti Teknologi Malaysia with an MBA from University of Ballarat, he previously worked at Intel, Avago Technologies and Dell. He joined Atlantic Blue as

Marketing Director in 2014 and became Solarvest Group CEO in 2017 and Executive Director in 2021.

4. Ooi Eng Ghee – Chief Financial Officer
Oversees the Group's accounting and financial functions. A member of MIA with a Bachelor of Commerce, Accounting from Nelson Polytechnic, New Zealand, Ooi joined in 2023. His prior roles include General Manager, Finance and Admin at Ya Horng Electronic and Vice President, Finance at BW Yee Seng Steel Industries. He also serves as a director of SIW Manufacturing and Anhui Automation.

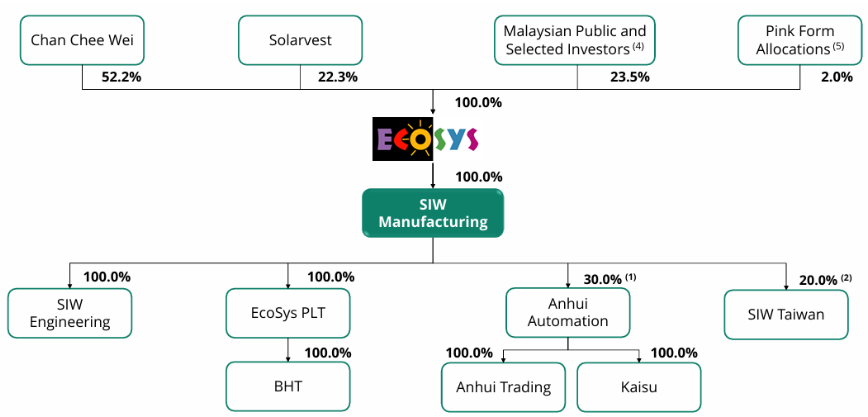
5. Prakash A/L Manogaran – Chief Operating Officer
Joined in 2025 and oversees factory operations, production planning and manufacturing-process optimisation. His experience spans AMD, Seagate, Silterra, Flextronics, Infineon and Intel, where he was Penang Advanced Packaging Industrial Engineering Group Leader. He holds a Master of Manufacturing Systems Engineering from Universiti Putra Malaysia.

6. Lim Siew Chern – Office Manager
With the Group since 2009, Lim oversees its overall administrative functions. Her earlier experience includes secretarial and administrative positions at Cairn Energy, Siemens Advance Engineering, Kinetics Process Systems and Celerity Singapore. She holds a Certificate of Completion for the Private Secretary Course from Bras Basah Commercial School, Singapore.

7. Aaron Marrsel Anthony A/L Victor – Sales Manager
Leads sales operations, customer relationships and market-expansion activities. Aaron joined in 2021 from Pentamaster Technology and progressed through manufacturing engineering, quality, sales/application and product-management roles before becoming Sales Manager in 2025. He holds a Diploma in Mechatronic Engineering from PSDC.

8. Wang ShenHao – Operations Manager
Oversees production and daily shop-floor operations, reporting to the COO. Wang began at SIW Engineering in 2008 and subsequently worked in quality roles at Shanghai Jianfeng and EMAG China. He joined Anhui Automation in 2018, became Operations Manager in 2022 and transferred to SIW Manufacturing in 2025. His qualifications are in metal cutting, mechanical processing and CNC.

Fig #5 Post-IPO structure



Notes:
(1) The remaining 70.0% equity interests are held by Wuhu Zhi Ce (34.0%), Shanghai Huasun (13.5%), Anhui Xuansheng (12.0%) and Forever Fame (10.5%).
(2) The remaining 80.0% equity interests are held by GAT Asset (40.0%), Chen-Tai (15.0%), Future Investment (15.0%) and Wu Min Xu (10.0%).
(3) Based on the enlarged share capital of 571,354,000 Shares after our IPO.
(4) Including Bumiputera investors approved by MITI.
(5) Assuming that all Eligible Persons will subscribe for the Pink Form Allocations.

Source: EcoSys (Malaysia) Berhad

Fig #6 Use of proceeds

Use of proceeds	RM'm	%	Estimated time frame
Expansion of abatement segment through the purchase of key components and modules of abatement systems	17.0	43.2	Within 36 months
Repayment of bank borrowings	8.0	20.3	Within 12 months
Enhancement of operational capabilities through the purchase of machines and expansion of team	4.9	12.5	Within 36 months
Expansion of geographical coverage in India	1.5	3.9	Within 24 months
Working capital	2.4	6.0	Within 12 months
Estimated listing expenses	5.5	14.0	Within 1 month
Total	39.3	100.0	

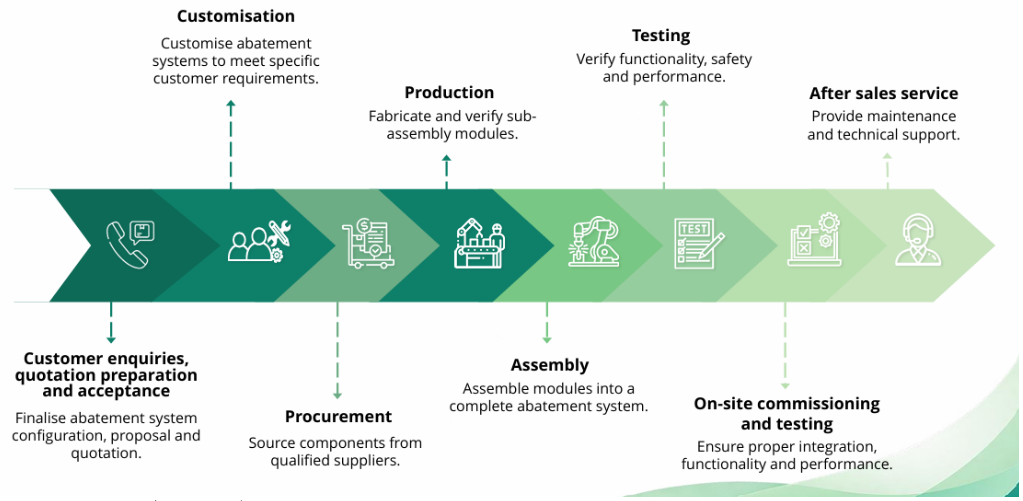
Source: EcoSys (Malaysia) Berhad

Business overview

UHP precision fabrication — 57.8% of FY25 revenue. The Group machines, welds, cleans and tests components to demanding customer specifications. Pricing reflects materials, complexity, quantity and delivery requirements. Precision components accounted for all disclosed FY25 and Q1 2026 UHP revenue, despite the availability of sub-assembly capabilities. Customers A and B contributed 52.8% of group revenue, equivalent to c.91.4% of UHP sales. B manufactures for A, creating additional unquantified exposure to the same underlying customer platform.

Abatement systems and components — 42.2% of FY25 revenue. The segment supplies customised industrial emissions-treatment systems alongside replacement modules/components. FY25 systems revenue was RM43.13m and modules/components RM2.84m. Systems delivered increased from 99 to 194, while average selling prices declined. Higher sales therefore reflected volume and mix rather than uniform pricing power. Revenue recognition follows the applicable delivery/control-transfer and acceptance terms; progressive invoicing does not itself establish recognised sales or cash collection.

Fig #7 Abatement delivery process: from enquiry to after-sales support



Source: EcoSys (Malaysia) Berhad

Fig #8 Principal business activities and services provided

Principal Business Activities	Industrial solutions for the pan-semiconductor industry	
Business Segments	UHP Segment	Abatement Segment
Description of Business Activities	Fabrication of precision engineering components and sub-assembly modules	R&D, customisation, assembly, installation, testing, commissioning and maintenance of abatement systems
Products	 Precision engineering components and sub-assembly modules	 Abatement systems
Application	• Semiconductor manufacturing equipment • Solar PV panels manufacturing equipment	• Front-end semiconductor manufacturing equipment • Semiconductor manufacturing • Solar PV panels manufacturing equipment • Industrial gas supply systems
Revenue Contribution in FYE 2025	RM62.98 million (57.8%)	RM45.97 million (42.2%)
Principal Markets and Revenue Contribution in FYE 2025	India (RM38.22 million or 35.1%); Singapore (RM36.09 million or 33.1%)	Malaysia (RM29 .65 million or 27.2%)

Source: EcoSys (Malaysia) Berhad

Fig #9 SWOT analysis of ECOSYS

Strength	Weakness
• **Qualified fabrication.** Integrated processes and an ISO Class 5 cleanroom support high-purity applications. • **Proprietary abatement.** IP and R&D support customisation; FY25 gross margin was 29.9% versus UHP's 19.5%. • **Existing factory.** Simpang Ampat has operated since October 2025, providing a base for process upgrades.	• **Connected customers.** Customers A/B contributed 52.8% of FY25 group revenue; while Customer B also manufactures for Customer A. • **Limited recurrence.** Modules and/or components were 2.6% of FY25 revenue; equipment orders dominate.
Opportunity	**Threat**
• **Indian installations.** Seven new abatement customers offer scope for further orders and local support. • **Follow-on demand.** Deliveries rose from 99 in FY24 to 194 in FY25, enlarging the potential replacement/service base. • **Wider customer reach.** Additional sales/service channels could broaden the addressable customer base.	• **Customer project delays.** Financing, commissioning or acceptance delays can defer deliveries and collections. • **Cost absorption.** Commissions and staffing can consume gross-profit gains before sales scale. • **Competition and IP exposure.** Pricing, territorial rights and losses at 30%-owned Anhui can constrain returns.

Source: M+ Research

Financials

Revenue and income highlights. FY25 revenue rose 22.7% to RM108.9m, with abatement supplying c.93% of incremental sales. The richer segment mix lifted gross profit by 54.8% to RM26.0m and gross margin to 23.9%. PATMI grew more moderately, increasing 21.1% to RM11.20m, as commissions rose from RM0.129m to RM3.495m, adverse FX and associate losses weighed on earnings, and other income declined RM2.57m following the non-recurrence of referral fees and disposal gains. Performance softened in the audited March 2026 quarter: revenue fell 28.5% to RM22.6m, PBT declined 36.8% and PATMI decreased 48.6% to RM2.2m against the unaudited prior-year quarter. The sharper PATMI decline also reflected the November 2025 expiry of SIW Manufacturing's 70% tax exemption on statutory income from qualifying promoted products. We view FY25 as evidence of stronger gross profitability, although selling costs limited the earnings retained and the subsequent quarter showed both operating and tax pressure.

Balance sheet. At 31 March 2026, cash equivalents excluding pledged deposits stood at RM12.3m against borrowings of RM19.2m and separate rental lease liabilities of c.RM0.1m. Working capital accounted for a substantial part of the operating asset base, with inventory of RM47.9m, including RM37.6m of raw materials, and trade receivables of RM21.8m. By 25 August 2026, RM9.8m of the March receivable balance had been collected, leaving RM12.1m outstanding. Most invoices already overdue at March had been settled, although the disclosure does not provide refreshed ageing for the remaining cohort. The concentration of inventory in raw materials highlights the funding committed before completed deliveries, while the subsequent collections provide evidence of cash recovery without establishing the recoverability of every remaining balance.

Cash flow. FY25 operating cash flow improved to RM6.8m from RM2.4m, equivalent to 60.3% of PATMI. This remained below investing outflows of RM8.0m, which included RM4.5m invested in associates and RM3.1m of cash purchases of property, plant and equipment. Financing inflows moderated to RM0.8m from RM10.7m in FY24, when term-loan drawdowns were larger. No dividends were paid in FY25, while FY24's RM1.0m payment settled earlier declarations. In Q1 2026, operating cash flow reached RM4.9m despite lower earnings, supported by payables and contract liabilities. March payable days of 103 exceeded normal 30–60-day terms, although 97.5% of that payable cohort was subsequently settled by the latest practicable date. Contract liabilities may arise from billing or collection, so their increase cannot be assumed to represent cash receipts in full. Overall, cash conversion improved, but the quarterly inflow also benefited from the timing of working-capital movements rather than stronger profitability alone.

Earnings forecasts. Looking ahead, we forecast core PATMI to reach RM11.1m, RM13.4m and RM16.4m in FY26–FY28, respectively, alongside revenue of RM120.0m, RM132.1m and RM148.8m. Growth is supported by (i) a larger absolute contribution from higher-margin abatement systems, (ii) deeper penetration of India's solar-related manufacturing base, and (iii) better operating-cost absorption as throughput increases at the Simpang Ampat factory. Continued expansion in UHP component volumes complements abatement growth, with UHP remaining the Group's largest revenue contributor. Secured purchase orders of RM94.3m at 25 August 2026 comprise RM63.4m scheduled for delivery in FY26 and RM30.9m in FY27 based on customer schedules, providing visibility over upcoming deliveries while our forecasts also incorporate further order intake and fulfilment. Abatement's FY25 gross margin of 29.9%, versus UHP's 19.5%, positions the segment to contribute disproportionately to incremental gross profit as sales grow, despite a broadly stable revenue mix. The translation into earnings will also depend on commissions and staffing costs as operations expand. FY26 core PATMI is expected to remain broadly flat following tax-incentive expiry, while reported PATMI is forecast at RM7.7m after c.RM3.36m of one-off listing expenses, with no tax benefit assumed. Thereafter, growth across both businesses and improved operating profitability support core earnings expansion in FY27–FY28.

Fig #10 Financial Highlights

FYE Dec (RM m)	FY24	FY25	FY26f	FY27f	FY28f
Revenue	88.8	108.9	120.0	132.1	148.8
EBITDA	13.0	15.9	18.8	21.9	26.1
EBIT	11.0	13.9	16.8	19.9	24.0
PBT	9.6	12.1	15.0	17.9	21.9
PAT	9.2	11.2	11.1	13.4	16.4
PATMI – Core	9.2	11.2	11.1	13.4	16.4
PATMI – Reported	9.2	11.2	7.8	13.4	16.4
% change YoY – Core PATMI	-29%	21%	-1%	20%	23%
Core EPS (sen)	1.6	2.0	1.9	2.3	2.9
P/E (x)	16.7	13.8	13.9	11.5	9.4
EV/EBITDA (x)	10.7	8.7	7.4	6.3	5.3
DPS (sen)	-	-	-	-	-
Yield (%)	0%	0%	0%	0%	0%
BVPS (RM/share)	0.1	0.1	0.2	0.2	0.2
P/B (x)	3.3	2.7	1.5	1.4	1.2
ROE (%)	22%	22%	14%	13%	13%
Net Gearing (x)	0.2	0.2	CASH	CASH	CASH

Source: Company, M+Global Research

Valuation

We derive a fair value of RM0.32, based on 14.9x P/E multiple pegged to mid-FY27f core EPS of 2.14 sen, implying 18.5% upside from the RM0.27 IPO price. Our selected peers—Frontken, Kelington, UWC, CPE Technology, Kobay Technology, SFP Tech, Coraza and Aemulus—provide related exposure to semiconductor engineering, precision manufacturing and supporting services. The basket trades at an average forward P/E of 29.7x across the five companies with available estimates. We apply a 50% discount to reflect EcoSys's smaller scale and greater uncertainty surrounding the sustainability of its earnings and cash conversion. Customers A and B accounted for 52.8% of FY25 revenue and operate within an interconnected supply chain, while abatement sales remain dependent on customer equipment-investment cycles. Higher commissions absorbed part of FY25's gross-profit improvement, and operating cash flow represented 60.3% of PATMI. The discount also reflects ROE normalising from 21.7% in FY25 to approximately 13%–14% over FY26–FY28 following tax-incentive expiry and the enlarged post-IPO equity base.

Nevertheless, EcoSys's growth platform is established: proprietary abatement products, demonstrated Indian customer demand and an operational manufacturing facility provide tangible foundations for expansion. We see earnings growth being driven by deeper penetration of existing markets and a richer product mix, rather than relying on unproven commercial initiatives. Our forecasts incorporate broadly flat FY26 earnings before core PATMI rises to RM13.4m in FY27 and RM16.4m in FY28 as abatement contribution and operating-cost absorption improve. Forecast ROE of 13%–14% also remains above the peer basket's reported average of 10.9%, providing an indicative reference for its prospective capital efficiency despite differing periods. The 50% discount represents our judgement of the appropriate balance between these growth prospects and execution requirements. It recognises EcoSys's engineering capabilities and customer access while retaining a meaningful allowance for concentration, delivery timing and working-capital intensity.

Fig #11 Peers comparison

Company	Market Group	FYE	Price (RM)	Market Cap (RM'm)	P/E (x)	Forward P/E (x)	ROE (%)	NP Margin (%)
EcoSys (Malaysia) Berhad	**ACE**	**Dec**	**0.27**	**154.3**	***13.78**	****14.9**	***21.7**	***10.3**
Frontken Corp	MAIN	Dec	5.05	9,155.3	46.5	37.7	14.2	25.4
Kelington Group	MAIN	Dec	8.99	7,914.7	43.6	26.3	25.2	11.8
UWC Bhd	MAIN	Jul	6.88	7,594.3	104.4	49.9	14.6	10.5
CPE Technology	MAIN	Jun	1.29	866.0	47.4	n/a	5.5	15.5
Kobay Technology	MAIN	Jun	2.35	761.8	15.3	n/a	12.8	9.2
SFP Tech Holding	ACE	Dec	0.26	627.1	113.0	n/a	2.4	3.8
Coraza Integrated Technology	ACE	Dec	1.09	541.1	29.8	20.6	12.4	8.8
Aemulus Holdings	ACE	Sep	0.43	285.9	75.9	14.2	0.1	4.9
Avg ex-EcoSys (Malaysia) Berhad				**3,468.3**	**59.5**	**29.7**	**10.9**	**11.2**

Investment risks

Concentrated customer and equipment demand. Customers A/B account for 52.8% of FY25 group revenue and are economically interconnected. Indian abatement growth introduces additional equipment-investment exposure rather than guaranteed diversification into recurring income. A spending pause or project delay could reduce volumes despite continuing long-term demand for the end products.

Delivery, expansion and cost absorption. Acceptance delays may shift both sales and contribution while staffing and other fixed costs continue. The disclosed order pool is not a guarantee of margins or collection. At 20% slippage on the FY26 schedule and a 20% contribution assumption, c.RM1.93m after-tax contribution shifts out of the delivery period.

Working-capital and collection pressure. Stock accumulation ahead of deliveries, slower customer payments and normalising supplier terms could absorb a large part of IPO liquidity. UHP cancellation charges are linked to timing and committed costs. Abatement instead uses upfront/progressive payment and forfeiture provisions, without the same cancellation-fee schedule; billing still does not ensure collection. The uncollected March receivable cohort merits refreshed ageing and subsequent-receipt evidence.

Tax, currency and earnings comparability. Pioneer Status expired in November 2025 and renewal is not intended. Historical incentives, FX, associate results and forthcoming listing expenses complicate comparisons. Of the RM5.5m estimated listing expenses, c.RM3.36m will be charged to profit or loss and c.RM2.14m set off against share capital; the entire amount should not be deducted from PAT.

IP, associates and governance. Chinese IP assignments are permanent, whereas territorial restrictions and R&D arrangements have separate durations. Expiry of the two-year restriction in November 2026 does not imply reversal of transferred rights. Minority ownership limits control over Anhui. The directors other than Chan expressly classified several historical related-party transactions, including Chinese IP arrangements, as not conducted at arm's length. These factors can affect future competitive positioning and returns.

Environmental, Social and Governance (ESG) Practices

Environmental

- **Disclosed operating practices.** The Group reports waste-handling and recycling/reuse practices alongside lighting-efficiency measures. Planned solar-panel installation is not treated as an achieved benefit. Selling emissions-treatment equipment does not independently establish a quantified reduction in the Group's own emissions.

Social

- **Workplace safety and employee welfare.** Disclosed measures include protective equipment, emergency-response arrangements and occupational-safety practices. Historical accommodation compliance matters should be considered alongside management's remediation disclosures, rather than assuming that policies alone establish complete compliance.

Governance

- **Board oversight.** Three of six directors are independent, while the chair is non-independent. The audit/risk committee was established in November 2025. Independent oversight should be assessed through its treatment of related-party matters and capital allocation, not committee existence alone.
- **Policies and compliance history.** Whistleblowing and anti-bribery policies are disclosed. Past waste, premises, building, accommodation and filing issues were also reported, with remediation described by management. No material litigation is disclosed; remediation should not be read as eliminating every enforcement risk.

Stock recommendation guide

BUY	The share price is expected to appreciate more than 10% over the next 12 months
HOLD	The stock price is expected to range between -10% and +10% over the next 12 months
SELL	The share price is expected to fall more than 10% over the next 12 months
TRADING BUY	The share price is projected to rise more than 10% over the next three (3) months due to an ongoing or impending corporate development. The stock price is also expected to be volatile over the next three months
TRADING SELL	The stock price is expected to fall more than 10% over the next three months due to an ongoing or impending corporate developments. The stock price is also expected to be volatile over the next three months
NOT RATED	No recommendation is assigned